



ANNUAL REPORT

2016



**CREATE
THE FUTURE**



TBI ANNUAL REPORT 2016

This integrated Annual Report provides a cohesive insight into TBI's financial performance and its non-financial performance. It has been prepared in accordance with the guidelines of the Integrated Reporting Framework and the Global Reporting Initiative, G4 (Core). The GRI G4 content index with references to where information can be found in this report is available on the annual report site at <http://jaarverslag.tbi.nl/en/>

To realise our ambition of leadership in sustainability, we will review our sustainability strategy in 2017 and revise our goals and KPIs. The new strategy and goals will be guided principally by the Sustainable Development Goals (SDGs).

The main target groups of this Annual Report are our shareholder, clients, employees, partners, suppliers and NGOs.

We would be pleased to receive your questions, comments and suggestions by email: communicatie@tbi.nl

This is an English translation of the Dutch language integrated Annual Report 2016. Should different interpretations arise, the Dutch version prevails. The annual reports are also available at <http://jaarverslag.tbi.nl/en/>.

TBI Holdings B.V.

Wilhelminaplein 37
3072 DE Rotterdam
The Netherlands
P.O. Box 23134
3001 KC Rotterdam
The Netherlands
T +31(0)10 – 2908500

www.tbi.nl
communicatie@tbi.nl

Chamber of Commerce number 24144064



 **croonwolter&dros** | TBI

 **comfort partners** | TBI

 **eekels** | TBI

WTH

 **jp van eesteren** | TBI

 **era contour** | TBI

 **groothuis** | TBI

 **hazenbergh** | TBI

 **nico de bont** | TBI

 **koopmans** | TBI

 **mdb** | TBI

 **voorbij prefab**

HEVO

SYNCHROON

 **mobilis** | TBI

 **servicis** | TBI

 **timmermans** | TBI

 **mobilis danmark** | TBI

 **voorbij funderingstechniek**

CONTENTS

MESSAGE FROM THE CEO	5	SCOPE AND RESPONSIBILITY	66
ABOUT TBI	6	ANNUAL ACCOUNTS	67
• TBI's field of operations	6	• Consolidated balance sheet as at 31 December 2016	68
• Profile	7	• Consolidated profit and loss account for 2016	69
STAKEHOLDERS DIALOGUE	8	• Consolidated statement of cash flows for 2016	70
MATERIAL THEMES	11	• Notes to the consolidated accounts	72
HOW TBI CREATES VALUE		• Notes to the consolidated balance sheet	77
• Mission	12	• Notes to the consolidated profit and loss account	83
• TBI's business model	12	• Company balance sheet as at 31 December 2016	87
• Strategic framework	13	• Notes to the company accounts for 2016	88
KEY FIGURES TBI	14	• Appropriation of the result for 2015	92
TBI IN THE MARKET - Strengthen the market position	18	• Proposed appropriation of the result for 2016	92
• Development	18	• Subsequent events	92
• Housing	22	OTHER INFORMATION	93
• Non-residential	28	• Provisions of the Articles of Association on the appropriation of the result	93
• Engineering	32	INDEPENDENT AUDITOR'S REPORT	94
• Mobility	38	ASSURANCE REPORT OF THE INDEPENDENT AUDITOR	96
• Sustainable innovation and cooperation	40	MANAGEMENT BOARDS OF THE TBI COMPANIES	100
• Innovations in the supply chain	42	OPERATIONAL STRUCTURE TBI	101
FINANCIAL - Maintain a solid profile	43	GLOSSARY	102
• Operating income and results	43	CREDITS	103
• Orders received and order book	44		
• Balance sheet	44		
• Financing	45		
• Engineering, Construction & Development, and Infrastructure results	45		
• Prospects	46		
EMPLOYEES - An attractive workplace	47		
• Employee development	47		
• Training and development	48		
• Labour relations and employment conditions	49		
• Health and safety	50		
ENVIRONMENT - Reducing the impact	51		
• Energy and CO ₂	51		
• Raw materials and supply chain cooperation	52		
SOCIETY - Corporate responsibility and engagement	53		
• Integrity	53		
• Respect for the community	54		
• Corporate social responsibility	55		
GOVERNANCE	56		
• Risk management	56		
• Corporate governance	59		
• Report of the Supervisory Board	61		
• Composition of the Executive Board	64		
• Composition of the Supervisory Board	65		



**CREATE
THE FUTURE**

MESSAGE FROM THE CEO

The economic recovery in the Netherlands continued in 2016. Thanks to historically low interest rates and firmer consumer confidence, investments picked up again. Our industry profited mainly from the strong growth of the housing market. The infrastructure and non-residential markets are also showing tentative signs of recovery. TBI achieved a modest improvement, with its operating income rising to €1,573 million in 2016. A substantial provision for losses on the project for the European Patent Office (EPO), however, meant we closed 2016 with a negative result from normal activities of €7 million. After adjustment for this provision, the result from normal activities was €15 million positive. TBI's financial position remains strong, with a solvency ratio of 36%. The EPO project unequivocally demonstrates the overriding need for active and professional risk management in combination with strict project control when working on high-risk design and build contracts.

WORKING TOGETHER ON CONSTRUCTION PROJECTS

We will have to overcome major social challenges in the decades ahead. Society is changing rapidly. Digitisation, energy transition and urbanisation are shaping the country's built environment and the way we work. This is prompting us to reconsider our approach to the construction projects of the future. How will we meet the demand for housing? How can we make the existing housing stock more sustainable? How can we make sustainable, smart buildings? How can we make mobility safe and accessible? And how can we remain an attractive employer for professionals and young talent? A healthy construction industry is of vital importance if we are to meet the challenges of the future.

More construction projects will have to be carried out in partnership. Rijkswaterstaat, the Dutch Directorate-General for Public Works and Water Management, has taken a positive step in this direction by launching its "Market Vision 2020" project in cooperation with other public contracting authorities and the construction industry. The Vision lays the groundwork for better cooperation and a fair and realistic allocation of risks.

A second initiative to address the challenges of the future is the Construction Agenda 2017-2021 prepared by the Construction Taskforce. It considers ways to future-proof the nation's infrastructure, make the existing housing stock more sustainable and improve the use of renewable raw materials. A million extra homes must be built in the coming years. We can realise these ambitions only if the construction industry innovates and the government relaxes regulations where appropriate.

CREATE THE FUTURE

The Construction Agenda's ambitions are reflected in our mission: TBI – create the future. Sustainability is a key factor in all our projects – from newbuilds to existing stock – and in all our markets. Technology is interwoven throughout all our work. By innovating we can develop our company and devise strong, sustainable solutions for the built environment.

We again concentrated on doing what we do better and smarter in the past year. At the end of 2016, for example, we rounded off the merger of Croon Elektrotechniek and Wolter & Dros into a single strong technology firm operating under the name Croonwolter&dros. We have pooled the electrical engineering, mechanical engineering and automation and information disciplines in this company. The key word in 2016 was "interaction".

The interaction between our companies when they share knowledge and work together. The interaction between our skills and the sophisticated digitisation and industrialisation of the construction process. We are using the Building Information Model, for example, on more projects. The interaction between experienced staff and young talent. And the interaction with our customers so that we can serve them even better.

Our companies worked on inspirational projects in 2016. Some of them are highlighted in this report. Each one of them illustrates our commitment to professionalism and reflects our values. They are the distillation of our skills, business flair, innovative strengths and cooperation. Safety was also a high priority during the year. In 2016, for instance, we introduced a group-wide TBI Safety Day for all employees. We also developed new tools to improve safety awareness and safe conduct.

A WORD OF THANKS

We are looking to the future with confidence. Our companies are bursting with ambition and are eager to make smart use of the opportunities that arise. Our order book has increased by 20% to €2.1 billion. Thanks to the synergies generated by our companies, TBI commands a distinctive position on the market and can satisfy the increasingly complex demands made by our clients. We have won some excellent contracts. They include the construction of a new lock at Eefde, the renovation of Huis ten Bosch Palace, renovation of Naturalis natural history museum in Leiden and the construction of the Rijnlandroute, a new connection between the A44 and A4 motorways. All these projects are a good match for TBI's profile.

We would like to thank everyone who contributed their commitment, know-how, skills, experience and professionalism to TBI in the past year. And we would like to thank our clients, partners and shareholder for their support and trust.

Rotterdam, 21 March 2017

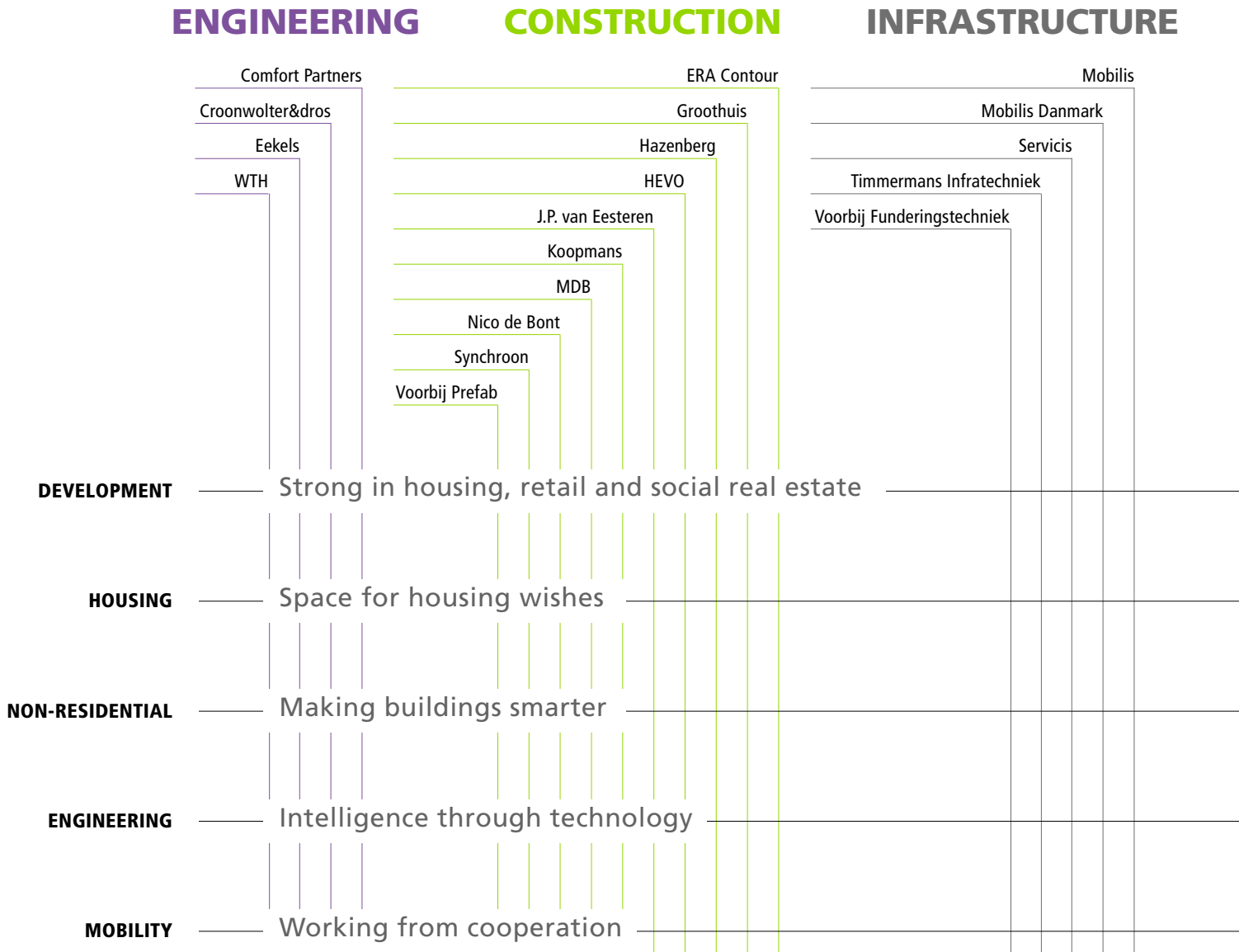
Daan Sperling

CEO of the Executive Board,
TBI Holdings B.V



ABOUT TBI

TBI's field of operations



Profile

TBI is a group of companies that renew, organise and maintain the physical environment: houses, offices, schools, hospitals, roads, tunnels, bridges, locks, factories and maritime installations. Our work can be seen throughout the Netherlands, from modest initiatives to major, high-profile projects for public and private clients.

TBI has five business clusters in the Engineering, Construction & Development, and Infrastructure markets in which its companies serve their clients with their own disciplines, work together and share their knowledge. The clusters are:

Development - Housing - Non-residential - Engineering - Mobility

With an average workforce of 5,556 FTEs, TBI achieved an operating income of €1,573 million in 2016.

TBI is a private limited company subject to the full dual-board regime in the Netherlands. Its ultimate and sole shareholder is Stichting TBI. This structure enables the group to take its own decisions with a view to maintaining its vitality and continuity in the longer term.

AGILE NETWORK ORGANISATION

Together, the TBI companies form an agile network organisation. Each company operates under its own name but also works with and for the others. For TBI, this cross-fertilisation is a source of innovation and synergy. Moreover, it strengthens our effectiveness and expertise when working on multidisciplinary development, construction and maintenance projects. Our network organisation offers every opportunity for entrepreneurship. We welcome our clients' challenges and we enjoy challenging them. We are proud of the mutual trust and respect. We understand our clients, share the same ideas and keep asking questions until we find the best solution to renew, organise and maintain our built environment sustainably.

SUSTAINABILITY

Sustainability is an integral part of our day-to-day work. In our pursuit of the right balance between social engagement and economic progress, we prioritise long-term continuity. Our decisions are based on economic and sustainability criteria. In our vision, sustainability is inextricably linked to product and process innovation. That is why all TBI companies offer their clients sustainable solutions. They are opportunities to create extra value.

ATTRACTIVE WORKING CONDITIONS

As a responsible employer, we offer our staff good working conditions, education and training, healthy labour relations and good employment terms so that they can work in a safe and healthy workplace.

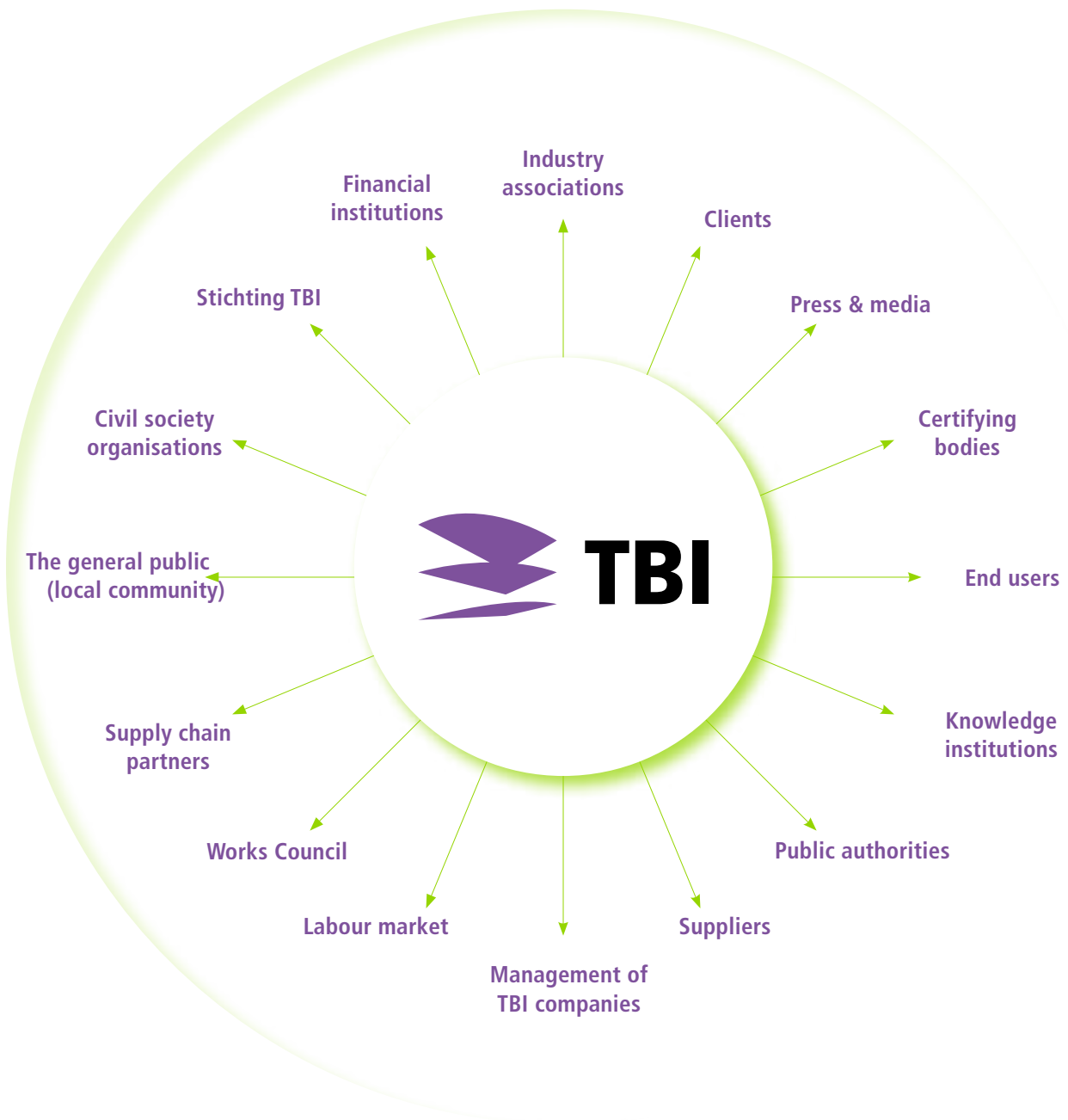
Our employees are our most valuable assets, now and in the future. They cement the sustainable relationship with our clients and generate added value. They understand their professions, speak the same language and share the same values and ambitions. They also take their own initiatives to arrive at unexpected, innovative solutions.

Our ambition is to offer talent the best working environment where they can enjoy working on our projects and continuously improve themselves, fully aware that construction is not an end in itself but a means. Our core values are responsibility, passion and interaction.

STAKEHOLDERS DIALOGUE

Stakeholder engagement

TBI is an engaged, responsible service provider on the Dutch market. It is essential that it remains on good terms with a wide spectrum of stakeholders that have an interest in its activities or are influenced by them. Our services take account of our stakeholders and answer their needs and requirements.



We guarantee the dialogue with stakeholders as follows:

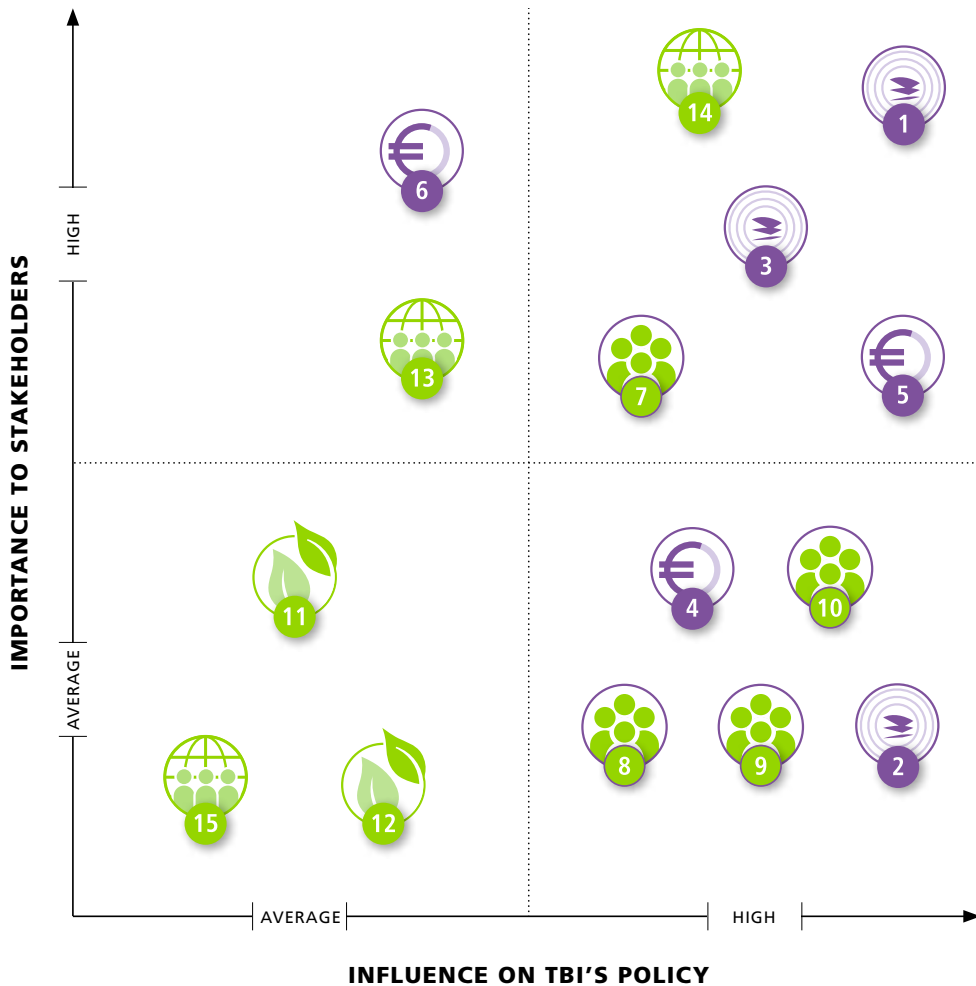
	Stakeholder	Relevance to TBI Holdings	Importance to the stakeholder	How we engage stakeholders
MARKET Strengthen the market position	(Potential) clients	Implementation and maintenance of integrated construction, engineering and infrastructure projects	Client focus	Working on solutions with clients
	Knowledge institutions	Creation of specific knowledge/ cooperation	Practice-driven innovation	Cooperative projects/knowledge sharing
	Supply chain partners	Sustainable work and innovation through cooperation	Integrated approach Practice-driven innovation	Cooperative projects/knowledge sharing Steering and working groups/joint initiatives
	End users	Satisfied clients	Satisfaction with products and services delivered	Community meetings Open days
FINANCIAL Maintain solid profile	Financial institutions	Financing facilities	Risk management Healthy financial position	Credit facilities and guarantees
	Stichting TBI	Source of capital/solidity and continuity	Company policy and healthy return Risk management	Annual General Meeting
EMPLOYEES An attractive workplace	Employees	TBI wants to offer its employees the best working conditions	Training Personal development Good labour relations Pleasant workplace	Training (TBI Acadmy) TBI events BIT events/Meet the Executive Board lunch Performance reviews Employment conditions
	Managers of TBI companies	Operational responsibility	Operational implementation and steering	Quality meetings Top 500 meeting
			Cooperation	Management meetings
	Works Council	Employee participation in relevant issues	HRM policy Care for employees	Quarterly meetings
			Integrity	Supervisors TBI Code of Conduct Integrity steering group
			Safe and healthy work	Safety council TBI safety directive
	Labour market	Recruitment of new talent	Attracting and retaining talent	"Working by sites" Guest lectures Jobs fairs Student associations YES!Delft
	Public authorities	Supervision	Working conditions Integrity	Ministry inspections
	Certifying bodies	Enforcing working conditions	Safety	VCA** audits Safety performance ladder
ENVIRONMENT Reducing the impact	Certifying bodies	Quality assurance	Environmental quality	ISO14001 audits
			Energy/CO ₂	CO ₂ performance ladder audits
	Suppliers	Supply of products and services	Care for the environment/safety	Supplier assessment
	Public authorities	Supervisor/initiator of sustainable works	Environmental regulations	Inspections
SOCIETY Corporate responsibility and engagement	Public authorities	Supervision	Foreign Nationals Employment Act	Inspections Apprenticeships
			Competition and public procurement laws	Inspections
	The general public (local community)	Care for the community/increase acceptance	Community awareness	Websites Community management (project specific)/ contact with residents Considerate Constructor
	Civil society organisations Industry associations	Network	Social investments	Periodic talks Lobbying
	Press & media	Transparency/information	Provision of information to a wider public	Press reports Interviews Publications Website



MATERIAL THEMES

For its first integrated annual report in 2015, TBI analysed its material themes and key issues and tested them against internal and external stakeholders. For the 2016 report, it has re-evaluated the material themes as to their relevance and validity. The materiality matrix shows the importance of the themes to our main stakeholders and their influence on TBI's strategy.

The matrix shows only themes of average and high importance. The matrix is a schematic presentation. We consider most of the themes with regard to the activities of our companies. Safety is an exception: for this theme we also consider the safety of temporary staff, subcontractors and suppliers. In consultation with our stakeholders, in the years ahead we will discuss how we can exercise our influence for the benefit of the value chain.



TBI in the market

Strengthen market position

- 1 **Client Focus**
Thinking in terms of solutions and effective implementation
- 2 **Integrated approach**
Multidisciplinary cooperation, making the most of the knowledge available on construction, electrical engineering, ICT and mechanical engineering
- 3 **Sustainable innovation**
Proactive response to developments in the market and society. Focus on sustainable products and concepts



Financial

Maintain solid profile

- 4 **Solid financial position**
Reliable and solid group
- 5 **Risk management**
Careful consideration of risks and targeted risk mitigation measures
- 6 **Healthy return**
A return that matches the risk profile



Employees

An attractive workplace

- 7 **Safety at work**
Safe and healthy working conditions for everyone, all the time
- 8 **Good labour relations and pleasant working environment**
Investing in a corporate culture that listens to employees
- 9 **Training and talent development**
Investing in staff training and development
- 10 **Attracting and retaining talent**
Offering good personal development opportunities and work experience to young talent



Environment

Reducing the impact

- 11 **Care for the environment**
Reducing the negative impact on the environment, fossil fuels and natural resources. Encouraging the reuse of raw materials and sustainable materials
- 12 **Responsible procurement**
Good relationship with suppliers and subcontractors, including care for the environment



Society

Corporate responsibility and engagement

- 13 **Community awareness**
Considering the impact of activities on the local community, residents and nature
- 14 **Integrity**
Fair and honest business conduct in accordance with the rules
- 15 **Social investments**
Investing in and contributing to social projects and initiatives

HOW TBI CREATES VALUE

Mission

TBI sustainably renews, organises and maintains the physical environment. We contribute to society by adding economic and social value to housing, work and mobility. Together with our partners we are building the future of the Netherlands in the belief that it can always be better: more attractive, smarter, more efficient, more sustainable.

We are building a society with a strong infrastructure, smart offices and clean factories in which technology improves the working environment and housing is a producer of energy rather than a consumer. We want to build safe tunnels and impressive projects that roll back the frontiers.

But we also want to preserve historical buildings and our built heritage by building, renovating and making them more sustainable. Because our cultural heritage is also our future.

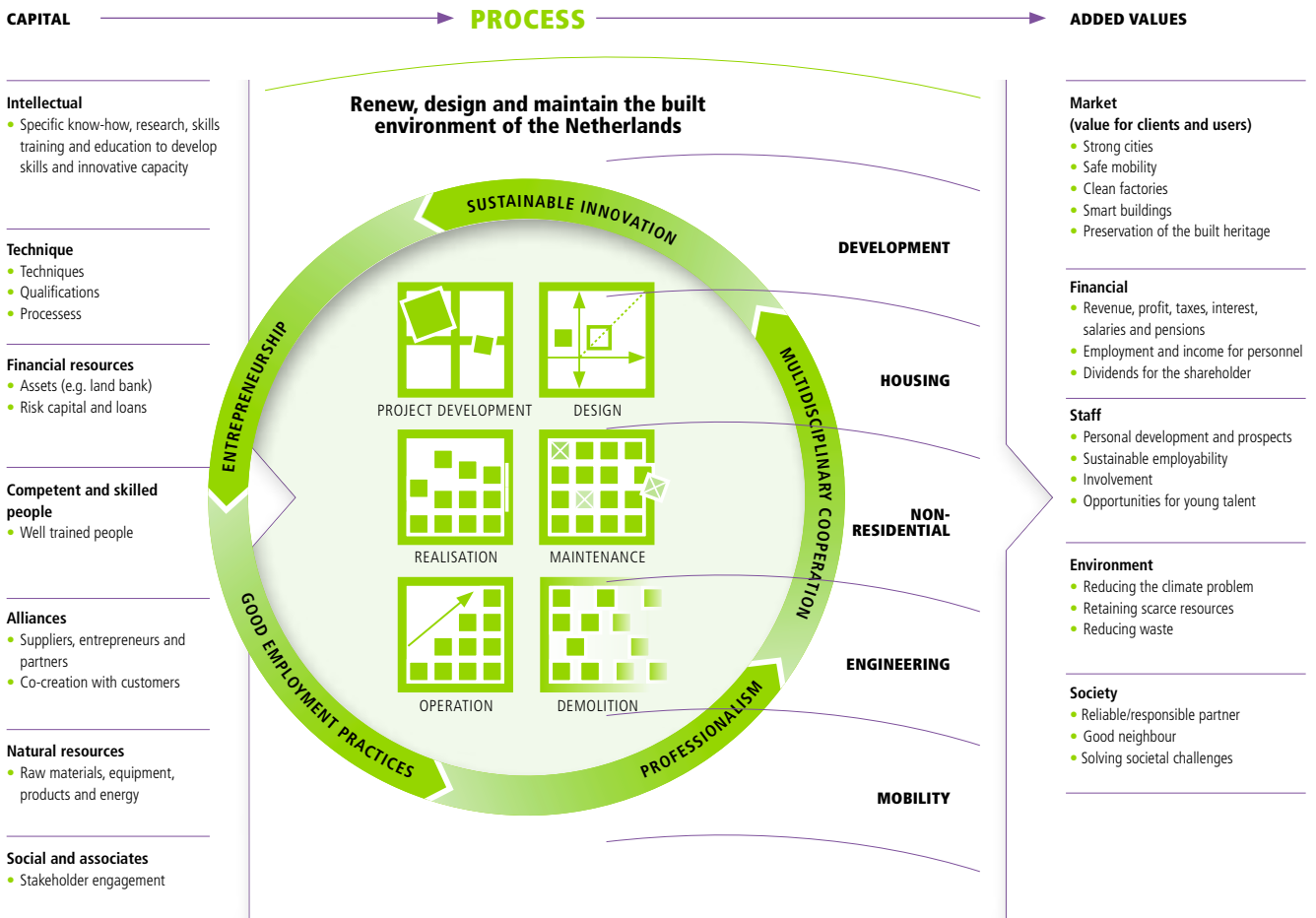
In everything we do, safety comes first and sustainability goes hand in hand with innovation. We test our limits every day with new, complex challenges.

This calls for smart cooperation and the application of modern technology, both within the group and with our partners. The result is solutions our clients can rely on.

We need the best people to achieve our ambitions. That is why we value personal development and encourage entrepreneurship and initiative.

TBI. Create the Future

TBI's business model



Strategic framework

STRATEGY	MATERIAL THEMES	STRATEGIC PRIORITIES	GOALS
MARKET Strengthen the market position	<ul style="list-style-type: none"> Client focus Integrated approach Sustainable innovation 	<ul style="list-style-type: none"> Growth from the core activities Capitalise on multidisciplinary cooperation and stronger commercial effectiveness Stronger innovative power 	<ul style="list-style-type: none"> Significant position in strategically relevant market segments Growth of integrated projects as a share of total operating income Added value for clients and other stakeholders through innovation
FINANCIAL Maintain solid profile	<ul style="list-style-type: none"> Solid financial position Risk management Healthy return 	<ul style="list-style-type: none"> Focus on quality of operating income A return that matches the risk profile of the projects Cost optimisation and project control 	<ul style="list-style-type: none"> Operating margin > 3% average Solvency > 30% Optimising cash conversion cycle: reduction > 7% Cost ratio < 12.5% of operating income
EMPLOYEES An attractive workplace	<ul style="list-style-type: none"> Training and talent development Attracting and retaining talent Good labour relations/working environment Safety at work 	<ul style="list-style-type: none"> Offer good training and personal development opportunities Good labour relations Occupational health and safety assurances 	<ul style="list-style-type: none"> Investments in education and training to increase staff knowledge and skill sets > 95% of employees have a performance and/or appraisal interview Incident frequency < 6 Sickness absenteeism < 4%
ENVIRONMENT Reducing the impact	<ul style="list-style-type: none"> Care for the environment Responsible procurement 	<ul style="list-style-type: none"> Reduce the CO₂ footprint (energy and mobility) Optimal use of natural resources and consumables Sustainable operation in the value chain 	<ul style="list-style-type: none"> > 30% CO₂ reduction > 75% waste separation > 95% certified sustainable timber > 85% of suppliers assessed on sustainability
SOCIETY Corporate responsibility and engagement	<ul style="list-style-type: none"> Integrity Community awareness Social investments 	<ul style="list-style-type: none"> Integrity of actions Care for the community and respect for nature Contribution of specific TBI expertise and experience to social initiatives 	<ul style="list-style-type: none"> Zero breaches of the TBI Code of Conduct All large building sites compliant with Considerate Constructors Investments in social projects > 3% of apprenticeships with a social return

Key figures TBI

	2016	2015	2014	2013	2012
MARKET					
Orders received ¹	1,833	1,508	1,491	1,613	1,780
Order book ¹	2,136	1,795	1,743	1,815	1,916
Housing units sold	2,282	1,707	1,059	1,048	638
FINANCIAL¹					
Operating income	1,573	1,557	1,603	1,744	2,122
Operating profit before depreciation and amortisation ²	11.7	32.7	31.0	32.6	66.5
Operating (loss)/profit ²	-7.3	14.2	8.0	9.6	41.6
Net result	-16.7	1.3	1.4	-13.1	5.8
Total assets	707.7	766.8	746.9	827.3	870.3
Shareholder's equity	229.8	247.0	245.9	244.7	261.7
Interest-bearing long-term loans	66.5	52.5	24.7	26.5	25.5
Interest-bearing short-term loans	13.2	14.1	18.5	35.9	6.9
Net working capital	65.3	47.7	72.4	58.7	57.7
Cash and cash equivalents	138.3	166.5	123.4	149.0	129.4
Net capital expenditure	11.2	11.9	6.5	15.1	24.2
Depreciation of tangible fixed assets	16.5	17.4	21.4	22.2	24.0
Ratios					
Operating (loss)/profit before depreciation and amortisation : operating revenue (%) ²	0.7	2.1	1.9	1.9	3.1
Operating (loss)/profit : operating revenue (%) ²	-0.5	0.9	0.5	0.6	2.0
Net profit as a percentage of					
*operating income	-1.1	0.1	0.1	-0.8	0.3
* shareholder's equity	-7.3	0.5	0.6	-5.4	2.2
Total assets : shareholder's equity (%)	32.5	32.2	32.9	29.7	30.2
Total assets : guarantee capital (%)	36.0	32.2	32.9	29.7	30.2
EMPLOYEES					
Average number of full time employees	5,556	5,774	6,967	7,717	8,216
Number of employees at year end	5,677	5,744	5,981	7,351	8,143
Training costs per full time employee in € ⁴	702	578	na ³	na ³	na ³
Health and safety⁴					
Lost-time incidents	37	33	73	83	144
Incident frequency	3.6	3.1	6.1	6.0	8.5
Sickness absenteeism (%)	4.4	4.1	4.4	4.2	4.7
ENVIRONMENT⁴					
CO ₂ footprint (ktonnes)	28	29	32	36	37
Waste (ktonnes)	28	25	21	31	38
Supplier assessments (incl. environmental performance)	78	84	80	70	na ³
SOCIAL⁴					
Breaches of laws and regulations (fines)	5	5	9	4	7
Contributions to social initiatives (x €1,000)	509	364	434	508	689
Social return jobs	22	26	73	61	na ³

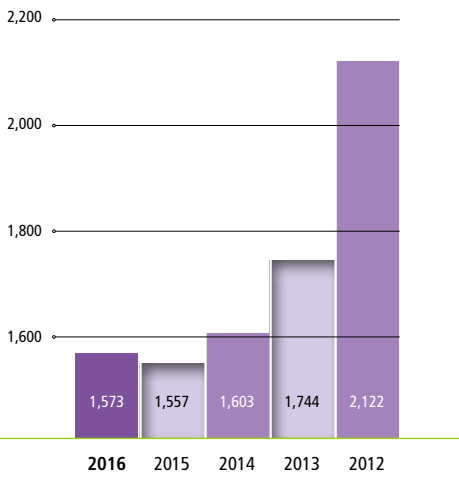
1 Amounts in millions of euros and adjusted for comparative purposes.

2 Operating (loss)/Profit on ordinary activities (before reorganisation costs and impairments in value).

3 Not available.

4 Excluding foreign entities.

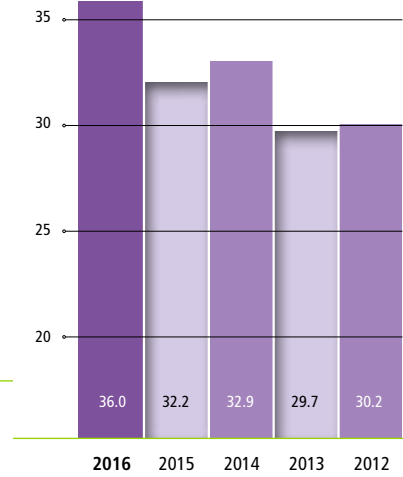
Operating income
(in millions of euros)



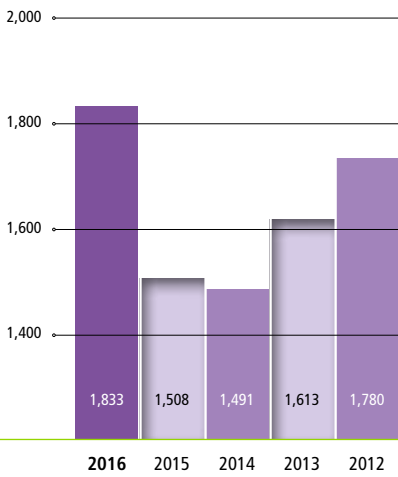
Operating (loss)/profit
(in millions of euros)



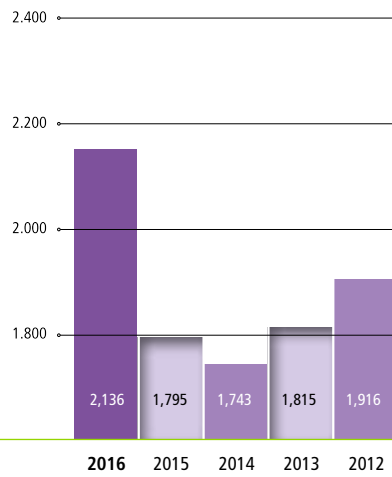
Solvency (%)



Orders received
(in millions of euros)

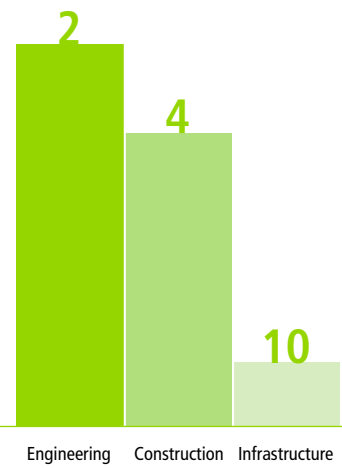


Order book
(in millions of euros)

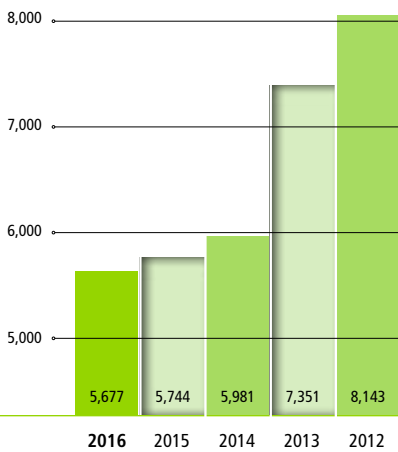


Position in the market segments

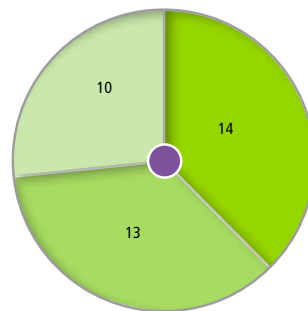
Source: © 2016 b&b info



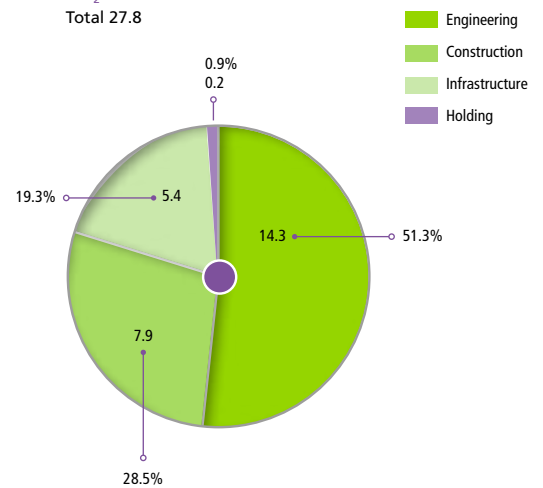
Number of employees
(FTEs at year end)



Lost-time incidents
Total: 37



CO₂ emission in ktonnes
Total 27.8







An urban location with a history. That is how Synchron describes the site of the former rail engineering works. Synchron is redeveloping the area between Utrecht Central station and Zuilen station to create a district that can offer the very finest in living and working conditions. The many green spaces and original elements such as points and rails, make Wisselspoor one of the most distinctive districts in Utrecht.

Industrial heritage turned into housing

FACTS

- Synchron won the contract in 2014 for its vision of "An urban location with a history". It drew on the know-how and expertise of the Ozive repurposing studio (an alliance between Nico de Bont, HEVO and Synchron) to develop Wisselspoor.
- The Wisselspoor team is made up of the architecture firm Studioninedots, DELVA Landscape Architects, SKONK, the concept development firm, Ozive, the repurposing studio, and De Wijde Blik communications agency.
- The Royal Netherlands Engineering and Rail Works was established outside the city border in 1828. With 5,000 workers it was the biggest employer in Utrecht. The site is now within walking distance of Utrecht Central station.
- The houses in the first part of the development will be built to the Cityplot concept. This is a dynamic and flexible urban construction method that combines an appealing mix of functions and building structures.
- A pop-up restaurant opened up in the Carriage Works at the end of 2016. Apart from enjoying the food and drink, visitors can also follow creative workshops there.
- Construction will begin in late 2017/early 2018. Project completion is planned for 2018/2019.

Synchron carried out the project in close cooperation with the city of Utrecht, NS Stations, the local community and future residents of the district. *"The residents were a bit suspicious at first,"* says Paul Roodnat, Synchron's project developer. *"But we contacted them as soon as we could to explain our plans for the first phase and involve them in the project. They are very enthusiastic now. They can see that Wisselspoor is a great addition to the area."*

Werkspoor, as the residents call the district, is surrounded by several popular housing districts. The biggest challenge was to integrate the new houses into the existing housing without causing any friction. In consultation with the residents, Synchron designed Linear Park: an extensive green zone that connects the existing district with the new one. "Pocket parks" were added in a number of places. A "Railway park" will also be created along the entire length of the development beside and between the railway lines.

The site is still fenced off at the moment but it will soon boast an attractive mix of functions and be open to the public. There will be space for houses, traditional bars and restaurants and creative entrepreneurs. Two cycle tunnels under the railway lines are also planned, one heading towards the city centre and the other towards the Cartesius district. One of the city's key demands to reduce car use and improve health was that the district should be very cyclist-friendly and provide cyclists with easy access to the station and the city centre.

INDUSTRIAL HERITAGE

People were perhaps the most enthusiastic about the idea to retain the area's industrial heritage. The culturally and historically important buildings were stripped of latter additions and restored to their original glory. The largest building, the Carriage Works, was the first to be restored. It will house a large car park in order to remove vehicles from the streets. The Component Works, the second building, is still in use. *"The lease expires in 2023,"* says Roodnat. *"So we'll have to wait until then before we can return it to its original state. One of the options is to build the shells for 15 loft apartments that the residents can then finish off however they want."*

"The residents were a bit suspicious at first"

Because a large part of the district will be public space, Synchron met with the city officials to discuss the landscaping. In close consultation with them it is drawing up a zoning plan so that the district can be developed sustainably. Roodnat is confident about the results, "The existing buildings will be repurposed, materials will be reused and there will be green spaces everywhere. Together with the city, Synchron wants the development to be awarded an Excellent certificate in the BREEAM sustainability assessment method."

TBI IN THE MARKET - Strengthen the market position

Development

MAIN ACTIVITIES	MARKET CHARACTERISTICS/ DEVELOPMENTS	MARKET AREAS/CLIENTS	COMPETENCES OF TBI COMPANIES IN THE MARKET
<ul style="list-style-type: none"> • Housing and commercial property development • Transformation/urban area development • Repurposing of built heritage • Risk-bearing project management • Accommodation consultancy • Expertise advice • Building management 	<ul style="list-style-type: none"> • Sustainability • Energy savings • Flexiwork • Repurposing • Resident participation • Area development • Changes in the administrative landscape • Lifecycle buildings 	<ul style="list-style-type: none"> • Private housing market • Financiers and investors • Education • Care • Public authorities • Private sector • Supply chain partners 	<ul style="list-style-type: none"> • Conceptual strength • Marketing and sales • Process management • Integrated approach • Innovative power

Strong in housing, mixed functions and social property

TBI's property developer, [Synchroon](#), can look back on a good year. The company benefited from the strong housing market, especially in the centre and west of the country. Synchroon sold 864 housing units in 2016, 323 more than in the previous year. The order book for the current year is also well filled.

The company has seen an increase in competition, however, as more parties enter the market and municipalities put more projects out to tender. Synchroon nevertheless expects to strengthen its position because more people and businesses will move to cities in the coming years. The company has the right profile to respond to this trend.

Synchroon has built up a great deal of expertise and experience in sustainable urban area development over many years. The company has proven ability to develop creative urban solutions to transform complex locations and former industrial areas into desirable places to live and work in. Synchroon is a specialist in mixed-function developments that accommodate housing, work and entertainment. This creative approach, coupled with social awareness, know-how and experience, won Synchroon several good contracts in 2016.

CITY CENTRE REDEVELOPMENT

Although many shopping centres in the Netherlands are in need of renovation, such transformation projects are making little headway. Retail vacancies are still rising. On the other hand, demand for commercial premises close to public transport hubs is growing. Municipalities are tending to combine functions such as housing, hotels, restaurants and flexible workplaces in order to maintain an urban centre's popular appeal. Together with ERA Contour, Synchroon is building the [Cadenza](#) project in Zoetermeer. It is creating new bars, restaurants, 69 starter homes, a supermarket and a casino around an existing theatre, cinema and restaurants in the centre of the town.

Urban environments are attractive places for young professionals to live and relax. They are also popular among flexiworkers. More larger companies are also moving to locations with good public transport links. Municipal authorities are responding by redeveloping the areas around their railway stations.

Breda is no exception. Together with J.P. van Eesteren, Synchroon is working on the mixed-function [5Tracks](#) project in the city. Its design reflects the strong sustainability ambitions of both the area and the buildings on the one hand and the users and visitors on the other.

The station in The Hague is also being given a facelift. Together with Amvest, Synchroon was awarded the contract to redevelop [Koningin Julianaplein](#). Two towers are being erected on this square in front of the central station. The project will house a congress centre, restaurants, shops and apartments, including starter homes and social housing. To increase sustainability in the city, the plans deliberately do not include standard parking spaces but large modern bicycle parking facilities will be built under the square. Mobilis and J.P. van Eesteren are also involved in the construction of this new 'gateway to the city'. In November Synchroon was awarded the contract to develop part of the station area in [Arnhem](#). The site, an important link between the station and the city centre, will be developed for housing and a hotel.

COMPACT HOUSING AT A PRIME LOCATION

The [XS DeLuxe](#) concept developed in 2015 is an example of the innovative solutions Synchroon offers. Demand for micro-apartments for one or two occupants at prime city centre locations is high. This concept is being applied in many of Synchroon's new projects, for example in the redevelopment of Houthaven, Amsterdam's former timber port. Synchroon is carrying out several projects at this location near the city centre. The future occupants of the 260 XS DeLuxe apartments it is developing will share certain amenities, such as a roof garden, wellness facilities, guest rooms and workspaces.

REDEVELOPMENT OF INDUSTRIAL AREAS

With only limited space to build in city centres, municipalities and developers have turned their sights to redeveloping industrial areas. Synchroon has been awarded several large contracts. ERA Contour began work on a variety of sub-projects for Synchroon in the former timber port in the west of Amsterdam in 2016. [Parkblok Houthaven](#) consists of four buildings with different housing types for families and starters. At nearby Haparandadam, Synchroon has developed [Frame](#): luxury top-end apartments with panoramic views over the River IJ.

Interest in the apartments Synchroon is developing outside the centre is so high that there are more prospective occupants than apartments. One of the projects is [Heroes](#) on Zeeburg Island in Amsterdam. The project consists of three residential buildings (Gold, Silver and Bronze) with 151 apartments.

In May, Synchroon signed the management contract for the [Wisselspoor Utrecht](#) plan. The development involves the transformation of a former industrial site owned by Dutch Rail close to the city centre into an area of housing, creative business and bars and restaurants, while retaining the industrial heritage such as the former factory buildings and railway points and tracks.

SUBURBAN HOUSING

Demand for new housing is high not only in city centres but also in suburbs. Developers are facing the challenge of building homes that are accessible to more people. In [Karspelhof](#), a housing district in Bijlmermeer (southeast Amsterdam), for example, Synchroon is developing 150 affordable, climate-neutral homes to rent and for sale that are being built by ERA Contour.

Knowledge of area development is also very valuable outside city centre locations. In the landscaped parkland of the Madestein nature and recreation area on the south side of The Hague, Synchroon is working with area developer BPD and The Hague municipality on an exclusive housing project with a typical Hague look and feel. The first dwellings in the [Vroondaal](#) project were handed over in 2016 and phases 3 and 4 were commenced in the summer.

In Kerkebosch on the outskirts of Zeist, Synchroon is developing an exclusive small-scale project. The houses and apartments of [Life in the Woods](#) are integrated into the woods and heaths of the Utrecht landscape.

Sustainability is an important factor in many of Synchroon's projects but it is more important to some than others. [Finest of Ockenburg](#), for example, in Kijkduin, The Hague, consists of a mix of energy-neutral apartments, villas and houses built in the dunes. They are distinctive for their use of glass, wood and natural materials. Heat pumps will ensure the 22 houses in the [Wonen op Smaak](#) project in Utrecht consume very little energy (an energy performance coefficient of 0). One of Synchroon's partners in this project is Eneco, the energy supplier.

Growth at yoreM

The e-marketing firm [yoreM](#) performed well in 2016. The firm creates online property development websites and increases opportunities for co-creation by customers and developers by means of e-marketing. YoreM also seeks clients, advertises online and performs data analyses to produce detailed descriptions of potential clients. It works for the TBI companies and, increasingly, for external parties. Investors, housing associations and other real estate companies now make up half its clientele.

REAL ESTATE CONSULTANCY AND BUILDING MANAGEMENT IN EDUCATION AND CARE

HEVO is an established name in the education sector. The property consultancy and management firm again performed well in this sector in 2016. The number of engagements in the care sector, however, did not improve until the end of the year.

HEVO has always been a prominent player in the education market. The order book for consultancy and building management projects is well filled. The economic recovery has boosted demand for risk-bearing project management (RPM). RPM is frequently requested for complex properties in the public, institutional and corporate sectors as it lets the client eliminate risks yet still exercise all its influence over the preparation and implementation process. HEVO is the contact point and bears final responsibility. RPM is also popular because it can measure sustainability ambitions and performance, something that clients are increasingly requesting.

The new premises for the [IJssel College](#) in Capelle aan den IJssel were handed over in December 2016. HEVO was responsible for RPM on this project.

HEVO has developed a cost configurator for new primary and secondary school buildings. It shows school boards and municipal authorities the budgetary impact of different quality standards.

The number of engagements in the care sector was again lower than the growing demand for new property concepts in 2016. Care institutions must manage their property portfolios more proactively and strategically, but they are relatively unfamiliar with the complicated procedures for new buildings and often have difficulty arranging finance.

HEVO redoubled its efforts in this market in 2016. At the end of the year it was awarded two large contracts for which it arranged external financing through a foreign investor. The [Stichting Rendant](#) care institution in Friesland engaged the company to design, develop and build two care buildings. HEVO will also be responsible for RPM.

In cooperation with ABN AMRO Bank, HEVO studied a [sustainability business case](#) in the care sector. It provided practical advice on how to improve the sustainability performance of care buildings using limited funds and soft financing conditions. The system can be applied more widely by the public and education sectors and will be worked out in more concrete terms in 2017.





“Our goal was to make **Nieuw Crooswijk** a housing area that families would love to live in,” recalls Job van Zomeren, director of ERA Contour. “When the **Nieuw Crooswijk Development Consortium (OCNC)** was set up in 2002 and we started working on the project with **Heijmans** and **Woonstad Rotterdam**, many **Rotterdamers** were moving out of the city, especially those who could afford it or were starting a family. “It’s this target group in particular that is looking forward to living in the city again and is moving back to **Nieuw Crooswijk**.”

Modern, varied family housing project

FACTS

- A characteristic of Nieuw Crooswijk is the high quality brickwork that can be seen in many of the housing styles. Six architects put their names to the striking designs: Brink Architectuur, Simone Drost Architectuur, Jeroen Schipper Architecten, Geurst en Schulze Architecten, de Zwarte Hond and NL Architects.
- Nieuw Crooswijk has already received several nominations for the Rotterdam Architecture Award. The most recent nomination was for the Dream Home in 2015.
- Nieuw Crooswijk was voted Best Apprentice Building Site in 2011, an educational award conferred by Fundeon, the educational institution specialising in the construction industry.
- Several of the housing projects allowed buyers to design their own homes – from architectural style to floorplan – by means of an online home configurator. Thanks to the many design options, no two homes are the same.

OCNC has been working on the project for nearly 15 years. When the keys to the last home are handed over in 2018, one of the largest urban restructuring programmes the Netherlands has ever known will come to an end. Nieuw Crooswijk will then have been transformed from a traditional working class neighbourhood into a varied family district with a wide range of target groups.

Nieuw Crooswijk has also made the city “stronger”. All the stakeholders agreed that it should not become just another modern housing estate. It had to be varied and green, with space for families who wanted to stay in the city. *“That’s why we insisted on wide pavements with children’s play tiles and built a community school. The housing blocks have also got attractive entrances. From the outside you can’t tell whether they are social housing or expensive rented or owner-occupied houses.”*

INVOLVED WITH THE RESIDENTS

OCNC has now started on the final project: the House of Inspiration. This plan includes 53 luxury homes with deep gardens. Like the other projects, it will be realised in co-creation. The future residents will discuss their wishes with the developers and architects, who will work them out into design variants and housing options.

This involvement of the residents has been one of the project’s hallmarks since the beginning. A large part of the original neighbourhood had to be demolished and many residents had to leave their homes. *“We explained to them as well as we could why the neighbourhood was being redeveloped. The development consortium made sure we could be approached on the street. The most important part of urban renewal is listening to the residents. Their pasts are tied up in the neighbourhood. It’s vital to pay attention to them.”*

“The most important part of urban renewal is listening to the residents. Their pasts are tied up in the neighbourhood...”

Nieuw Crooswijk will soon have been through a complete metamorphosis, just like the rest of the city. *“The city has made a huge investment in the centre and strengthened connections with the surrounding districts,”* says Van Zomeren. *“Rotterdam really is booming now. Building on the success of Nieuw Crooswijk we are now going to turn our attention to Nieuw Kralingen. Together with Heijmans we will be working there on a high quality district that people who were leaving the city will want to live in.”*

Housing

MAIN ACTIVITIES	MARKET CHARACTERISTICS/ DEVELOPMENTS	MARKET SEGMENTS/CLIENTS	COMPETENCIES OF THE TBI COMPANIES IN THE MARKET
<ul style="list-style-type: none"> • House building • Renovation and major maintenance • Maintenance and management, renovation • Inner city redevelopment • Restoration • Repurposing • Newbuild, renovation, maintenance and management concepts and products • Development, supply and assembly of sustainable prefab concrete elements • Floor and wall systems for heating and cooling • Building systems 	<ul style="list-style-type: none"> • Focus on clients, quality and added value • Focus on innovation and sustainability • Circularity 	<ul style="list-style-type: none"> • Residents • Property developers • Housing associations • Investors • Municipalities 	<ul style="list-style-type: none"> • Entrepreneurship, autonomous companies under the TBI banner • Innovative power and cooperation (TBI WOONlab) • Sustainable and affordable housing concepts • Technical skills • Urban renewal • Consumer driven development and construction

Space for housing wishes

The Housing cluster consists of four house building and development companies, ERA Contour, Groothuis Wonen, Hazenberg Bouw and Koopmans Bouwgroep, – each with its own specialisations – the supply company Voorbij Prefab and the building systems companies Comfort Partners and WTH. Together, they form a strong chain. By working closely with each other, the TBI companies are in an even better position to satisfy the changing wishes of their clients. Consumers have become more individualistic and harder to slot into categories. They want affordable, sustainable, low-energy and comfortable homes that are also distinctive.

Building systems are playing a more pronounced role in construction and maintenance. Comfort Partners, a specialist in this area, is therefore often involved in designing housing. By offering service and maintenance contracts, it can give consumers and commercial clients peace of mind even after completion. We have also noted that home maintenance and renovation are increasingly being linked to the sustainability and quality of the built environment. Comfort Partners works with WTH on smart solutions in both areas.

The recovery in the housing market made it a good year for the TBI companies in the Housing cluster. Newbuild output in the Netherlands rose by 12% in 2016 and repair and renovation output by 25%. Approximately 54,000 new housing units were completed (source: EIB).

TBI sold 2,282 housing units in 2016 (2015: 1,707 units), an increase of 34%. Of the total, 1,169 were sold to private buyers (2015: 1,507), 806 to investors (2015: 108) and 307 to housing associations (2015: 92). The stock of completed but unsold housing as at 31 December 2016 was 2 (31 December 2015: 4). The number of unsold units still under construction as at 31 December 2016 was 117 (31 December 2015: 102). WTH fitted underfloor heating in 10,230 houses and apartments in 2016, in contrast with approximately 7,400 in 2015. WTH is now the market leader in the Netherlands.

JOINT DEVELOPMENT OF INNOVATIVE HOUSING CONCEPTS

ERA Contour, Groothuis Wonen, Hazenberg Bouw and Koopmans Bouwgroep have carried out many studies in the TBI WOONlab of the changes in housing wishes in recent years. In the innovation lab they work with clients and consumers to create new processes and products for newbuilds and energy efficient homes. The newbuild concepts of lekkerEIGENhuis and beterBASIShuis have been developed in TBI WOONlab in recent years. Thanks to the cooperation with Voorbij Prefab, these ‘industrial housing units’ can be made in a variety of styles, making each home unique. The building systems fitted by Comfort Partners and WTH create comfortable, sustainable and safe homes. In 2016, we sold 280 lekkerEIGENhuis units and 265 beterBASIShuis units. TBI WOONlab worked on many projects in 2016, including CenterCity, an apartment concept that is compatible with the sharing economy.

A future-proof solution to an urgent demand

TBI believes everyone has a right to good housing. This includes refugees who are allowed to stay in the Netherlands but do not have a roof over their heads. Inspired by this belief, TBI WOONlab has taken the initiative to develop housing for refugees who have been granted asylum status. This has resulted in the basisTHUIS concept based on the beterBASIShuis concept. Several flexible units can be designed within these dwellings and if market demand changes, they can be converted into single family homes relatively simply.



STANDARDISED AND VARIED OUTPUT

Our concrete factory, Voorbij Prefab, has produced more than 700 prefabricated housing units since it was fully robotised and automated in 2015. Automated production lines produce exterior and interior walls directly from a Building Information Model (BIM), including the building systems fittings and door and window frames. Voorbij Prefab is also working on new products and services so that it can serve the building companies even better and they can in turn strengthen the housing concepts. They include prefabricated exterior skins of cavity walls and interior walls.

STRENGTHENING THE CITIES OF THE FUTURE

Together with their clients and the residents, the TBI housing companies are also adept at redeveloping older urban districts and industrial areas into pleasant neighbourhoods that people enjoy living in. Sustainability is an important factor. Hazenberg Bouw, Mobilis, Voorbij Funderingstechniek and Blauwhoed, for example, revitalised the [Santrijn area](#) in the centre of Oosterhout. ERA Contour and Heijmans are carrying out a multiyear project to develop [Nieuw Crooswijk](#), a modern, green urban district in the north of Rotterdam for a mixed target group. In 2016 the two parties signed an agreement with the municipality of Rotterdam to develop Nieuw Kralingen.

Koopmans Bouwgroep will work with Amvest in Amsterdam to redevelop the former [Cruquius](#) industrial area into a lively multi-functional urban district. The characteristic, historical buildings in the heart of the area will be retained. In the same city, ERA Contour has started construction of [Kopblok Houthaven](#): four buildings accommodating different housing types developed by Synchron.

The TBI construction companies are converting prominent office and commercial buildings in several large cities into apartments. Examples include the former Institute of Technology in Utrecht, the former Aramco office block in The Hague and [Spoorpunt](#), an eye-catching building in Rotterdam that has been vacant since the 1990s. [Spoorpunt](#) is being developed in accordance with ERA Contour's successful [Eén Blok Stad](#) housing concept. The building's structural skeleton is being completely renovated to a plan devised with the prospective buyers. Behind the front door, the buyers themselves design and build their homes to their own taste using their own budget. The concept has already been successfully applied in Rotterdam and Amsterdam and in 2012 it won the Rotterdam Architecture Prize.



In Hengelo, Koopmans Bouwgroep is rejuvenating the [Hengelose Es](#) residential district. It is working with the co-creation concept introduced by ERA Contour: transparent collaboration with all partners and the end users. Under the slogan 'People make the district', the residents share their thoughts and ideas for the redevelopment of their homes and neighbourhoods. Most of the current buildings in the district will be demolished to make way for 70 social housing units and 150 owner-occupied units at a wide range of price points. The existing two apartment blocks with 134 units will be thoroughly renovated and the quality of the living environment will also be improved.

Comfort Partners is working with two large housing associations in the province of North Holland as a co-creator to make existing homes structurally safer and more sustainable. In the greater Amsterdam region, more than 3,000 housing units will be fitted with new, sustainable and CO₂ safe installations.

COMPLEMENTARY CONSTRUCTION AND ENGINEERING

Engineering and construction are inseparable if renovation and sustainability improvements are to be effective. Comfort Partners, for example, manages and maintains an impressive portfolio of more than 300,000 housing units. The TBI companies benefit from each other's know-how and expertise in this area. The engineers consider how a home can be made more comfortable and sustainable and meet the occupants' wishes from a technical point of view.

Another development is that housing associations and other owners are contracting not only building management and maintenance from specialists but increasingly also the settlement of utility bills. They are seeking partners that can carry out all this work for them, from the initial design stage and for decades after completion. Comfort Partners has signed long-term contracts to manage and maintain the buildings and facilities of several housing associations and has committed itself to ensuring they remain in peak condition.

EXTENSION OF THE RENOVATION CONCEPT

The ready-to-use modules of the [BETER OP DE METER](#) renovation concept can improve the energy performance of a housing association's stock quickly and at relatively little cost. The concept was already available for terraced and corner houses and the modular design was extended in 2016 to make it suitable for communal entry flats. With a simple intervention in the form of an integrated prefab façade that holds all the building systems, energy costs can be reduced by between 50% and 80%. With a Nul op de Meter intervention, the Energy Performance Fee (EPF) is also applicable.

BETER OP DE METER is an energy renovation concept from the makers of the Renovation Compass. This is an alliance between the TBI housing companies and the renovation companies Hemubo, Smits Vastgoedzorg and Rutges Vernieuwt. They have been carrying out renovation projects for many years and have pooled their know-how and skills to develop smart products and concepts that answer today's renovation needs. WTH and Vareno, for example, offer tailor-made heating and cooling solutions for large and small-scale renovation projects.



REPURPOSING, RESTORATION AND MAINTENANCE OF THE BUILT HERITAGE

The challenge in the built heritage sector has fundamentally changed in recent years. Following a decades-long restoration programme initiated by central government, the average maintenance state of the Dutch built heritage is now adequate. The problem now, however, is that a large number of these historic buildings are vacant. Repurposing them can guarantee their continued use.

The contracting company [Nico de Bont](#) (a subsidiary of Hazenberg Bouw) restored the St Eusebius church in Arnhem and Park Sorghvliet in The Hague and carried out many repurposing projects during the year. For IDBB Vastgoed in Rosmalen it converted a monastery into a luxury assisted living complex for 25 residents. Together with [BOEi](#) the company redeveloped an old varnish factory in Oosterwijk into 25 unique loft apartments, each co-designed with the future occupants. In Eindhoven it is currently converting a former monastery into 75 loft units for the social housing sector. And in Amsterdam it has started repurposing several historical canalside houses on Herengracht into 28 luxury care home units. Domus Magnus will begin renting them out at the end of 2017.

ERA Erfgoed at work

To relieve the post-war housing need, ERA built flats throughout the Netherlands in the 1960s and 1970s. The [ERA flat](#) was the first housing concept that tailored homes to the residents' wishes. In 2016 ERA Contour and Smits Vastgoedzorg were awarded a contract to renovate three ERA flats in Rotterdam. This major maintenance project will not only improve the flats' energy performance but will also increase their comfort, health, safety and appearance.



One of the most eye-catching buildings in the Netherlands is taking shape alongside the A4 motorway in Rijswijk. The construction of the new offices of the European Patent Office (EPO) is a special project. *'And not just because of its design,'* says project manager Michel Hoogendoorn on behalf of the J.P. van Eesteren and Croonwolver&dros building consortium. *'The size, contract form and the smart construction logistics are also very special.'*

Impressive building

FACTS & FIGURES

- The building will have 26 floors and be approximately 107 metres high, 150 metres long and 12.6 metres wide (excluding the glass façades). It will have a surface area of approximately 85,000 m².
- A steel structure of this size has never been built before in the Netherlands.
- With some 3,000 workers, the European Patent Office will be the largest international institution in the Netherlands.
- Work on the building's skeleton started in November 2016 and has continued round the clock on every working day ever since. It is an enormous logistics puzzle. Building materials are supplied to meet each day's production. The steel structure and façade are being built in fixed daily shifts to optimise the coordination between work on the skeleton and work on the exterior wall.

The EPO's new offices will stand out first of all for their size. At 107 metres high, 150 metres wide and with a surface area of 85,000 square metres, it will be a very impressive building. But it will appear slender. The building's core without the exterior façades will be just 12.6 metres wide. The glass façades and the steel structure, moreover, will give the building an open and transparent look and feel. It will be the first steel structure of this size to be built in the Netherlands. The glass façades will make optimal use of daylight. Together with the water feature around the building, they will reflect the sky so that the building blends into its surroundings.

The architecture firms Ateliers Jean Nouvel (Paris) and Dam & Partners Architecten (Amsterdam) take credit for the building's appearance. *'We are constantly tracking how the design is taking shape,'* says Michel Hoogendoorn. *'And all the workers check their own work. Every screw is accounted for. It's all to do with the contract form: UAV-GC, a more comprehensive version of design and build. We are responsible not only for designing and building the project but also for checking its progress. At the end of every phase, we have to confirm that the work meets the specifications the client laid down in the contract.'*

JOINT PROJECT

The integrated collaboration between J.P. van Eesteren and Croonwolver&dros has produced several innovations to ensure that the workplaces are as comfortable as possible and the building's energy performance is as efficient as possible. The building uses geothermal heat pumps, for example, to store heat in the ground. Solar panels will be placed on the roof and the entire building will have LED lighting. Furthermore, the space between the thermal wall and the glass exterior wall will provide natural ventilation. As a result, the building's energy performance will be 30% below the standard set in the Building Decree.

As well as the design, the project's round-the-clock planning and site logistics are also special. A lot of use is being made of prefabricated components. Building elements are being delivered just in time and complete with all installations so there is no need for storage facilities at the site. *'In effect the plans bring everything forward,'* explains Michel Hoogendoorn. *'This considerably speeds up the work on site.'*

'By using smart techniques such as prefabrication, the plans bring everything forward.'

The new offices will be handed over in early 2018. The building next to the site will then be demolished and the surrounding area will be landscaped. This work, too, is part of the project to create a modern new office building that blends in with its surroundings and provides a pleasant and safe workplace for 2,000 people.

Non-residential buildings

MAIN ACTIVITIES	MARKET CHARACTERISTICS/ DEVELOPMENTS	MARKET SEGMENTS/CLIENTS	COMPETENCES OF THE TBI COMPANIES IN THE MARKET
<ul style="list-style-type: none"> • Turnkey concepts • Newbuild • Transformation • Renovation • Maintenance • Restoration 	<ul style="list-style-type: none"> • Shift to new forms of contract/ cooperation, such as Design, Build & Maintain • Late cyclical market • Growing demand for integrated multidisciplinary cooperation • BIM, LEAN, SE and other process tools growing in importance • Stronger demand for maintenance and repurposing • Weak demand for new non-residential buildings • Growing significance of future-proof buildings; buildings must be more flexible and sustainable so that their functionality can evolve • From builder to manager; relieving the client's concerns 	<ul style="list-style-type: none"> • Central government, semi-public sector • Professional service providers • Education • Care and Cure • Industry • Hotel sector • Institutional investors 	<ul style="list-style-type: none"> • Lifecycle/total cost of ownership approach • Familiar with all contract forms • Integrated work, inside and outside TBI • Innovations based on our own strengths: TBI kennisLAB, leader in BIM • Wide reference scope • Complex building projects requiring high construction IQ • Utilitarian housing • All know-how in the organisation in our own people; skill and quality • Continuity guaranteed by the TBI network • Knowledge, skills and track record; leader among the non-residential building companies • Plan development • Turnkey hand-over • Development of non-residential buildings, multidisciplinary buildings, hotels and laboratories

Making smarter buildings

For the Non-residential cluster, 2016 was a year with two faces. Few new offices and retail outlets are being built and margins are under pressure from the overhang on the market. Revenue from newbuild, conversion and renovation projects, however, was higher. There was more movement in the market and J.P. van Eesteren's order book for 2017 and 2018 is well filled, mainly with repurposing and redevelopment projects. J.P. van Eesteren also began preparations for several special projects in 2016 that closely match the company's profile. They stand out for their design, complexity and sustainability.

In anticipation of the projected growth, J.P. van Eesteren made substantial investments in its people, processes and systems in 2016. New construction techniques and materials and the changing demands and expectations of the public authorities and society in general are calling for innovation and change. Projects and contracts have become more complex and the risks higher. At the same time, clients are withdrawing from the construction process and entrusting the contractor with project management. This requires our staff to act more as entrepreneurs and be willing to take responsibility. They must be able to manage risks, and communicate and work with clients. J.P. van Eesteren therefore prioritised project management in general during the year, and risk management in particular. The company appointed a risk manager and started to carry out quick scans during the contract award procedure. These scans can quickly weed out projects that do not match the risk profile.

INNOVATIVE CONCEPTS

One of the most exciting contracts for 2017 is the construction of the new head office of [Triodos Bank](#) on De Reehorst estate in Driebergen-Zeist. The building must complement the bank's 'green' reputation and be extremely sustainable. It will be built entirely from timber and glass, the load-bearing structure will be timber and it must be possible to dismantle the entire building. Another exemplary project is the renovation of the Naturalis natural history museum in Leiden, a combination of construction and renovation with a sustainable outcome.

Together with Croonwolter&dros, J.P. van Eesteren signed an integrated DBM contract (Design, Build & Maintain) for the first phase of a new sustainable passenger terminal at [Lelystad Airport](#). In addition to designing and building the terminal, the two companies will be responsible for its physical and technical maintenance until 2033.

BIM increases the effectiveness of building processes. BIM was at the centre of the renovation and construction of the [Antoni van Leeuwenhoek hospital](#) in Amsterdam. The 3D model not only determined how the metal stud walls and dropped ceilings were finished but also explained the consequences of all variations. It enabled the hospital to remain in full operation during the work. In 2016, J.P. van Eesteren and Croonwolter&dros handed over this newbuild and renovation project, on which they were also responsible for the laboratory technology.

Within TBI, J.P. van Eesteren works mainly with Synchroon and Croonwolver&dros. Synchroon has a wealth of experience in developing multifunctional buildings that add to their surroundings, while J.P. van Eesteren is strong in devising smart solutions that support a building's functions. Croonwolver&dros's strength lies in its smart technological solutions that make buildings perform better. This combination wins exceptional projects, such as [5Tracks](#) in Breda. In this project, the functions are not spread among the buildings but each building has a mix of functions. J.P. van Eesteren and Synchroon are also working together on the development of [Koningin Julianaplein](#) in The Hague and [Stationslocatie K3-K4](#) in Leiden.

TRANSFORMATION OR ADAPTATION OF EXISTING BUILDINGS

To realise our vision of sustainable buildings, we make buildings smarter. A sustainable building is a smart building. By making smart use of the available systems, we can generally lower a building's running costs. Although there are still many vacant offices and retail outlets, demand for smarter, future-proof premises is growing, especially in the office segment. J.P. van Eesteren develops sustainable, smart building solutions that allow for changes in function. In 2016, it enhanced the sustainability of [Officia III](#), the offices of SPF Beheer in Amsterdam. The renovation improved the building's energy performance from a G to an A label. Towards the end of the year, J.P. van Eesteren was commissioned by OVG Real Estate and began the renovation of [MM25](#), the future head office of Croonwolver&dros, Mobilis and Servicis in Rotterdam. For the [Goede Doelen Loterijen](#) charity lottery organisation, J.P. van Eesteren will thoroughly renovate and enlarge a building in Amsterdam that has been vacant for many years. As it must become one of the most sustainable office buildings in the Netherlands, a BREEAM Outstanding rating is being sought, the highest attainable sustainability rating. It assesses not only the sustainability features of the design, such as the building's CO₂ emission, but also all the other aspects of the construction process, including the materials used and the logistics. The building will have a striking glass façade and a special canopy roof design that collects rainwater for use in the building and is fitted with high-efficiency solar panels. The building also uses innovative insulation material and foam board based on fungus.

RENOVATION OF HUIS TEN BOSCH PALACE

A very special project is the renovation of [Huis ten Bosch Palace](#). J.P. van Eesteren had previously been awarded the contract for the demolition and dismantling work. The second phase is the main engagement. The palace will be restored, new building systems will be fitted and lifts and a kitchen will be built.

UNIQUE CONTRACT FOR EPO

One of the most complex projects TBI is working on is the new offices of the [European Patent Office](#) (EPO) in Rijswijk. J.P. van Eesteren and Croonwolver&dros are performing this integrated contract under the name New Main B.V. It includes many innovations in climate control, lighting, acoustics and energy use. The façade of this exceptionally large building will be made entirely from steel and glass, making it one of the most distinctive buildings in the Netherlands.

The building partners are working under an integrated contract (UAV-GC), a more extensive version of a design & build contract. Under this type of contract, the contractor must meet the requirements laid down in the contract but the building consortium is free to design and carry out the work at its own discretion, albeit in close cooperation with the architect. The contract also includes agreements to maintain the building for ten years after the hand-over.

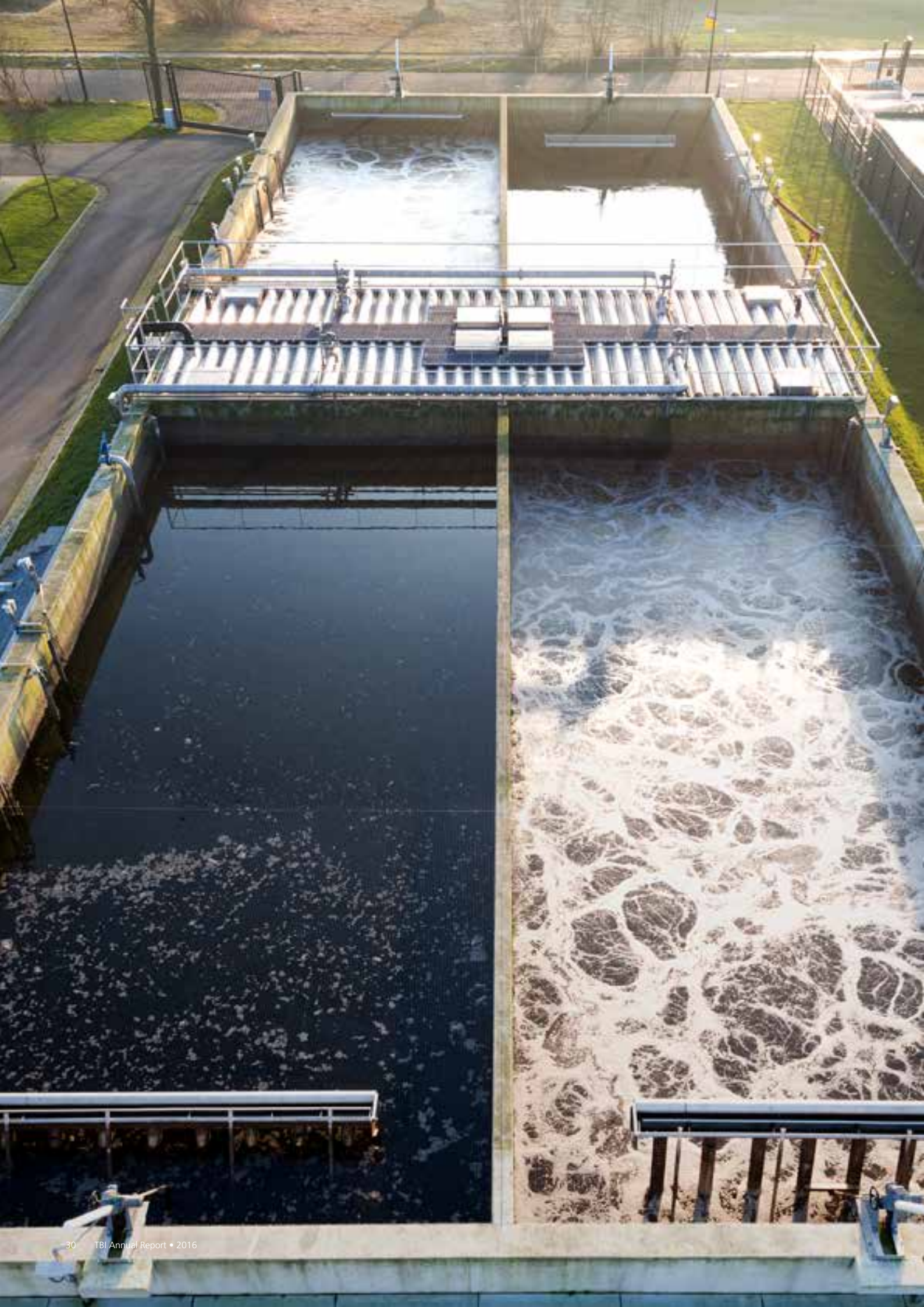
SMARTER LOGISTICS

Building in city centres brings major logistics challenges with it. The work often has to be carried out in cramped spaces or at height. The process must be organised as efficiently as possible so that it inconveniences the fewest possible people. In its logistics planning for the construction of the hotel in [Amstelkwartier](#) J.P. van Eesteren experimented with a ticket management system to analyse and improve the logistics, CO₂ emission and inventory management. Building materials were supplied in small batches on a just-in-time basis in order to prevent congestion, noise nuisance and unnecessary exhaust fumes. This system is also being used in the final phase of the REC-A faculty building at the Roeterseiland campus of the University of Amsterdam.

SHARP JUMP IN CONVERSION, MAINTENANCE AND RENOVATION

J.P. van Eesteren's dedicated Conversion, Maintenance and Renovation Division (VOR) had an excellent year and the outlook for 2017 is promising. There has been a sharp jump in the number of orders. Many of the projects are small but are no less complex because the organisational requirements are often at least as demanding as the technical requirements. The [Novotel Amsterdam](#) hotel near the RAI exhibition centre, for example, will remain open for business during its renovation. J.P. van Eesteren will renovate 232 of the 610 rooms in the largest hotel in the Benelux by square footage. It will work with a 'train' of self-managing teams in accordance with plans worked out using the Lean method. Together, the teams will complete a floor of 29 rooms every five weeks. In order to minimise the inconvenience to guests and the hotel staff, a construction lift will be built on the outside of the building. Another large order won during the year is to carry out construction and renovation work at Nutricia in Zoetermeer, a company that J.P. van Eesteren has been proud to count as a regular customer for the past 70 years. In the centre of The Hague, VOR is converting an office block into 16 apartments.

[Holland Casino](#) on Weena in Rotterdam will also remain open during its renovation. VOR's far-reaching conversion work will optimise logistics flows in the casino. To inconvenience staff and guests as little as possible, it will work to strict logistics plans. Fourteen different parties will work on the project in three shifts, 20 hours a day. Daily progress meetings will seamlessly coordinate their work. The work will be carried out behind temporary screens and building materials will be delivered in small quantities in the early morning. The workplace will be kept clean and dust-free. Escalators were delivered by heavy transport at night.





More and more water authorities are switching from local wastewater treatment plants to central plants. The Rivierenland authority is no exception. A study it commissioned found that it would be much more economical in the longer term to close the Nieuw Lekkerland treatment plant and pump the wastewater to its plant in Alblasserdam. The only problem was that the Alblasserdam plant did not have the necessary capacity and the site was very restricted. The water authority decided to hold a competition based on best value procurement (BVP) and invited innovative companies to tender.

Clean water

FACTS

- Mobilis was the main contractor and carried out the project in partnership with RWB, Xylem and Croonwolder&dros. Voorbij Funderingstechniek was responsible for the sheet piling, strut frame and concrete piling.
- The EXPANDIS capacity expansion includes an aeration tank and a sedimentation tank but its footprint is just 30% of a traditional expansion.
- The contract also covers long-term maintenance.
- EXPANDIS was one of the nominees for the TBI Innovation Award 2016.
- Mobilis is also responsible for the wastewater technology, in which wastewater is purified into liquid material discharged by sewage plants.
- The location was once the site of a Roman settlement (100-250 AD). Excavations at the site by primary school children under the supervision of an archaeologist unearthed dozens of remains.

Mobilis proposed the **EXPANDIS** solution and was awarded the contract. EXPANDIS is a future-proof, low-energy modular system to expand wastewater treatment plants. Thanks to its rectangular shape, additional compartments can be added or linked to it very simply. What's more, it's easy to integrate the system into an existing water treatment plant. *"Think of it as plug and play,"* laughs tender manager and project leader Koen de Jong. *"You only have to make a couple of simple changes to the existing system."*

And the system does not take up a lot of space. *"The aeration and sedimentation processes take place in the same reactor. And because EXPANDIS is largely built into the ground the aeration is very effective. Thanks to the semi-underground construction, it can be designed into the landscape very elegantly."*

This is the first time EXPANDIS has been used in the Netherlands. *"The people from the water authority were very sceptical at first,"* remembers De Jong. *"But we were soon able to convince them."*

24/7 OPERATIONS

The system's operational reliability was a key reason for the water authority to choose EXPANDIS. The system is made up of a series of compartments that work independently of each other so that the treatment plant can be operated round the clock. Even during maintenance work.

Three consecutive processes take place in each compartment. The first phase consists of aeration, biochemical oxidation to dissolve organic compounds and nitrogen removal through nitrification and denitrification, followed by the removal of phosphorous. During the sedimentation phase, sludge sinks to the bottom to leave behind a clarified layer of effluent. In the final phase, a submersible decanter sends the clarified effluent to the effluent pumping station.

"You only have to make a couple of simple changes to the existing system."

"The system is innovative because it can continuously receive effluent and divide it over the four compartments for treatment," explains De Jong. *"It is then discharged separately from each compartment. That way, we can continuously receive wastewater and discharge effluent. This free-fall system is extremely energy efficient, too, because it does not use pumps. The system has cut the water authority's energy costs by 40%."*

Engineering

MAIN ACTIVITIES

- Design, build, maintain and operate
- Sustainable energy techniques/ energy monitoring
- Technical and industrial automation and computerisation
- Purification systems
- Panel building
- Data centre construction/renovation
- Alarm management/detection systems (water/fire)
- Access control & security systems
- Process control
- Healthcare domotics solutions
- Electrical heat tracing
- High voltage
- Heating and cooling technology
- Survey and inspection
- Heating, ventilation and air conditioning
- Electrical drive systems
- Marine automation systems
- Shore-side electricity connections

MARKET CHARACTERISTICS/ DEVELOPMENTS

- Shift to lifecycle approach, more design responsibility and related UAV-GC contract forms and DBFMO financing arrangements
- More emphasis among clients on value of the quality and performance over the entire lifecycle reflected in shift of responsibilities towards the market
- More routine maintenance work owing to clients' focus on their own core business
- Shift to performance-related maintenance contracts
- Increased use of intelligent technology steered by internet/web/apps

MARKET SEGMENTS/CLIENTS

- Non-residential buildings
- Infrastructure
- Industry
- Marine & Offshore

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

- High quality knowledge of electrical engineering, automation, ICT
- Specialist in mechanical engineering
- Intelligent technical solutions in combination with integrated construction concepts
- Familiar with all contract forms

Intelligence through technology

TBI companies Croonwolver&dros and Eekels Technology perform a wide range of activities on the non-residential, industrial, infrastructure and marine & offshore markets. They have specialised knowledge and expertise in electrical engineering, mechanical engineering, automation and information technology.

They offer clients in a variety of markets solutions that make buildings, structures and systems safer, more sustainable and more intelligent. Intelligent self-thinking and self-learning systems make ships, tunnels, buildings and factories more efficient and effective.

A SINGLE PRESENCE IN THE MARKET

In 2015 TBI decided to pool the technological know-how and expertise of Croon Elektrotechniek with that of Wolter & Dros and merge the two companies into a single, strong technology business operating under the name [Croonwolver&dros](#). Together, they can draw on the knowledge and experience necessary to devise, implement, manage and maintain intelligent systems and integrated solutions that boost the client's efficiency. Combining their expertise has also produced a more effective and cost-efficient organisation.

The companies worked on their merger throughout 2016 and brought it to a successful conclusion on 1 January 2017. The house building activities were transferred to Comfort Partners on the same date.

FUTURE-PROOF BUILDINGS

The non-residential market was again challenging in 2016 and prices remained under pressure. The competition was fierce and opportunities related, as in the previous year, chiefly to the redevelopment of existing properties. Sustainability and functionality were key aspects of the contracts. One engagement Croonwolver&dros won, for example, was to future-proof eight shopping centres for real estate owner Wereldhave. Installations were redesigned in order to cut energy use. For property manager NSI, the company will revitalise 20 buildings in order to reduce their energy consumption by 7% per annum over the next four years. Croonwolver&dros is working with the engineering consultancy Sweco on both projects.

Together with TBI company Timmermans Infratechniek, Croonwolver&dros won a contract awarded by the province of Limburg to renovate Het Gouvernement, the provincial government building in Maastricht. By using the Lean planning method, the company reduced the project's lead time for each storey from 55 to 36 working days. Since the project as a whole involves 26 building units, each having between one and five storeys, this is a substantial saving. Efficient planning will enable the staff to continue working during the renovation.

The spread of flexiworking is increasing the demand for flexible, functional workplaces. To offer innovative solutions we have to understand how people use a building and what they expect from it. We are therefore making more use of sensor technology.



Sensors in the building record when it is used and monitor the air quality and energy consumption. We use the data to create smart buildings that facilitate all the users' wishes.

Existing building converted into new head office

J.P. van Eesteren and Croonwolver&dros will thoroughly renovate the [MM25 building](#) in Rotterdam in 2017 and transform it into the new head office of the TBI companies Croonwolver&dros, Mobilis and Servicis. To demonstrate that existing buildings are more than suitable for a modern workspace, TBI has deliberately opted to revitalise an existing office block. Sensor technology, modern systems and a partially renewed façade will transform the block into a smart building with a modern and comfortable working climate that has an exceptionally high energy performance (energy label A).

DESIGNING WITH BIM, PREFABRICATION IN THE FACTORY

We are increasingly working with BIM on large projects. All relevant information generated throughout the construction process is saved, used and managed in a digital 3D model of the building. The technique is particularly valuable on renovation projects because 3D scans can provide more information on the systems in older buildings than drawings can. Drawings can become obsolete when buildings are renovated, whereas scans can accurately depict complex situations and thus avoid mistakes and speed up the work.

The proton clinic [HollandPTC](#) in Delft is an example of a BIM project that was largely planned and prepared in the factory. The clinic is being built jointly by Croonwolver&dros and J.P. van Eesteren. It will treat oncology patients by means of proton therapy as from 2017. To contain the radiation released during the therapy, we are having to build concrete walls that are four metres thick and contain 3.5 km of pipework. By designing the entire project, from engineering to construction, in BIM, we were able to prefabricate the pipe sleeves for the data cables at the factory in Amersfoort more efficiently.

Croonwolver&dros and J.P. van Eesteren are also building the new laboratory of the [Westerdijk Fungal Biodiversity Institute](#) in Utrecht. The contract is exceptional in that completely new premises must be built above an existing library. Owing to the complexity and short lead time, this project was worked out entirely in BIM.



GROWTH IN MAINTENANCE AND MANAGEMENT

More and more clients are concluding long-term attainment contracts for the technical management and maintenance of building systems. The contracts provide assurances on the functionality of the systems.

In 2016, Croonwolver&dros signed an attainment contract for at least five years concerning the mechanical engineering systems, including the heat pump system, of the [Aventus vocational school](#). It also won an attainment contract for the security systems of the new [municipal offices](#) in Utrecht. With J.P. van Eesteren, Croonwolver&dros signed an integrated DBM contract (Design, Build & Maintain) for the first phase of a new sustainable passenger terminal at [Lelystad Airport](#). The company will also be responsible for the technical maintenance of the new building until 2033.

MAINTENANCE OF TUNNELS, BRIDGES AND LOCKS

Technology is growing in importance on multidisciplinary turnkey infrastructure projects involving tunnels, bridges and locks. Electrical and mechanical systems are becoming interconnected as lighting, security, fire detection, data networks and air conditioning are increasingly being controlled by one central system. The various systems must then be perfectly harmonised with each other.

The clients of such projects increasingly want all the technology, including system maintenance, to be governed by a single contract. Its structured approach and expertise in this area have won Croonwolver&dros many installation and maintenance contracts. In 2016, for example, it was awarded the contract to maintain the [Lorentz and Stevin locks in Kornwerderzand](#).

The widening of the [A15 Maasvlakte Vaanplein](#) was completed in February 2016. For the next 25 years Croonwolver&dros will be responsible for its maintenance. The company also won the contract to maintain the Sluiskil, Scheldt and Velser tunnels. Another project it will carry out with Mobilis is the enlargement of the [lock at Eefde](#) with a second chamber. The lock will be fitted with low-energy technical equipment powered by solar panels.

Turnkey solutions for data centres

Data centres are an interesting niche market for Croonwolver&dros. Reliability, security, the right connectivity and energy and climate systems are of critical importance. Croonwolver&dros has a great deal of experience in building and fitting out data centres using the most innovative sustainability techniques, as at the [UMCG's data centre](#) in Groningen. For [InterXion](#) the company also carried out the first two phases of the new AMS8 data centre at Schiphol-Rijk in 2016.



INNOVATION IN MARINE TECHNOLOGY

Marine & Offshore had a mixed year in 2016. Investments in the oil and gas market were again negligible. Investments in offshore wind farms and ships, however, were higher. Eekels Technology can look back on a good year. Croonwolver&dros and Eekels Technology saw an increase in their contracts to serve supply ships, ferries, cruise ships and yachts. Eekels Technology will supply all the electrical systems for a fast yacht support vessel (Damen Shipyards) and for a fisheries research vessel.

Eekels Technology successfully completed a contract in 2016 to engineer, manufacture and commission the drive panels for two 10,000mt tub mounted cranes for the "SLEIPNIR" crane ship being built for Heerema Offshore Services.

Demand in the Marine & Offshore sector is changing. The pressure to be 'greener' is increasing. As a system integrator, Eekels Technology believes there is a future here for hybrid techniques. The company can benefit by applying its expertise in complete electrical drive systems, such as generators, frequency transformers and electromotors. Drive systems are often supplemented with power management systems as part of the total ship automation software.

INNOVATIVE SOLUTIONS FOR INDUSTRY

Both Croonwolver&dros and Eekels Technology are active in the industrial market. Eekels Technology offers electrical engineering and mechanical engineering solutions. In 2016 the company began to enlarge the [Eneco Bio Golden Raand](#) (BGR) plant in Delfzijl. In this multidisciplinary project with Eneco and Tebodid, Eekels Technology is responsible for the mechanical, electrical and civil engineering. Along with SAG and Mobilis, Croonwolver&dros won an order as part of the SC&M consortium to renovate 13 high voltage power stations for [TenneT](#). The project consists of a range of engineering and installation jobs and the renovation of the stations' security and management.





Above all, the bridge had to be beautiful. For many years, the village of Koudekerk aan den Rijn had been blighted by the many cars and trucks travelling to and from the Hoogewaard industrial estate. The heavy goods vehicles were a particular nuisance to cyclists and pedestrians. A bridge over the Oude Rijn would considerably improve access and the residents' quality of life. But the ideal site was in the middle of the beautiful countryside of the Green Heart.

Royal bridge

FACTS

- The intelligent lighting plan enhances road safety. The low-energy LED lights can be dimmed so that the bridge is not lit up like a Christmas tree at night. Moreover, the lights do not disturb wildlife.
- The use of prefab concrete elements minimised the need for materials.
- The CO₂ emission was limited by transporting materials by water and engaging local companies.
- Working with prefab concrete foundation footings in the river bed minimised hindrance and congestion on the Oude Rijn.
- Direct contact with the surroundings, local residents and stakeholders created understanding and clarified everyone's expectations.

The client, the municipality of Alphen aan den Rijn, wanted a bridge that would add to the landscape and be sustainable. We did not disappoint. The slender design and the separate road decks give the Máxima Bridge a transparent and open appearance. Pedestrians on or under the bridge and passing it can enjoy the beautiful landscape and the Oude Rijn from observation points. *"It was a beautiful project, with an architectural presence,"* says Mobilis director Jan de Jong. *"We couldn't have delivered the bridge without the excellent cooperation of everyone involved."*

ENERGY NEUTRAL

The main contractor, Mobilis, realised the Design & Build project in cooperation with the construction company Van Gelder en Hollandia Infra. They were given a free hand as long as the bridge met the contract specifications. Mobilis commissioned Syb van Breda & Co Architects to design the bridge; wUrck, the landscape architect studio, was tasked with integrating it into the landscape. It was also responsible for landscaping the roads, including the energy landscape with floating solar PV panels.

The landscaping, integrated approach and demonstrable sustainability were persuasive factors in Alphen aan den Rijn's decision to opt for Mobilis and its partners. Their solution matched the municipality's sustainability ambitions. Recycled materials would be used wherever possible, including asphalt millings and noise-reducing asphalt. The bridge is also completely energy neutral. *"Solar panels have been built into the loop on the northern side to make the bridge energy neutral,"* explains project leader Rens Olij of Mobilis. *"We managed to reduce energy consumption by splitting the bridge deck and carefully positioning the counterweights to improve the balance."*

COOPERATION

The local authorities and local companies also worked closely together. Several companies contributed to the Máxima Bridge's realisation. Spanbeton, one of the firms housed on the Hoogewaard industrial estate, for example, supplied the prefab bridge beams. Reco, another Hoogewaard company, supplied the scaffolding. The use of local companies cut transportation costs and also reduced CO₂ emissions.

"We couldn't have delivered the bridge without the excellent cooperation of everyone involved."

The cooperation meant the Máxima Bridge could satisfy all the municipality's requirements. Not only cars and lorries but also pedestrians and cyclists can now cross the Oude Rijn quickly and safely. Apart from funding from the province, companies and municipalities also made a financial contribution to the bridge's construction. *"This project is a fixed link that has made a permanent connection,"* says De Jong.

Mobility

MARKET-ORIENTED CLUSTER	MARKET CHARACTERISTICS/ DEVELOPMENTS	MARKET SEGMENTS/CLIENTS	COMPETENCES OF THE TBI COMPANIES IN THE MARKET
<ul style="list-style-type: none"> • Tunnels • Bridges and viaducts • Locks • Stations • Water treatment • Port infrastructure • Asset management 	<ul style="list-style-type: none"> • TCO (total cost of ownership) increasingly guiding designs • Increase in Design & Build contracts • Greater interest in renewable energy 	<ul style="list-style-type: none"> • Public bodies • Private investors • Investors 	<ul style="list-style-type: none"> • Integrated concepts combined with financing if required

Working from cooperation

The TBI companies Mobilis, Timmermans Infratechniek, Voorbij Funderingstechniek and Servicis put their strong social engagement into practice by providing solutions to overcome challenges in the infrastructure, industry and water markets. Together they form the Mobility cluster. TBI Infra Asset Management is also a member of this cluster. By managing and maintaining bridges, roads, locks, water treatment plants and other infrastructure works, it meets the growing demand for specific and sustainable assurances on the continuity of social functions at minimum risk and cost. A new market segment we are targeting is energy in general, and renewable energy supplies such as geothermal and biomass in particular. We have already identified interesting growth opportunities where we can benefit from our design and build expertise in this sector.

2016 was a stable year. The improvement in market conditions was reflected in the number of tenders. Our efforts were rewarded with contracts for the first part of the construction of the Rijnland Route, a new link road from Katwijk to the A4 motorway near Leiden, and for the enlargement of the lock at Eefde.

Control from start to finish

BIM is of particular importance during a project's preparation. Project management, however, is of unmeasurable value during the planning and organisation of large integrated projects. Mobilizer, a state of the art automation tool, enables the TBI companies to control and direct the most complex tenders and projects from start to finish. The technology is developing rapidly and the TBI infrastructure companies are investing in the changes and working with Croonwolder&dos to improve and add to the tool. It is currently being augmented with more extensive data management systems. The web-based system stores, manages and interlinks all information on the operations, tenders and projects. All authorised users (including clients) can retrieve all the information. An important feature of the system is that it is scalable and can be adapted to the requirements of each project. The system must grow into a digital project management and information tool that controls and directs the TBI infrastructure companies' business processes, tenders and projects. This knowledge will also be shared with the other TBI companies so that the system is a source of integrated information for use throughout the group.

More maintenance projects are also coming to market. The government has long postponed the maintenance of roads, bridges, tunnels and viaducts. It is now being forced to bring forward the renovation of major infrastructure works and plan their maintenance more systematically. Substantial investments will also have to be made in repairing and maintaining bridges and strengthening dykes in the years ahead.

In anticipation of these changes, we used 2016 to strengthen our basis. We enhanced the interaction between the TBI Mobility companies and sharpened their focus on joint marketing. We also worked on the further development of our systems, including our digital management and information system, Mobilizer.

SMART COOPERATION WITHIN INFRASTRUCTURE

TBI believes in the strength of cooperation. On large complex multidisciplinary infrastructure projects, the TBI companies complement and strengthen each other by working together. During the tender phase for the [Máxima Bridge](#) near Alphen aan den Rijn, for example, Voorbij Funderingstechniek mapped out the transport logistics for the foundation equipment and materials with a view to minimising the CO₂ emissions. Mobilis built the bridge in collaboration with Hollandia Infra and Van Gelder, while Voorbij Funderingstechniek was responsible for the piling platform and foundations. TBI can make a telling difference in such logistically complex projects. The Máxima Bridge was a technical challenge that combined all the features of an integrated, sustainable and multidisciplinary design and build project. The most important requirement made by the client was that the bridge and its access roads had to be designed into the landscape.

The sophisticated working method and good cooperation minimised inconvenience to road users and other stakeholders during construction of the Máxima Bridge. Good environmental management is one of our strengths. The TBI companies therefore tender for projects at busy urban locations, such as the [Hoekse Lijn](#) project in Rotterdam. This project will link the regional metro network in Rotterdam to the railway line between Schiedam and Hook of Holland. It comprises the construction and modification of seven stations, the replacement and adaptation of about 23 kilometres of double track railway and overhead lines and the adaptation of two movable bridges.

To minimise the inconvenience to passengers, the conversion work itself will be completed in the shortest possible time frame. Given the complexity, short lead time and the many parties involved in the project, precise planning in combination with strict management and coordination between the client, contractor and other participants and stakeholders is essential. Mobilis is working on this project with VolkerRail and the TBI companies Croonwolver&dros and Voorbij Funderingstechniek.

During the construction of the [underground bicycle park](#) at Maastricht station, too, the trains and buses have to keep running as normal. To limit the inconvenience to passengers, the TBI companies are carrying out the construction work in phases. Mobilis is working with Timmermans Infratechniek and Voorbij Funderingstechniek. Timmermans Infratechniek is a specialist in ground engineering and concrete engineering. Voorbij Funderingstechniek specialises in piling and foundations. The two companies are good complements of Mobilis.

To build the [HOV](#) public transport link between Schiphol-Oost and Schiphol-Rijk, Mobilis is working with Voorbij Funderingstechniek and Timmermans Infratechniek, which are carrying out the foundation work. The new bus lane in Schiphol-Oost will be part of several similar HOV connections to improve access for passengers and employees at and around Schiphol Airport.

Another example of how the TBI companies complement each other is the [Waterfront](#) project in Harderwijk. Synchron is responsible for the area development, Koopmans Bouwgroep for house building and Mobilis for the five movable bridges and the one fixed bridge that will connect the islands.

At the beginning of 2016 Mobilis, Croonwolver&dros and Nico de Bont signed a contract to renovate the [Maas tunnel](#). Together with Rotterdam municipality, the TBI companies set up a project office to make optimal use of each other's expertise. The project involved the renovation of the concrete structure, technical systems and the monumental features of the tunnel.

Mobilis has been operating in Denmark for many years. Demand for design and build knowledge and expertise is high there. Our know-how and experience of such contracts have already won us several engagements. In 2016 we were awarded a contract to build a 160-metre-long [cycle and pedestrian bridge](#) in the centre of Copenhagen.

Building with respect for nature

The new link road between Drachten and Dokkum, [Centrale As](#), was handed over in 2016. The road runs through part of the Noardlike Fryske Wâlden, a nature area of national importance. Solutions were therefore sought that would respect the flora and fauna. A 'hop-over' was built, for example, to give bats a safer flight path. Mobilis worked on the project as a member of the Nije Daam consortium. The project was made up of four sub-projects that included an aqueduct and a bridge. The TBI companies Voorbij Funderingstechniek and Timmermans Infratechniek also worked on the project.

RELIABLE MAINTENANCE AND MANAGEMENT

Clients want to know how much their projects will cost over the longer term and are increasingly contracting out management and maintenance. They want their assets to be reliable and available at all times. Continuous availability is essential to many clients. TBI's Infra Asset Management Division is a repository for all our knowledge relating to the maintenance of civil works and technical systems, even if they were not built by TBI itself. We challenge ourselves to continuously develop new products and services that we can offer to our clients during the contract period. Road Maintenance Support, for example, has developed a narrow, multifunctional maintenance vehicle that can work on motorway hard shoulders without additional traffic measures having to be taken. TBI Infra Asset Management is a 50% shareholder in this venture. Long-term asset management contracts give the client peace of mind and strengthen our business model. TBI is currently involved in the maintenance of the Western Scheldt Tunnel, the Sluiskil Tunnel, the Coen Tunnel, the A15 motorway at Maasvlakte and also the locks at Eefde and the Rijnland Route.

STRONG IN INDUSTRY AND WATER

The TBI companies and their integrated cooperation also generate added value in the industry and water sectors. Croonwolver&dros provided the technology for the water treatment plant built by Mobilis in [Alblasserdam](#). Mobilis built the plant with RWB and Xylem for the Rivierenland water authority and will carry out maintenance work for the first two years after the hand-over.

The two companies are also working together on the second chamber of the lock at [Eefde](#). This multidisciplinary project is being carried out entirely by TBI companies. Operating under the name Lock to Twente ([L2T](#)), the consortium is responsible for the financing, design, construction and 27-year maintenance of the new lock. The lock's technical systems are designed to be very energy efficient. The energy needed to operate the gates will be generated by solar panels at the lock complex. Materials will be supplied mainly by water and measures will be taken to ensure the work does not disrupt shipping. The companies won the contract thanks to these sustainable, creative solutions.

A major industrial project is the renovation of [TenneT's](#) electricity substations. Servicis is working on this project with Croonwolver&dros and Mobilis.

INNOVATION PRIZE



Sustainable innovation and cooperation

Our society is in transition and a 'different' economy is emerging. Changes in market conditions and client demands are forcing the TBI companies to organise their processes more smartly and sometimes more radically. Innovation and sustainability open the door to progress in our industry: those who do not innovate will fall by the wayside. That is why TBI has to develop new and complementary services, technologies and business models.

The TBI companies are increasingly taking a more multidisciplinary, integrated approach to their projects, both within and across the clusters. Pooling our strengths generates new know-how and skills. We combine our specialist expertise in the fields of engineering, construction and infrastructure to create inspirational platforms for cross-cutting innovation, such as [TBI kennisLAB](#) and [TBI WOONlab](#). We also encourage cooperation through our joint HRM and ICT strategies and the TBI Innovation Prize.

The TBI Innovation Fund supports new products and concepts that cut across individual companies and create value for TBI as a whole. In 2016 the fund was worth €1.5 million. This is in addition to the investments made by individual TBI companies in innovation.

TBI is a true network organisation, especially when it comes to co-creation with partners, clients and consumers. Our partnership with technology incubator [YES!Delft](#), for example, provides a solid platform for advanced innovation. TBI will concentrate its efforts on improving this innovation ecosystem even further in 2017.

IT BEGINS WITH A VIRTUAL BUILDING

TBI kennisLAB is an expertise centre for the TBI employees to work in multidisciplinary teams, both physically and virtually. The centre was set up in 2014 to strengthen integrated cooperation. TBI kennisLAB is an incubator for innovation and expertise in systems engineering (SE) and BIM. The employees of the TBI companies who work with BIM share their knowledge in the TBI kennisLAB and work on projects using a virtual BIM server.

TBI kennisLAB's goal is to have all TBI's integrated projects carried out in accordance with the SE and BIM methodologies. In cooperation with Autodesk, Microsoft and other partners, TBI again invested in BIM and SE in 2016. We studied whether BIM 360 Field could be used on site for the EPO project. Following good experiences, we have used this iPad app at several building sites, including the site for the [Holland PTC](#) project. Workers at the building site have access to the complete library of 3D models and documents. We are also working on the development of new national and international [BIM-standards](#). The TBI kennisLAB facilitates and supports the TBI companies so that they can work entirely with BIM wherever possible.



MORE EFFICIENT WORK IN BIM

To raise the efficiency of BIM to an even higher level, the TBI construction companies ERA Contour, Hazenberg Bouw and Koopmans Bouwgroep have joined the [Collaborea](#) platform. This CAD & Company initiative makes it easier and faster to check, communicate and process comments and observations on BIM models. Collaborea presents all the information on a construction process in an orderly fashion and in a single place that is accessible to all involved.

We have also made agreements with 14 parties from the building industry on the provision of information from BIM and on the structure of information models. This initiative was originally taken by [BuildingSMART](#) and its basic agreements provide for the efficient and effective exchange of consistent and reliable information throughout the supply chain.

TBI INNOVATION PRIZE

The TBI Innovation Prize is an important incentive for new ideas. We received 32 submissions from the TBI companies in 2016 and rewarded two winners. The BETER OP DE METER renovation concept was the winner in the 'Best Innovation' category. BETER OP DE METER is a concept to make existing communal entry flats 80% more energy efficient for a relatively small outlay of about €30,000 per housing unit. It is being implemented by ERA Contour, Hazenberg Bouw and Koopmans Bouwgroep, working in collaboration with Hemubo, Rutges Vernieuwt and Smits Vastgoedzorg. In the 'Ideas' category, the prize was awarded for the electronic balancing of air conditioning systems, a remote concept to control air conditioning systems that reduces the time required to install and set the systems, with the least possible inconvenience to users because ceilings no longer need to be opened up. This idea was submitted by Croonwolter&dros.

TBI WOONLAB

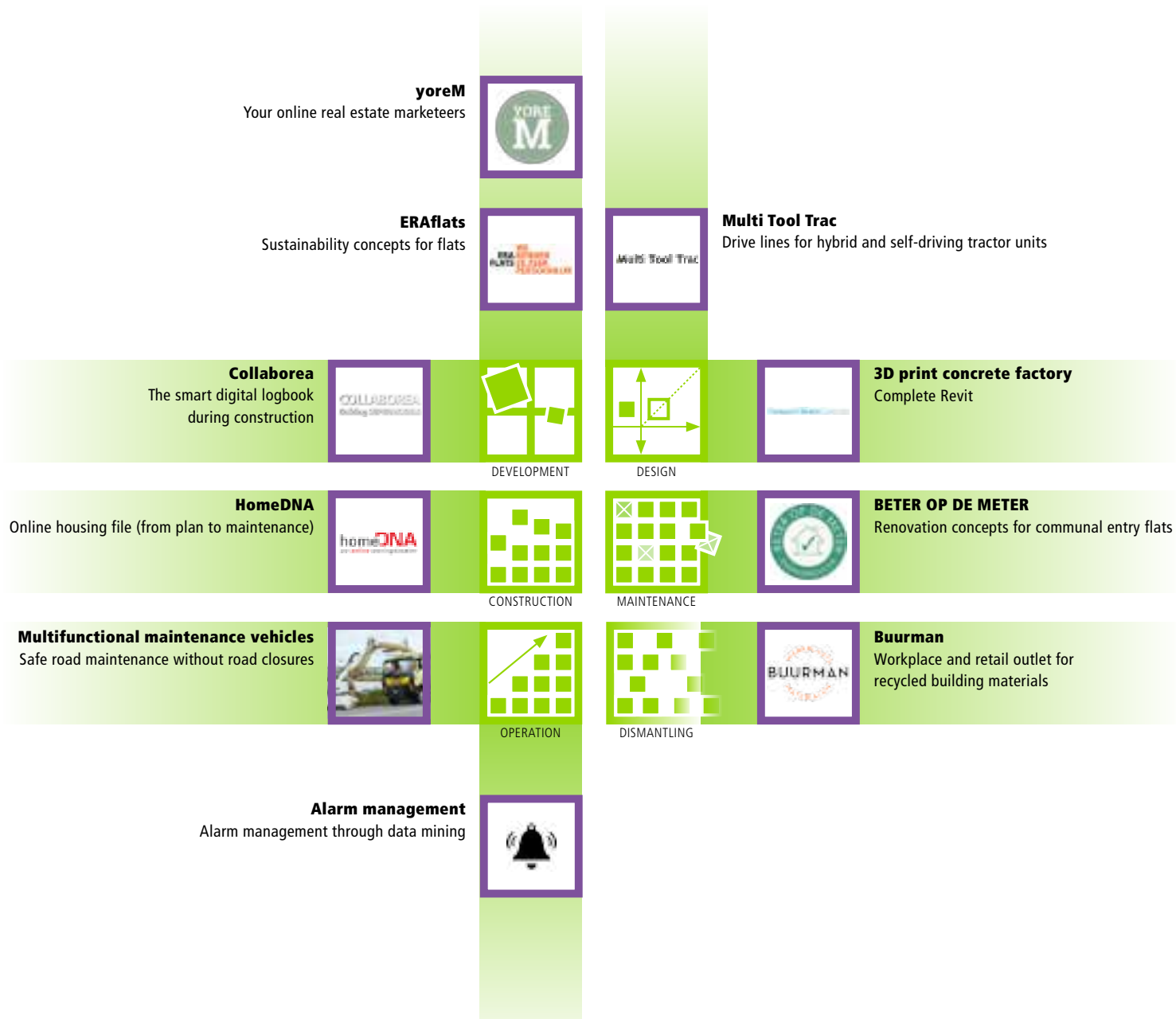
At the [TBI WOONlab](#) a number of TBI companies are working together on new concepts, processes, products and services for newbuild and renovation projects. TBI WOONlab started working on [Expedition Free Housing](#), an initiative of AM, BAM Woningbouw, Bouwinvest, Eigen Haard and TBI WOONlab to make sustainable, affordable and comfortable housing accessible to everyone. The expedition is being undertaken by four multidisciplinary teams: Digitaal Wonen, Stad van Strax, CenterCity and 100 procent woongeluk met 50 procent korting.

As in 2015, TBI WOONlab was awarded the Excellent Concept award for the [beterBASIShuis](#) and [lekkerEIGENhuis](#) housing concepts. This award is conferred by the independent [Stichting Excellent Conceptueel Bouwen](#) (SECB). It guarantees customers that they will always receive what they are promised. TBI WOONlab also organised a façade design competition for designers and architects. The most inspiring and innovative ideas were included in the lekkerEIGENhuis collection. Consumers can choose from these standard designs and are then free to adapt the appearance of their new homes as they see fit.

COOPERATION IN DE BOUWCAMPUS

Alliances with external parties also produce good innovative ideas. TBI therefore supports [De Bouwcampus](#) in Delft. De Bouwcampus was officially launched in early 2016 as a meeting place for a wide range of players from all sectors of the building industry. Working together stimulates them to work and innovate faster, more efficiently and to higher standards, and to come up with solutions that improve the quality of life, housing and work. Rijkswaterstaat, Rijksvastgoedbedrijf, Bouwend Nederland, municipalities, consultancies, building companies and school boards can put all their construction-related social challenges to De Bouwcampus.

Innovations in the supply chain



COOPERATION TO ACCELERATE SUSTAINABILITY

The entire social housing stock currently rented out by Dutch housing associations must have an average energy efficiency label of B and newbuilds must be completely energy neutral by 2020. Research carried out by [Bouwend Nederland](#) has found that it is very unlikely that this target will be achieved. More than three-quarters of the housing units concerned are still below the average and there are too many obstacles to make up the arrears in the remaining time.

TBI has therefore become a member of [Stroomversnelling](#), a network of ambitious builders, suppliers, housing associations, municipalities, financiers and network managers that want to accelerate the sustainability of the existing housing stock. With their membership of this network, the TBI housing companies ERA Contour, Hazenberg Bouw and Koopmans Bouwgroep will be in an even better position to realise their sustainability ambitions. They want to extend the [Nul op de Meter](#) (NOM) housing concept for newbuilds developed in TBI WOONlab with NOM products that can be used in existing housing.

Collaboration with start-ups

TBI has been partnering tech incubator [YES!Delft](#) since 2014. Collaboration with start-ups is an effective way to deliver innovation to our clients. It makes our companies more dynamic and innovative, and more alert to future demand in a traditional market. Croonwolt&dros, for example, is working with [Things Connected](#) to make building sites smarter, and with [PEEEKS](#) to maximise the use of renewable energy. Comfort Partners works with [De Energiebespaarders](#) to improve the energy performance of housing and with [Solar Monkey](#) to give solar production guarantees on solar panels. MDB works with [EnergyShift](#) on energy savings at building sites by means of gamification.

FINANCIAL - maintain a solid profile

Operating income and results

TBI saw its operating income increase by 1% to €1,573 million in 2016 (2015: €1,557 million). The formation of a substantial provision for losses on the EPO project, however, meant the year was closed with an operating result from normal activities of €7 million negative. After adjustment for this provision, the operating result from normal activities was €15 million positive.

We strengthened the foundations for a recovery in profitability in 2016. Our order book increased by 20%. New engagements are accepted if the return matches the risk profile and if we can exercise strict project management. We have also streamlined the processes within the organisation and improved the cost structure.

In the Construction & Development segment, our housing activities achieved strong growth figures thanks to the sharp upturn in the housing market. We sold 2,282 units in 2016, an increase of 34% on 2015. Performance in the renovation and maintenance market was also strong.

The Engineering segment had to cope with pressure on volumes and prices in the non-residential market. The market has shown some signs of an upturn but the recovery is slow. Performance in the Marine & Offshore market was good despite the difficult market conditions. The Industry segment saw a gradual recovery during the year.

The Infrastructure segment successfully increased its operating income but the unrelenting pressure on prices exerted by market overcapacity meant the operating result was lower than in 2015.

Business processes were further streamlined during the year and the size of the organisation was brought into line with the volume of activities. The reorganisation costs amounted to €7.2 million (2015: €11.2 million). This operation involved, among other things, the merger of Croon Elektrotechniek and Wolter & Dros to create a strong engineering company operating under the name Croonwolter&dros.

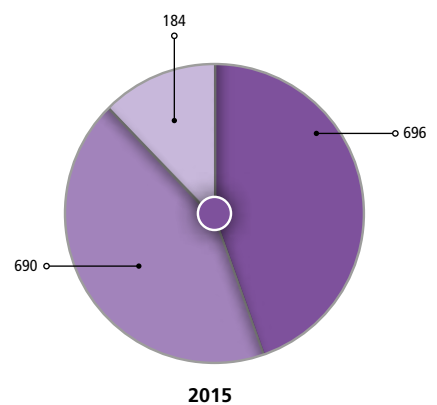
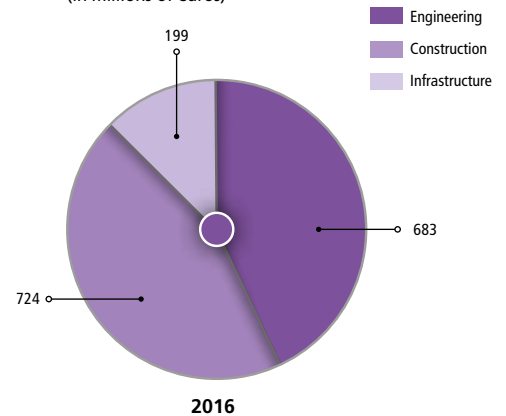
Operating income from normal activities (EBIT) after adjustment for non-operating costs, was €21.5 million lower at €7.3 million negative (2015: €14.2 million). Net financial expense rose from €2.2 million in 2015 to €4.4 million in 2016. The effective tax rate for the year was 22.3% (2015: 10.1%). The result from participating interests in 2016 came to €1.8 million (2015: €4.1 million), consisting chiefly of profit realised on the sale of the remaining 30% interest in MC Ice B.V. (Fri-Jado Groep B.V.). The net result for the year amounted to €16.7 million negative (2015: €1.3 million positive).

Results

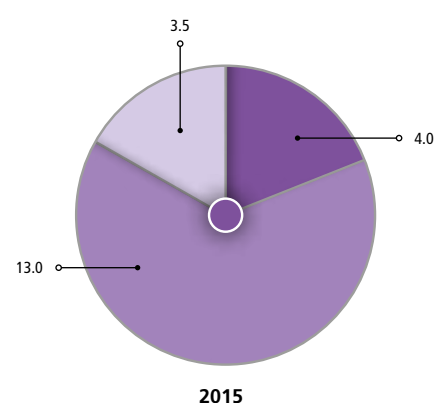
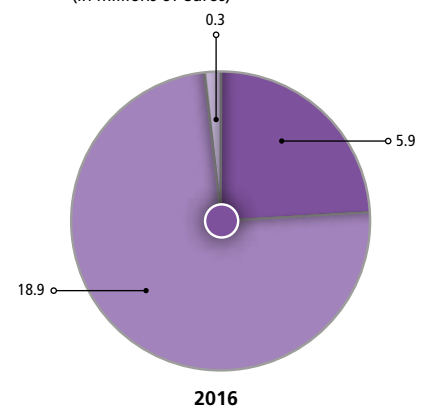
(in millions of euros)	2016	2015
Operating income	1,573	1,557
Operating result before interest, tax, depreciation and amortisation (EBITDA)*	11.7	32.7
Operating result from normal activities (EBIT)*	-7.3	14.2
Reorganisation costs	-7.2	-11.2
Impairments in value	-4.9	-4.0
Operating result (EBIT)	-19.4	-1.0
Net result	-16.7	1.3
Operating margin (in %)	-0.5	0.9

*Operating result from normal activities before reorganisation costs and impairments.

Operating income segments
(in millions of euros)



Operating results segments
(in millions of euros)



Orders received and order book

At €1.8 billion, the value of orders received was 22% higher in 2016 than in 2015 (€1.5 billion). The order book (contract value still to be performed) was 20% higher at €2.1 billion (year end 2015: €1.8 billion). Of the total order book, €1.3 billion (approximately 63%) is expected to be completed in 2017. The remainder is available for production in 2018 and subsequent years.

Balance sheet

Non-current assets increased by €4 million to €117 million. Net investments (investments less divestments) in tangible and intangible non-current assets were again lower than depreciation and amortisation in 2016. Net investments amounted to €13.6 million (2015: €12.0 million), and depreciation and amortisation to €19.0 million (2015: €18.5 million). Financial assets increased by €8.8 million, partly on account of the reclassification of deferred tax assets.

Investments in the real estate portfolio (land positions, building rights, unsold housing under construction and unsold housing completed) amounted to €191 million at year end 2016 (year end 2015: €217 million). The €26 million reduction was due to a €7 million decline in property development investments and a €19 million fall in the stock of unsold housing under construction and completed.

Owing to these developments in the composition of our work in progress and faster payments to suppliers, net working capital increased to €65 million (2015: €48 million). Net cash and cash equivalents by contrast were €28 million lower. Cash and cash equivalents net of current liabilities to credit institutions amounted to €125 million at year end 2016 (year end 2015: €153 million).

Shareholder's equity totalled €230 million at the end of 2016 (year end 2015: €247 million). In comparison with the previous year, shareholder's equity was €17 million lower. The total includes the net loss for the year of €16.7 million. Shareholder's equity was also reduced by €0.4 million on account of the dividend distribution to the shareholder in respect of 2015.

TBI's financial position remains strong, with total assets being equal to 32.5% of shareholder's equity (2015: 32.2%). After allowing for the €25 million subordinated loan concluded in 2016, Guarantee capital was equal to 36.0% of total assets.

Key balance sheet figures

(in millions of euros)	2016	2015
Non-current assets	117	113
Investments in real estate portfolio	191	217
Net working capital	65	48
Net cash and cash equivalents	125	153
Shareholder's equity	230	247
Subordinated loan	25	-
Total assets	707	767
Total assets : shareholder's equity	32.5%	32.2%
Total assets : guarantee capital	36.0%	32.2%

Net working capital

(in millions of euros)	2016	2015
Engineering	31	-8
Construction & Development	-96	-88
Infrastructure	-27	-38
Investments in project development	181	190
Other	-24	-8
Total	65	48

Financing

TBI can draw on a €75 million committed revolving financing facility with three banks. It will expire in December 2020. The facility was not drawn upon in either 2015 or 2016. The interest rate is based on EURIBOR, with the interest rate period being determined by the duration of the draw-down, plus a surcharge. The main security given is compliance with financial covenants (interest cover and senior debt cover). TBI satisfied these financial covenants in 2016.

TBI also has current account facilities with three banks to a total of €30 million. Interest is payable on these facilities at EURIBOR plus a surcharge. These facilities are drawn down only to meet acute liquidity requirements. They had not been drawn upon at either year end 2015 or year end 2016.

TBI Holdings B.V. has five guarantee facilities with a total commitment of €406 million (2015: €395 million). The commitment is available to the TBI companies. With respect to bank guarantees, the TBI companies are subject to the guarantee policy of TBI Holdings B.V. This policy includes guidance on the maximum amounts and terms of the individual guarantees. Departures are permitted only with the prior approval of the Executive Board.

Engineering, Construction & Development and Infrastructure results

The composition of operating result from normal activities is as follows:

Operating result* (in millions of euros)	2016	2015
Engineering	5.9	4.0
Construction & Development	18.9	13.0
Infrastructure	0.3	3.5
Holding company	-32.4	-6.3
TBI**	-7.3	14.2

* From normal activities before the deduction of reorganisation costs and impairments in value.

** The provision for the EPO project was charged to the holding company.

The infrastructure activities in the Engineering segment turned in a good result. There was also a significant reduction in the risk profile of several major projects (Coen Tunnel and Maasvlakte A15 motorway). The order book was strengthened by new contracts, including the contracts for the lock at Eefde and the Rijnland Route.

The companies in the Marine & Offshore market also performed well despite the difficult market conditions. The industrial markets benefited from a gradual recovery with a growing number of engagements and firmer prices, with a higher order book in consequence. The prospects for 2017 are accordingly better.

Total operating income in the Engineering segment was slightly lower. The operating result, however, was higher and the operating margin widened from 0.6% to 0.9%.

The order book increased by €28 million to €724 million.

ENGINEERING

Engineering (in millions of euros)	2016	2015
Operating income	683	696
Operating result before depreciation and amortisation*	13.4	11.8
Operating result*	5.9	4.0
Operating margin	0.9%	0.6%
Orders received	712	665
Order book as at year end	724	696

* From normal activities before the deduction of reorganisation costs and impairments in value.

The companies in the Engineering segment are active in several market sectors.

In the non-residential market, where volumes and prices remained under pressure, the number of contracts stabilised at a low level and results were behind expectations. The outlook for 2017 is moderate.

CONSTRUCTION & DEVELOPMENT

Construction & development

(in millions of euros)

	2016	2015
Operating income	724	690
Operating result before depreciation and amortisation*	24.3	18.9
Operating result*	18.9	13.0
Operating margin	2.6%	1.9%
Orders received	900	709
Order book as at year end	1,074	906

* From normal activities before the deduction of reorganisation costs and impairments in value.

The recovery in the newbuild housing market continued in 2016. The outlook for 2017 is also promising, as evidenced by the increase in the order book on the previous year.

The recovery in the housing market lifted both the operating income and the operating result in comparison with 2015. There was also a strong improvement in the margin, up from 1.9% in 2015 to 2.6% in 2016. The operating result from normal activities was €5.9 million higher at €18.9 million. Conditions on the non-residential market are still difficult, despite signs of a recovery, and operating income and operating result on this market remained under pressure in 2016.

The real estate positions were analysed during the year and an impairment in value was recognised of €4.3 million (2015: €4.0 million).

Prospects

We are looking to 2017 with confidence. The economy is growing and the size and quality of our order portfolio have developed well.

In the Construction & Development segment, underlying demand on the housing market is very strong. Any increase in output will be due in part to the planned availability of locations. We will continue to invest in the further development of our housing concepts. The non-residential market is expected to pick up, as there are opportunities to redevelop and transform existing properties. We also foresee growth opportunities in the Engineering segment, where we will respond to the higher demand for multidisciplinary solutions and to the openings in the industrial and infrastructure markets. The Marine & Offshore segment will remain under pressure in 2017.

With our continuous focus on project management and cost optimisation, we will continue to invest in innovative solutions in the field of product, process and concept development.

We are increasingly making more and better use of the synergy generated by the multidisciplinary cooperation between the TBI companies and responding more distinctively to the more complex demands of our clients. With our solid financial position, we are in an excellent position to achieve further growth.

INFRASTRUCTURE

Infrastructure

(in millions of euros)

	2016	2015
Operating income	199	184
Operating result before depreciation and amortisation*	2.5	6.1
Operating result*	0.3	3.5
Operating margin	0.1%	1.9%
Orders received	221	134
Order book as at year end	339	193

* From normal activities before the deduction of reorganisation costs and impairments in value.

Operating income was increased by higher output in 2016 in comparison with 2015. The operating result from normal activities in the Infrastructure segment was lower on account of pressure exerted on volumes and prices by spending cuts by central government and local and provincial authorities. A recovery in market conditions improved the volume and quality of the order book, in part through the award of new contracts for the lock at Eefde and the Rijnland Route.

The operating result from normal activities came to €0.3 million (€3.5 million in 2015). The activities in Denmark again incurred start-up losses.

We will continue to optimise the portfolio by means of acquisitions and divestments. We expect virtually no change in staff numbers in 2017.

TBI foresees an improvement in its operating result in 2017, especially in view of the firmer market conditions, the increase in the order book and the incidental nature of the result on the EPO project.

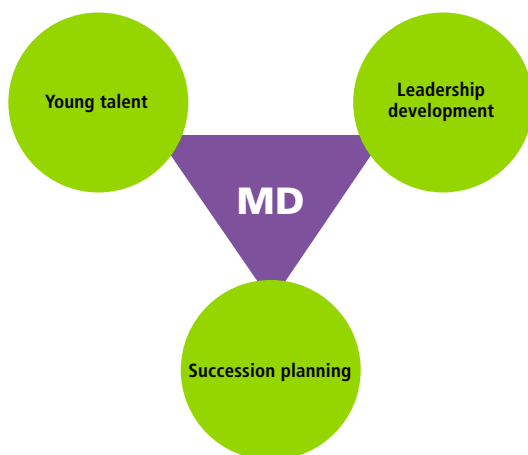
EMPLOYEES - An attractive workplace

TBI invests in people and social progress. Together we are creating the living environment of the future. It is our ambition to offer talent the best working conditions by 2020 and therefore to be the best partner for our clients. Our core values – responsibility, passion and interaction – are the pillars of our human resources policy. We offer our people good personal development opportunities, education and training, healthy labour relations and employment terms, and a safe and healthy working environment.

Employee development

Priority	Goal	Result
Offer good training and development opportunities	Investment in training and development to increase staff know-how and skills	€3.9 million (€702 per FTE) invested in training and development 60,097 training hours (46,300 hours in 2015)
Good labour relations	> 95% of the staff have performance and/ or appraisal interviews	76.8% performance and appraisal interviews (86% in 2015)
Assurances on a safe and healthy working environment	Incident frequency < 6 Sickness absenteeism < 4%	3.6 incident frequency (3.1 in 2015) 4.4% sickness absenteeism (4.1% in 2015)

Our aim is to encourage and support the continuous development of our employees in key positions at our companies. We therefore give high priority to young talent recruitment, leadership skills and succession planning. These are the building blocks of our management development policy.



YOUNG TALENT

We proactively seek out young talent, people who combine professional skills with the ability to work effectively on large, complex projects. To achieve our goal of increasing the recruitment, diversity and development of young talent, we select management trainees and identify young talent already working for TBI (102 people in 2016). To retain these people and maintain their enthusiasm, we offer the target groups training programmes at the TBI academy. We will increase the range of programmes further in 2017.

Traineeships

We presented TBI as an attractive employer at the technical universities of Delft, Twente and Eindhoven. In 2016, 14 graduates from a variety of disciplines started a TBI traineeship. This programme gives them an opportunity to work for eight months on three occasions for TBI companies and develop a better understanding of the TBI organisation.

LEADERSHIP DEVELOPMENT

The goals of our leadership development programme are to ensure the good quality of project management, to strengthen the leadership culture, to create a platform for the exchange of knowledge and to facilitate internal promotion. Within TBI we give project managers a chance to develop themselves and extend their networks.

SUCCESSION PLANNING

To ensure we have the right people in key positions at all times, to understand where we have the requisite talent or need to strengthen it and to identify necessary training and development paths, we review the personal development and succession of young talent, potentials, managers/corporate staff and directors every year. The target groups were analysed during 2016 so that we could tailor our development programmes to their needs.

Training and development

Changing client demands and the greater complexity of projects are influencing the way we work. Knowledge sharing, development and cooperation are essential. Our training centre, the TBI academy, nurtures current and future leaders and facilitates personal development with programmes aimed at a wide range of target groups. The training programmes support cooperation among the various disciplines and generate synergy among the TBI companies. Sharing experiences and best practices in the TBI academy is an important aspect of all training programmes. Sharing experiences of the tools we work with, such as Systems Engineering (SE), BIM and Mobilizer, is also an integral part of all our training programmes.

We evaluated our training programme in 2016 and decided to widen it in 2017 by including project management courses and other modules. In total, we invested more than 60.097 hours and €3.9 million in staff development and training in 2016 (46,300 hours and €3.2 million in 2015). 39 members of staff took part in a training programme at the TBI academy (35 in 2015).

TBI academy works closely with the Erasmus University, Rotterdam School of Management and De Baak.

The figure below shows the programmes offered by the TBI academy to the target groups in our organisation. Several new courses are currently under development and will be programmed in 2017.

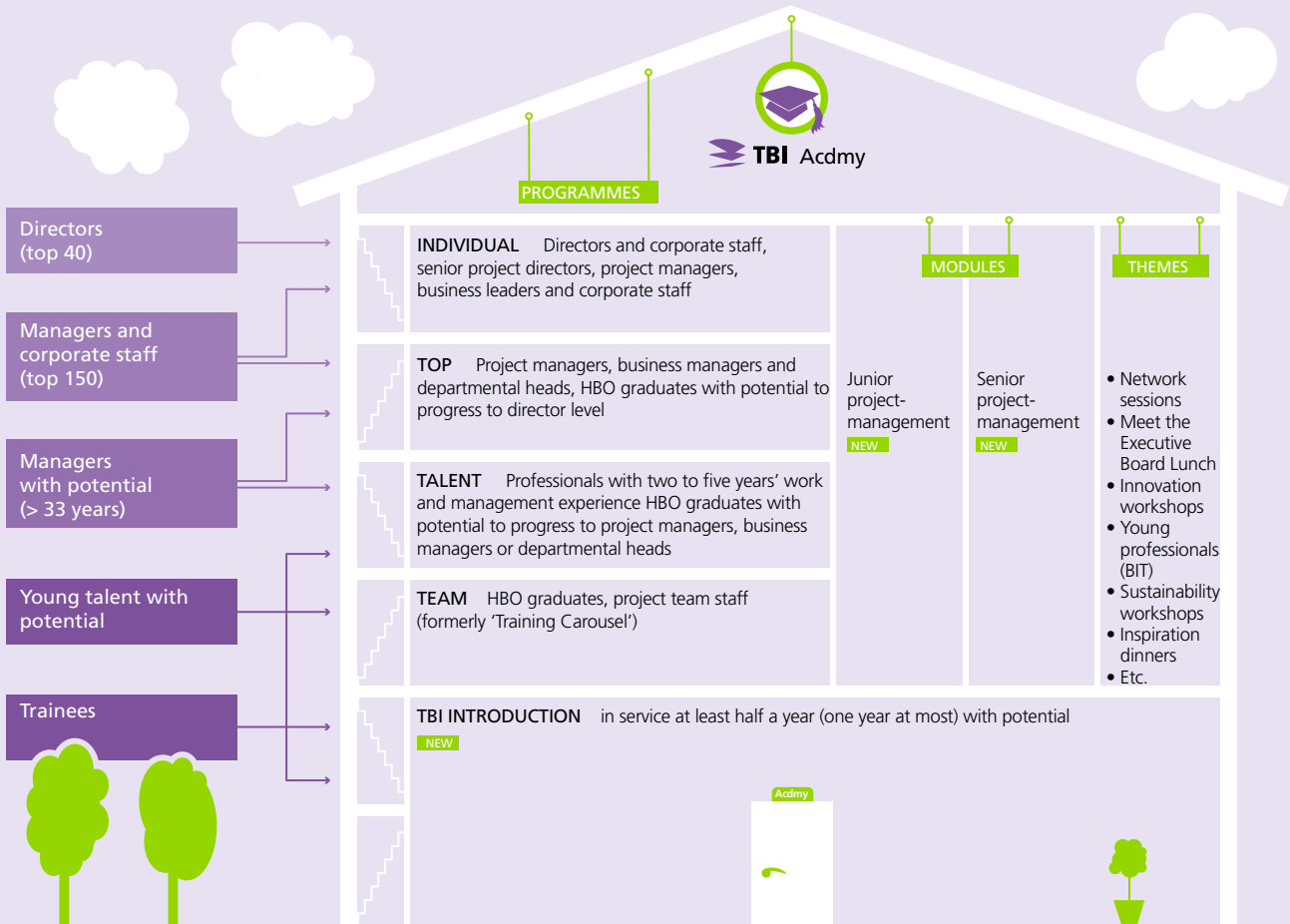
THEMED MEETINGS

We regularly organise themed meetings for staff to get together and learn from each other. Young ambitious TBI employees are also invited to join BIT: Bring It Together, a network for and by young TBI professionals. Last year, BIT organised four meetings for its members to share their knowledge and experience and widen their networks. The young talent network currently has 202 members (169 in 2015).

Another network meeting for young professionals is the Meet the Executive Board Lunch, which was held four times in 2016. The meetings are inspirational opportunities for both the young talent and the Executive Board to share their knowledge and insights. We also organised several inspirational meetings and quarterly sessions last year for the departments and management groups to discuss such wide ranging issues as leadership, innovation and entrepreneurship. A new forum established in 2016 was the Financial Community for financial managers and controllers to meet each other and share their knowledge and experiences.

Staying in touch with each other

TBI academy regularly organises meetings under the name TBI academy **CONNECTED** so that staff who have completed a training programme can get together again. Through their contacts with the TBI academy, former participants of a **TRAINEE**, **TALENT**, **TEAM** or **TOP** course can keep in touch with each other and strengthen their networks.



Labour relations and employment conditions

TBI wants to offer an attractive workplace in which all its employees can work to the best of their abilities. We want to rank among the most attractive employers in the industry so that we can recruit and retain the right talent and successful professionals. Good labour relations and employment conditions that are in keeping with internal and external developments are therefore essential.

EMPLOYEE INTERVIEWS

At TBI we believe all employees have a right to regular performance and appraisal interviews. More than 76% of the staff had such interviews with their managers in 2016 (2015: 86%). The lower percentage in comparison with the previous year was due chiefly to many managers postponing the interviews in anticipation of the new performance management system. This system was developed in 2016 and will be rolled out in 2017.

EMPLOYMENT CONDITIONS

All full and part-time employees enjoy the same employment conditions on a pro rata basis. All applicable collective bargaining agreements contain agreements on staff health and safety. They also include agreements on complaint settlement procedures, training and instructions.

CHANGES IN THE PENSION SCHEMES

The staff pension entitlements and obligations were transferred to Nationale Nederlanden on 31 December 2016 and Stichting Pensioenfonds TBI was wound up as of the same date. The various top up pension schemes were also harmonised. This related to pensions schemes that were not administered by the occupational pension funds for the construction industry, the metal working and mechanical engineering industry, and the concrete products industry.

EMPLOYEE PARTICIPATION

We attach great value to constructive dialogue with our employees and have a sophisticated employee participation structure. TBI's Central Works Council met on five occasions in 2016. It considered requests for advice on the TBI Code of Conduct, the composition of the Supervisory Board and the appointment of a member of the Executive Board of TBI Holdings B.V. It also considered three requests for approval and discussed the obligation to report data leaks, the TBI Safety Day, the Whistle Blowers (Safe Haven) Act and the company's financial performance.

MOBILITY STRENGTHENS COOPERATION

We recognise the importance of employee moving from one company to another within TBI in order to widen their experience and strengthen cooperation within the organisation. The human resources organisations facilitate this mobility process and will continue to encourage and structure it in the years ahead. Eight managers moved to new positions within TBI in 2016. Most of the moves took place at director level in the Housing cluster.

EMPLOYEE TURNOVER

The number of employees who leave our companies at their own request is an indication of labour relations. Of the 647 FTEs who left, 48.8% did so at their own request. Relative to the total number of employees, this is an employee turnover rate of 5.9% (2015: 5.3%).

More detailed information on our employees is included in the [GRI G4 content index](#).

Health and safety

TBI aims to provide the healthiest and safest possible working environment. We consider safety to be a continuous process that can always be improved upon. To increase safety we influence behaviour and safety awareness, mainly by paying personal attention and embedding safety at the highest level in the organisation. To support us in this endeavour, we have set up a Safety Council consisting of employees from the TBI companies. It is chaired by the President of the Executive Board. Issues we discussed with the Safety Council in 2016 included the Safety Awareness Audits, the TBI Safety Guidelines, a safety app to report incidents, the TBI Safety Day and the e-learning modules.

Periodic talks are also held with the safety officers from the TBI companies to discuss quality, working conditions and the environment. Occupational accidents and dangerous situations are fixed items on the agenda for such meetings. The best way to prevent repetition is to learn from past incidents. The integrated approach taken by the individual TBI companies also raises the learning ability of our organisation as a whole. All companies work in accordance with the group-wide TBI Safety Guidelines that we introduced to reduce risk at building sites. The guidelines supplement the established management systems such as ISO 9001/14001, VCA** and OHSAS 18001. Employees and visitors at the TBI building sites are required to sign and observe the safety guidelines.

We also assess our suppliers as to their safety performance. In 2016, we assessed the safety performance of 1,390 suppliers in total. TBI is one of the signatories of the 'Safety in Construction' Governance Code. Together with our clients we recognise our responsibilities and permanently improve our workplaces in order to make the industry safer. In 2016 measures were developed to improve the safety of subcontractors and to harmonise safety access passes, basic training courses and the digital knowledge platform. It was also decided to introduce a National Safety Day for the building industry.

In anticipation, we organised our own TBI Safety Day on 11 October 2016, when safety at work literally and figuratively had the highest priority. Safety meetings were held at every building site and office so that our staff and subcontractors could discuss how they could learn from each other. All participants were invited to make suggestions and we started working on some of the ideas immediately. The proposed improvements were included in a TBI safety calendar for 2017 with a safety tip for every day of the year. In 2017, we took part in the National Safety Day on 17 March.

Other resources we used to increase safety awareness in 2016 included a safety film, learning cards and the [safety awareness e-learning modules](#). The modules rolled out in 2016 included videos in which employees recalled their own experiences of safety. We have increased safety awareness among suppliers and subcontractors by making safety performance part of our assessments. We are also developing a safety app containing information on, for example, toolbox meetings and the TBI Safety Guidelines.

Workers can report unsafe situations at the building sites by sending a photograph via the app. The [app](#) will be launched in early 2017.

The number of lost-time incidents involving our own employees and external workers totalled 37 in 2016 (2015: 33). The incident frequency (IF) came to 3.6 (2015: 3.1). In addition to lost-time incidents, a further 198 incidents were recorded during the year (2015: 170). We will continue to promote the safe conduct and safety awareness of our own employees and external workers in 2017.

REDUCING ABSENTEEISM

TBI Vitaal converts our absenteeism policy into an active reintegration policy. We are taking measures to make employees aware of their own responsibility to be healthy and fit at work. Following a successful pilot project, we have rolled out this approach at all the TBI companies. So far it has concentrated on the policy to notify sickness absenteeism. The next step is to study how we can ensure that employees remain fit. The sickness absenteeism rate within TBI rose to 4.4% in 2016 (2015: 4.1%). Nearly 3% of the cases related to long-term absenteeism. Reducing sickness absenteeism to less than 4% is a priority or 2017.

Cooperation in education and safety

Employees who work at height must be fully aware of the risks. In the near future, workers in the construction and manufacturing industries will be able to put their theoretical knowledge to the test in practice. The first piles were driven home for the RDM Training Plant in 2016, an exercise factory for manufacturing and construction workers. The project is being built by seven industrial contractors, including Croonwolder&dros. They believe safety in the industrial supply chain is not only a task for the government and factory owners but also for contractors. The RDM Training Plant will provide a real life practice space for educational institutions and industry. Participants will be able to take the main industrial safety courses and will be awarded a recognised certificate.

ENVIRONMENT - Reducing the impact

TBI is aware of the impact its activities have on the environment. We have a moral duty to care for the environment. All TBI companies therefore give high priority to energy efficiency, optimal building logistics, site management, the sustainable use of raw materials and sustainable procurement.

Priority	Goal	Result
Reduce the carbon footprint (energy and mobility)	> 30% reduction in CO ₂ emissions – scope 1 and 2 (relative to 2011)	> 25% reduction in CO ₂ emission – scope 1 (relative to 2011) > 58.7% reduction in CO ₂ emission – scope 2 (relative to 2011)
Optimal use of natural resources, raw materials and consumables	> 75% waste separation > 95% certified sustainable timber	72.8% of waste separated (2015: 71%) > 91% of timber certified as sustainable (2015: 95%)
Sustainability in the value chain	> 85% of supplier assessments consider sustainability	78.2% of suppliers assessed as to their environmental performance (2015: 84%)

Energy and CO₂

In the Netherlands, the built environment accounts for about 40% of total energy consumption and is responsible for 30% of the CO₂ emission. About a quarter of all traffic, moreover, is related to the construction industry.

ENERGY

TBI wants to reduce the consumption of fossil fuels and increase the consumption of renewable energy. We are making our own energy consumption more sustainable (scope 1 and 2) and are encouraging our clients and suppliers to do the same.

TBI's total energy consumption in 2016 was 388 TJ (2015: 405 TJ). This led to the emission of 27.8 ktonnes of CO₂ (2015: 29 ktonnes). This represents a decline in CO₂ emissions of 4.1% in absolute terms in comparison with 2015. Relative to operating income, energy consumption was equal to 246 GJ/million euros (2015: 258 GJ/million euros). The CO₂ emission relative to operating income was 17.7 tonne/million euros (2015: 18 tonne/million euros).

MOBILITY AND LOGISTICS

Mobility is responsible for about 85% of TBI's carbon footprint. The vehicle fleet's emissions are steadily falling (18.4 ktonnes in 2016 versus 20 ktonnes in 2015). The fall is due mainly to the greater use of cleaner vehicles. A new lease scheme introduced in 2016 applies a stricter CO₂ standard for our vehicles.

TBI also takes measures to make construction logistics more sustainable. The TBI companies have taken a variety of initiatives to organise their construction logistics more efficiently. They have experimented, for instance, with several ticketing systems and used logistics hubs for our inner city projects.

SUSTAINABLE BUILDING SITES

The TBI companies engage in systematic talks to improve the sustainability of building sites, paying specific attention to safety and energy consumption. The outcomes include a menu for sustainable and innovative building sites and a sustainable site office. Steps have also been taken to develop a hydrogen-fuelled generator to provide electricity at the building sites. The generator is expected to be in use on our projects in 2017.

Building site ticketing system to optimise supplies

For the construction of the Amstelkwartier Hotel in Amsterdam, J.P. van Eesteren used a [ticketing system](#). This web-based platform can plan and sequence the transport and logistics equipment (cranes, forklifts, lifts) more efficiently so that there are fewer disruptions in the construction process. It is part of a new Logistics Management System that also manages stock levels and calculates the CO₂ emission. Use of the system also produced a considerable reduction in the volume of waste. The metal stud walls and plaster boards were made to size and recessed in advance so that there was far less waste to dispose of at the building site. J.P. van Eesteren will also use the ticketing system on future projects.

Raw materials and supply chain cooperation

The construction industry is a major consumer of materials: about half of all the timber used in the Netherlands and nearly a third of all the waste is related to construction work. Some 60% of the industry's operating income is related to the purchase of materials and services. TBI wants to make more sustainable use of its raw materials, for example by buying them more efficiently and by minimising waste flows. We also want to facilitate the re-use of materials wherever possible and work with partners who share these ambitions. One of the suppliers we work with, for example, is Buurman in Rotterdam, an organisation dedicated to recycling building materials.

RAW MATERIAL MANAGEMENT

In total, we produced 28.1 ktonnes of waste in 2016 (2015: 25 ktonnes). Absolute volumes fluctuate widely depending on the type of activity we perform each year. Of the total volume of waste, 72.8% was separated (2015: 71%). The absolute volume may have increased, but the percentage that was separated was also slightly higher. The largest gains can still be made by the TBI construction companies. They separate only 55% of their waste, less than our infrastructure and engineering companies, which on average separate 95%. In addition to the higher priority being given to waste separation at the building sites, the increased use of prefabrication is also expected to have a positive impact on the volume of waste that is separated.

SUSTAINABLE PROCUREMENT

Procurement is largely a decentralised activity within TBI, although there are standard agreements on the assessment of suppliers and subcontractors. In total, more than 1,660 suppliers were assessed in 2016 and 78.2% of them were also assessed as to their environmental performance (2015: 84%).

TBI has adopted the [Manifesto on Socially Responsible Procurement and Business Practices](#) issued by the Dutch Association for Purchasing Management (NEVI). We recognise the importance of environmental and social criteria when selecting products and are investing in the development of the new ISO standard for sustainable procurement: ISO 20400. We respect the environmental criteria set for most product groups. From an environmental perspective, TBI's most important service and product groups are energy (gas and electricity), timber products, waste management, construction logistics and concrete products. Our aim is to use only green electricity in all our activities and to use certified sustainable timber for our clients wherever possible. With the support of our waste management partners, we are also prioritising waste separation and re-use.

We are experimenting with several models and platforms to optimise construction logistics (see box below). TBI was a member of the initiative 'Beton Bewust' in 2016. One of the agreements within this voluntary scheme set up under the auspices of the Concrete Sustainability Council is to require concrete suppliers to clarify the quantity of secondary raw materials they use and to calculate the volume of CO₂ emitted per volume of concrete supplied.

SUSTAINABLE TIMBER

TBI is a signatory of the [Construction & Timber Covenant](#) and uses certified sustainable timber wherever possible. In 2016, 91% of the total volume of timber we used was certified as FSC/FSC mix or PEFC sustainable (2015: 95%). All the TBI construction companies that use timber are FSC certified. Projects carried out by TBI use certified timber as a matter of policy.

Circular work clothes

All over the world, billions of kilos of work clothes are thrown away or are disposed of every year. Our employees wear their TBI work clothes with pride all year round, but the nature of their work means they need regular replacement. TBI has therefore joined forces with Dura Vermeer and Alliander to study how the use of work clothes can be made circular. This initiative is part of the Circular Procurement Green Deal (GDCI). The first collection of circular TBI work clothes was designed in 2016 in cooperation with the supplier, Intersafe. Our employees will extensively test them in 2017 to see if they meet our high demands regarding safety, quality and comfort. This is the first important step towards our ambition of having 100% circular TBI work clothes by 2022.

Co-Green wins Supply Chain Award

[Co-Green](#) proves that climate neutrality and high quality housing can be realised at no extra cost to the budget. ERA Contour is working on this project with housing association Eigen Haard, architect KOW and demolition company Oranje. The project involves the construction of the first climate neutral and cost neutral housing district in the Netherlands. Intensive knowledge-sharing, a cooperative working structure and joint risk-sharing have produced smart innovations. Demolition materials such as bricks and rubble have been re-used in the new homes' concrete and masonry. Co-Green won the Nyenrode Supply Chain Award in 2016. The jury named the cooperation in the supply chain as an inspirational example and praised the wide-ranging and creative vision of sustainability.

SOCIETY - Corporate responsibility and engagement

TBI has set down rules on the integrity and transparency of its own activities in the **TBI Code of Conduct**. We work throughout the Netherlands and are well aware that people can be inconvenienced by our activities. We seek to minimise the inconvenience by carefully planning and organising the building sites and communicating clearly with the local community. We also invest in socially relevant initiatives.

Priority	Goal	Result
Integrity	<ul style="list-style-type: none"> Zero breaches of the TBI Code of Conduct 	5 fines for breaches of laws and regulations (5 in 2015) 252 reports concerning the TBI Code of Conduct (259 in 2015)
Consideration of local residents and respect for nature	<ul style="list-style-type: none"> All large building sites observe the Bewuste Bouwers code 	100 building sites (54 in 2015) observe the Bewuste Bouwers code
Making a socially relevant contribution to initiatives using TBI's specific expertise and experience	<ul style="list-style-type: none"> Annual investment in social projects > 3% of apprenticeships have a social return 	€509,200 invested in social projects (2015: €364,400) 293 apprenticeships with 22 social return initiatives (7.5%)

Integrity

We expect our people to deal responsibly and professionally with the trust we have in them. The standards and values TBI observes must be recognisably applied in their day-to-day work. We have laid down our standards and values in the TBI Code of Conduct. We regularly test their legitimacy, effectiveness and scope. We did so again in 2016 and as a consequence thoroughly revised the framework of standards in the TBI Code of Conduct. We ensure compliance by setting a good example, continuously raising the standards and rules and incorporating the rules in the development programmes and training courses. The TBI Code of Conduct is a specific element in the individual contracts of employment we sign with each employee.

TBI CODE OF CONDUCT

The Executive Board develops and implements a comprehensive integrity policy. An integrity steering group made up of representatives of the companies advises the Executive Board on the policy. Chaired by TBI Holding B.V.'s supervisor, it meets every quarter to initiate and take the lead in integrity issues. The supervisors report the number of requests for an explanation and/or approval and the number of suspected and actual breaches of the TBI Code of Conduct every quarter.

We received 252 reports concerning the TBI Code of Conduct in 2016 (2015: 259). Of the total, 24 related to suspected or actual breaches (2015: 20). The reports have persuaded us to pay even more attention to breaches of the code in 2017. The revision of the TBI Code of Conduct in which is completed in January 2017, raised awareness to an even higher level.

LAWS AND REGULATIONS

TBI has tightened up its supervision of reports of non-compliance with laws and regulations by TBI companies. In total five breaches were fined for an amount of €99,395 during the year. Four of them related to breaches of the occupational health and safety laws and one to the employment of foreign nationals. There were no breaches, fines or warnings in respect of environmental legislation or other laws.



Respect for the community

The TBI companies make every effort to minimise the inconvenience caused by their activities to the local community. We want to be looked upon as a good neighbour, one that is environmentally aware, approachable, transparent and proactive.

CONSIDERATE CONSTRUCTORS

TBI has been a member of the Dutch Considerate Constructors scheme, [Bewuste Bouwers](#), for several years. Building sites that observe the Bewuste Bouwers Code of Considerate Practice go beyond the law to respect the community and give the utmost consideration to environmental awareness and the safety and appearance of their building sites. During the year, 57 new building sites were registered with Bewuste Bouwers. The total number of ongoing Bewuste Bouwers projects came to 100 in 2016. All of the project audits were successfully completed. A project carried out by TBI Infra as a consortium member was the first to be audited in accordance with the new Bewuste Bouwers Code. We will increase the number of audits carried out at our building sites in 2017 to ensure that our smaller projects also pay continuous attention to the local community.

COMPLAINTS MANAGEMENT

Complaints are dealt with locally. The complaints management systems of nearly all the TBI companies are ISO 9001 compliant. Records are kept locally and are tailored to specific activities. Consolidated figures therefore cannot be given.

Complaints about a particular project are managed in accordance with the project's quality plan. With more TBI companies working in cooperation with each other more often, we have developed a uniform format for the quality plans.

OPEN BUILDING SITES

We again opened up many building sites to the public on [Construction Day](#) in 2016. This annual initiative of Bouwend Nederland allows the public to take a look behind the screens at building projects. The event attracts thousands of visitors every year.

J.P. van Eesteren invited the public to visit three large projects: the [HollandPTC](#) proton clinic in Delft, the radio therapy centre at [Antoniushoeve](#) in Leidschendam and the [Boston & Seattle](#) housing development at the Wilhelmina Pier in Rotterdam. In Groningen Koopmans Bouwgroep opened up the Energy Academy Europe for the public. Synchroon, Mobilis, Voorbij Prefab and Koopmans Bouwgroep together with Boskalis and the municipal authority organised guided tours through Waterfront in Harderwijk.

The public can also meet TBI on other occasions. On the opening of the Centrale As in northeast Friesland, for example, businesses and the public were invited to turn the road into a true trade route. The day's proceeds were donated to Stichting Leergeld, an educational organisation for disadvantaged children. Pupils from a junior school in Vlaardingen visited the site of Vlaardings Geluk in order to witness everything that happens on an ERA Contour building site.



Corporate social responsibility

As well as providing professional services, TBI wants to make a positive contribution to society. We want to be known as a socially active and engaged company. A company that supports and initiates social initiatives.

HABITAT FOR HUMANITY

TBI has been partnering [Habitat for Humanity](#) since 2014. Habitat has a vision of building a world in which everyone has a safe place to live. Eleven TBI employees made physical and financial contributions to the construction of homes in [Vietnam](#) in 2016. TBI staff will also have a similar opportunity to work for the same goal in Cambodia in 2017.

SOCIAL ENGAGEMENT

TBI companies demonstrate their social engagement in a variety of ways. They range from financial support for cultural and social initiatives to the preservation of national cultural heritage. In total, the TBI companies as a whole gave more than €509,200 in the form of donations and sponsorship to social causes in 2016 (€364,400 in 2015). Many members of staff also volunteered for social projects and educational activities.

Employees from Eekels Technology cycled the [Ride for the Roses](#) for the fifth time last year to raise money for cancer research. Koopmans Bouwgroep took part in [NLdoet](#), an annual voluntary day of action organised by Oranje Fonds. More than 20 members of staff worked for a day with Stichting Twentewens Ambulance in Enschede.

De Trap symbolic for TBI

TBI was one of the main sponsors of [De Trap](#). This impressive structure on the square in front of Rotterdam central station was part of the cultural manifestation 'Rotterdam celebrates the city' to mark the 75th anniversary of the post-war reconstruction. TBI's history is intertwined with the reconstruction. We have been responsible for many prominent buildings in the city.

SOCIAL RETURN

TBI again offered apprenticeships in 2016. Most of the TBI companies are members of the Fundeon (Construction) and/or Kenteq (Engineering) knowledge institutions. In total, the TBI companies offered more than 293 apprenticeships (2015: 201). A further 22 jobs generated social return (2015: 26).

STUDY FUND

The [TBI Study Fund](#) promotes the schooling, study and education of the children of all the employees of the TBI companies. It provides grants to all children wishing to pursue further education. We received more than 2,600 grant applications for the 2015/2016 academic year and awarded 2,350 grants.

BouwAkademie gives people a chance

ERA Contour together with the recycling organisation Buurman and VORM has set up the [BouwAkademie](#). The academy will teach people with a disadvantage on the labour market how to turn building materials into desirable products. The building materials will be provided by the construction companies and all participants will be intensively coached to prepare them for their reintegration into the labour market.

GOVERNANCE

Risk management

To work in its markets, TBI inevitably has to take and control risks. Managing these risks carefully and responsibly is an essential condition for our success.

APPROACH TO RISK MANAGEMENT

Project management is at the heart of TBI, from preparing a tender to delivering the end product and during the guarantee period. Our risk management and internal control systems are designed to strike the right balance between an effective, professional business and the risk profile we seek for our company. We use the following management instruments to plan, execute and steer our operations:

- The long-term strategy is laid down in the Strategic Agenda 2016-2018. It is the starting point for the TBI companies' own plans and budgets. Risk management is an integral part of the operating plans and budgets. The TBI companies also explain their risk preparedness in their operating plans.
- The management boards of the TBI companies are responsible for implementing the TBI group's Operating Plan. Their powers and responsibilities are laid down in an authorisation schedule and management instructions. The management instructions also include agreements on processes that are coordinated centrally or that cannot be performed without central group services.
- The TBI companies periodically report on their progress to the Executive Board. Financial reports are assessed centrally and compared against approved budgets. Forecasts are checked every quarter and revised where necessary.
- The operating reports and results of the TBI companies are discussed every quarter, with the main risks and mitigating measures being subject to particular scrutiny.
- There is regular contact with the TBI companies between the quarterly meetings in order to discuss operating procedures and associated risks.
- The companies are monitored every month by means of monthly key figures.
- Cash positions are monitored every day.
- Reporting guidelines are laid down in the TBI Reporting Manual, which is based on applicable laws and regulations.
- The internal audit function is performed externally by BDO. The internal audit plan is proposed and approved by the audit committee.

The risk management systems functioned satisfactorily during the year. There are no indications that they will not work satisfactorily in 2017. No significant changes are therefore foreseen. The Executive Board will continue to insist that strict attention be paid to good project management. Introduction of a quality management system (QMS) at Croonwolver&dros will have high priority. TBI can give no guarantee that risks will not occur, but it will attempt to assess them as accurately as possible and factor them into the prices charged to clients wherever possible. Improving the internal systems remains a constant priority.

RESPONSIBILITY FOR RISK MANAGEMENT

The management boards of the TBI companies are responsible for compliance with the internal risk management and control systems. They periodically report directly and indirectly to the Executive Board.

Final responsibility for identifying, managing and controlling the risks within TBI lies with the Executive Board. To fulfil this responsibility, the Executive Board designs and monitors compliance with the risk management and control systems.

The Executive Board supervises compliance with the relevant financial and other guidelines with the support of the Reporting and Control Department.

RISK PREPAREDNESS

Our risk management and control systems seek the right balance between entrepreneurship and the risk profile we are willing to accept for TBI. Our risk preparedness and probability calculations differ from one issue to another.

RISC CATEGORY	STRATEGIC PILLAR	RISK PREPAREDNESS
Market	Strengthen the market position	<ul style="list-style-type: none"> • Limited with regard to normal activities. • High with regard to investments, innovations and cooperation.
Operational	Sustainable business	<ul style="list-style-type: none"> • Limited: focus on managing risks and the right balance between risks and returns. • Zero with regard to safety, health and the local community. • Limited, good balance between risk and return. • Limited with regard to liability and insurable risks.
Financial	Maintain a solid profile	<ul style="list-style-type: none"> • Low with regard to financing, liquidity and solvency risks.
Compliance	Integrity	<ul style="list-style-type: none"> • Zero with regard to compliance with laws and regulations.

RISKS

The main risks are presented in the table below.

RISK CATEGORY: STRATEGIC/MARKET		
RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Changes in market conditions	<ul style="list-style-type: none"> Balanced portfolio of activities spread across clients and market sectors. 	Limited
	<ul style="list-style-type: none"> Innovation and anticipation of market developments, internally through cooperation and knowledge sharing in the group knowledge centres, TBI WOONlab and TBI kennisLAB. Externally through cooperation with knowledge centres. 	High
Scarcity in the labour market for specialists	<ul style="list-style-type: none"> Investments in position as a preferred employer by offering an attractive workplace with sufficient training and development opportunities and good employment conditions. 	Limited
Increased competition	<ul style="list-style-type: none"> Focus on client satisfaction and distinctive profile thanks to innovations and multidisciplinary cooperation. 	Limited
Pressure on prices	<ul style="list-style-type: none"> Being alert to price movements, indexes and lead times between contract award and procurement. 	High

RISK CATEGORY: OPERATIONAL		
RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Project management and execution	<ul style="list-style-type: none"> Constant focus on compliance with internal procedures for project management. 	High
	<ul style="list-style-type: none"> Responsibility for contract acceptance lies with the management boards of the TBI companies. Prior approval of the Executive Board is required for large projects or tenders with a high risk profile, in accordance with management instructions. 	
	<ul style="list-style-type: none"> Prior approval of the Executive Board is required for investments in land positions, the acceptance of long-term obligations, the start of sales and the start of project construction for the group's own risk and the financing of third-party projects during implementation. 	
	<ul style="list-style-type: none"> Special education and training programme for project managers. 	
	<ul style="list-style-type: none"> Early consultation of legal specialists, engineers, risk and insurance experts to estimate the quality and quantity of risks and agree the risk management measures. 	
Insurable risks and liability risks	<ul style="list-style-type: none"> Insurable risks (material and liability) are covered under the TBI insurance programme. Insurance policies are managed by reputable insurers operating in the national and international insurance markets. 	Limited
	<ul style="list-style-type: none"> Early consultation of risk managers, contract managers, lawyers, legal specialists and insurance specialists to estimate the risks of each project. 	
Safety of employees and subcontractors	<ul style="list-style-type: none"> Prevention has the highest priority. The safety policy covers personal conduct as a risk factor (risk awareness) as well as physical measures. Careful preparation of the work, analyses of near incidents and toolbox meetings to minimise the risks. 	High
	<ul style="list-style-type: none"> Appropriate safety management systems under the responsibility of the TBI companies' management boards in accordance with TBI Safety Guidelines. 	
	<ul style="list-style-type: none"> Campaigns and measures to increase staff knowledge of safe working practices and safety awareness (e-learning modules). 	
Environmental awareness	<ul style="list-style-type: none"> Sustainability policy to reduce negative impact. 	Limited
	<ul style="list-style-type: none"> Deployment of environmental managers. 	

RISK CATEGORY: FINANCIAL

RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Financing and liquidity	<ul style="list-style-type: none"> Centralised external financing arrangements. Credit lines are awarded to TBI companies on the basis of internal credit ratings. Projects are financed on a non-recourse basis. 	Limited
	<ul style="list-style-type: none"> Constant focus on optimising working capital management. 	
	<ul style="list-style-type: none"> Caution when entering into new investment obligations. 	
	<ul style="list-style-type: none"> Solvency target of > 30%. 	
Credit	<ul style="list-style-type: none"> Risks are mitigated where necessary by credit insurance, bank guarantees and advance payments. 	Limited
	<ul style="list-style-type: none"> The trade debtors at balance sheet date do not include any significant concentration of debtors in a limited number of market sectors. Some of the debtors are concentrated in the Dutch public sector. 	
Interest rates	<ul style="list-style-type: none"> TBI exercises caution when raising external finance and therefore does not consider it necessary to hedge interest rate risks by means of financial instruments. 	Low
Foreign currency	<ul style="list-style-type: none"> TBI realises the greater part of its turnover in the Netherlands and therefore makes only very limited use of measures to mitigate foreign currency risks. 	Low

RISK CATEGORY: COMPLIANCE

RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Laws and regulations	<ul style="list-style-type: none"> TBI has introduced the TBI Code of Conduct for all employees. 	Limited
	<ul style="list-style-type: none"> Quarterly reports on risks and compliance. 	
	<ul style="list-style-type: none"> TBI companies observe industry codes of conduct such as the SBIB code, the NEPROM code and the Bouwend Nederland code. 	
	<ul style="list-style-type: none"> Whistle blower scheme. 	
	<ul style="list-style-type: none"> Annual signing of the In Control statement by the management board members of the TBI companies. In Control statement signed by the management board members of the TBI companies issued to TBI Holdings B.V. 	
Tax risks	<ul style="list-style-type: none"> TBI and the Dutch tax authorities have concluded a voluntary horizontal supervision agreement. TBI seeks a permanent, up-to date insight into relevant events and rapid decision-making. 	Limited
	<ul style="list-style-type: none"> TBI has a central tax department that monitors and advises on the correct observance and implementation of tax provisions and amendments. 	

Corporate governance

Good employment practices, integrity, respect, oversight, transparent reporting and accountability are the main elements of our corporate governance policy. Good corporate governance is essential if we are to reach our goals efficiently and effectively. It helps us manage risks and take full account of the interests of all our stakeholders, such as our shareholder, employees and clients.

TBI Holdings B.V. is a private company subject to the dual-board regime in the Netherlands. Its ultimate and only shareholder is Stichting TBI.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

The Executive Board and the Supervisory Board of TBI apply the principles and best practice provisions laid down in the Dutch Corporate Governance Code ('the Code') as appropriate.

We have incorporated those provisions of the Code that we apply into TBI's articles of association, the regulations of the Executive Board and the regulations of the Supervisory Board. In doing so we took account of the ownership structure of TBI.

The principles and best practice provisions of the Code as laid down in part II.1 Role and Procedure, part II.2 Remuneration and part II.3 Conflicts of Interest have been largely implemented in the regulations of the Executive Board. An exception has been made regarding the provision of information on the remuneration of individual members of the Executive Board.

A revised edition of the Corporate Governance Code was published in December 2016. We will consider whether, and, if so, which, provisions of the revised Code we will adopt and implement.

ORGANISATION OF THE COMPANY

Executive Board and company management boards

The Executive Board is responsible for managing the company. The Executive Board develops and adopts the corporate vision and policy and the resultant mission, strategy and goals. The management boards of the TBI companies are responsible for formulating and implementing the strategies of their operating companies. The management boards are also responsible for management and day-to-day decision-making at the business units.

A characteristic of TBI's structure is the direct contact between the Executive Board and the management boards of the TBI companies, with the support of a small professional corporate staff.

The Group Council advises the Executive Board on cross-company issues, knowledge sharing, business development and actions and measures that can strengthen the multidisciplinary cooperation between the segments.

The roles and procedure of the Executive Board are laid down in its regulations. The Executive Board is responsible for the policy conducted to achieve the company's strategy and goals. It is therefore responsible for the continuity of the company, the development of results and social aspects. The Executive Board is further responsible for compliance with all relevant laws and regulations, for managing the risks arising from the business operations and for financing the company.

The Executive Board exercises its powers as a board; the members take decisions jointly on all matters of material importance to the company. Every member is individually responsible for the proper performance of the tasks allocated to him. The tasks are allocated following consultation among the members of the Executive Board. The allocation of tasks and any changes in the tasks are submitted to the Supervisory Board for prior approval.

TBI seeks a complementary and diverse composition of the Executive Board. Diversity is sought on such aspects as gender, knowledge, experience, skills and personality. However, we do not satisfy the quota target of having at least 30% of the seats held by women.

Nevertheless, we support the emancipatory and socioeconomic reasons underlying this target. We recognise that we also benefit from the diversity of our employees. We are therefore seeking a better representation of women at every level of our organisation. Our recruitment and selection procedures give priority to female potential.

SUPERVISORY BOARD

The Supervisory Board oversees the general performance of the group and the companies associated with it. It also supervises the performance of the Executive Board and its policies. It supports the Executive Board with advice. To perform these tasks adequately, the Supervisory Board receives all necessary information from the Executive Board in good time.

The Supervisory Board has five members. Its composition, roles and procedure are laid down in its regulations. The members of the Supervisory Board do not receive bonuses, pensions or other forms of remuneration that are related to the company's financial performance.

COMMITTEES OF THE SUPERVISORY BOARD

To prepare the Supervisory Board's decision-making, the Supervisory Board has established three committees from among its own members. These committees are:

- the strategic committee, concerned with the structure and strategy of the company;
- the nominations and remuneration committee, concerned with the remuneration and nominations policy;
- the audit committee, concerned with the reporting of financial information, the audit process, the audit plan and the internal risk management and control systems.

The work of these committees is considered in the report of the Supervisory Board.

Remuneration

On the advice and recommendation of the nominations and remuneration committee, the Supervisory Board sets the remuneration of the members of the Executive Board. This remuneration policy was re-adopted during the year and is intended in part to motivate the executive directors of TBI and ensure they remain motivated to manage TBI as a leading construction and engineering group in the Netherlands.

The remuneration of the Executive Board consists of a fixed payment and a variable payment. The amount of the variable payment is determined in part by the achievement of financial and non-financial targets. The remuneration of the members of the Executive Board is benchmarked against the remuneration of the Executive Board members of other Dutch (AMX listed) groups, with account being taken of the complexity of the company.

The remuneration of the President and other members of the Executive Board reflects their specific responsibilities. The nominations and remuneration committee periodically assesses the remuneration. An external remuneration expert can be consulted for advice on the relevant criteria if necessary.

FINANCIAL REPORTING

Audit of the annual accounts by the external auditor

The Annual General Meeting appoints the external auditor and awards the contract to audit the annual accounts prepared by the Executive Board. The appointment is based on the Supervisory Board. The Annual General Meeting of 14 April 2016 reappointed the external auditor, PwC, for a period of one year.

The Supervisory Board, the Executive Board and the auditor have taken measures to ensure the objectivity and independence of the external auditor. In accordance with these measures, the auditor carries out principally auditing work and provides only limited tax and consultancy services. The situation is periodically assessed by the Supervisory Board and the audit committee.

The auditor reports to the Executive Board and the Supervisory Board on the measures it has taken to satisfy the professional and legal requirements regarding its independence from TBI.

Our financial reports are based on the principles of the applicable provisions laid down in Part 9, Book 2 of the Dutch Civil Code. The interpretation of legal provisions is assessed against the Guidelines for Annual Reporting in the Netherlands applying to financial years commencing on or after 1 January 2016.

Before the annual accounts are published, they are discussed in the audit committee in the presence of the external auditor. The annual accounts are then considered by the Supervisory Board. The TBI companies must prepare their accounts in accordance with internal reporting guidelines, as laid down in the TBI Reporting Manual.

REGULATIONS AND TBI CODE OF CONDUCT

TBI has introduced several regulations that provide a framework for the performance of the management bodies and the relationship between them within the group. Information on the management bodies and the TBI Code of Conduct, which applies to all managers and staff, can be found at www.tbi.nl.

Report of the Supervisory Board

2016 was a mixed year: the housing and development sectors benefited from the upturn in the market, the non-residential sector still suffered the consequences of the crisis but the underlying margins on new contracts were firmer. It cannot be denied that the disappointing result on the EPO project had a significant impact on TBI's result for the year. In the infrastructure sector, the market improved and the number of contract award procedures was higher. Our hard work resulted in the award of the first phase of the contract to construct the Rijnland Route, the new link road connecting the town of Katwijk to the A4 motorway near Leiden. TBI's order portfolio developed positively and provides a good platform for a recovery in the results.

ACTIVITIES IN 2016

The Supervisory Board held five scheduled meetings with the Executive Board in 2016. Ahead of each of these meetings, the Supervisory Board met separately from the Executive Board to discuss the performance of the Executive Board as a whole and of its members individually and the performance of the Supervisory Board itself and of its individual members.

Important topics during the year were the merger of Croon Elektrotechniek with Wolter & Dros, the progress of several large projects and tenders, and the succession of Mr L.J. Pruis and the resultant appointment of Mr E.A.A. Roozen. Other topics discussed included the progress made with the Strategic Agenda, the development of the company's results and the implementation of the protocol for the compulsory reporting of data leaks.

The Chairman of the Supervisory Board held regular meetings with the President of the Executive Board to discuss both strategic and operational matters. The chairman of the audit committee held regular talks with the member of the Executive Board responsible for finance and IT.

Safety

Safety is also high on the Supervisory Board's agenda and was considered at every meeting. Five e-learning modules were offered to all members of staff during the year. The first TBI Safety Day was held in October 2016. All TBI companies and all building sites paid extra attention to the issue of safety on the day. A national Construction Industry Safety Day will in future be organised with clients, Bouwend Nederland and Uneto-VNI on the third Friday in March of each year. The next day will be Friday 17 March 2017. This is a means to ensure safety is a matter constant of concern. This is necessary because safety awareness is an important issue, regardless of the many safety measures that are available to the staff.

Strategy

The Operating Plan 2016 was discussed as part of the Strategic Agenda 2016-2018 during the Supervisory Board's meeting in February.

The Operating Plan sets clear targets with growth being a key goal alongside good employment practices and corporate responsibility.

Results

We discussed the company's financial performance at length with the Executive Board at our meetings in March, June, September and December 2016.

Ahead of these meetings, the results and balance sheet were discussed by the audit committee. Fixed discussion points were the results of larger projects, working capital management, the liquidity position, the level of indirect costs and, needless to say, profitability and solvency. BDO's internal audit reports were also considered.

Agreement was reached with the majority shareholder of MC Ice B.V. (Fri-Jado Groep B.V.) at the end of 2016 on the sale of the remaining 30% interest in the company.

Other matters

We discussed the compliance report for 2015 at our March meeting. The Central Works Council asked whether the anti-drugs and alcohol policy in the TBI Code of Conduct could be tightened up. The Code of Conduct will be revised accordingly and more attention will be paid to the duty to report data leaks and the description of the reporting procedure.

We considered the changes in the pension schemes at our December meeting. Stichting Pensioenfonds TBI was wound up as of 31 December 2016 and the pension entitlements and commitments were transferred to Nationale-Nederlanden. The various top up pension schemes were also harmonised. This relates to the pension schemes that were not administered by the occupational pension funds for the construction industry, the metal working and mechanical engineering industry, and the concrete products industry. The Supervisory Board approved these changes.

The merger between Croon Elektrotechniek and Wolter & Dros was discussed at each of our meetings. The Supervisory Board observed that the process was conducted with great care. Important concerns included the structure of the organisation, the normative cost structure and the strategy to be pursued. The scheduled meetings also discussed the sustainability indicators.

Three projects were visited in 2016, Voorbij Prefab's factory in Amsterdam, EPO in Rijswijk and Waterfront in Harderwijk.

The internal audit function has been performed by BDO Accountants since 2015. Three in-depth audits were carried out in 2016. A project audit is currently being carried out. The audit plan for 2017 was approved at the audit committee's December meeting.

The internal organisation was also discussed. With the appointment of a Group Council responsible for five clusters (Development, Housing, Non-residential, Engineering and Mobility), the Executive Board has broadened responsibility for the entire group. With the exception of the Housing cluster, for which a separate director was appointed, the clusters are headed by the chairmen of large companies.

In January 2016, TBI Beheer B.V., the sole shareholder of TBI, granted a €25 million ten-year subordinated loan to strengthen TBI's guarantee capital.

The March 2016 meeting discussed the draft annual report for 2015, including the annual accounts and the Executive Board's internal report for the year. The auditor's report for 2015 was also discussed. These documents were discussed in detail by the audit committee before being presented to the Supervisory Board. On the basis of the Supervisory Board's consideration, it was decided to adopt the annual report and accounts for 2015 and submit them to the Annual General Meeting for approval. The annual report and accounts for 2015 were approved by the Annual General Meeting on 14 April 2016. The members of the Executive Board were accordingly discharged from liability for the policy conducted in 2015, and the members of the Supervisory Board for their supervision of the Executive Board during the year.

COMPOSITION AND MEETINGS OF THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board had three committees in 2016: the strategic committee, the nominations and remuneration committee and the audit committee.

Strategic committee

The strategic committee met with the Executive Board on three occasions in 2016 to discuss the progress made with the Strategic Agenda 2016-2018 and the preparations for the Strategic Agenda 2017-2019. The committee reflected on the condition of the market and the opportunities it afforded.

As at 31 December 2016, the strategic committee consisted of:

- E.H.M. van den Assem, chairman
- J.E. de Vries

Nominations and remuneration committee

The nominations and remuneration committee is tasked with making proposals to the Supervisory Board regarding the nomination policy for supervisory directors and executive directors. It also advises on the remuneration of the members of the Executive Board. It was concerned during the year chiefly with the succession of Mr L.J. Pruis by Mr E.A.A. Roozen on the Executive Board.

We are very grateful to Mr Pruis for his contribution over many years. His term in office was characterised by a high degree of commitment, professionalism and team spirit.

A revised remuneration policy was introduced for the Executive Board in 2016. As of 1 January 2016, the maximum variable remuneration was lowered relative to the fixed remuneration. A distinction is no longer made in the variable remuneration between the Long Term Incentive (LTI) and Short Term Incentive (STI).

The remuneration policy also provides for a single variable remuneration scheme, with the variable remuneration being based on average performance over three years.

As at 31 December 2016, the nominations and remuneration committee consisted of:

- D.J.B. de Wolff, chairman
- A.L.M. Nelissen

Audit committee

The audit committee has its own regulations and meets at least twice a year. The meetings are attended by the member of the Executive Board responsible for the finance and ICT portfolios and are usually held in the presence of the external auditor. The audit committee assesses the internal control structure and the rules and guidelines on financial reporting and disclosure. It also advises the Supervisory Board on matters concerning the appointment and dismissal of the auditor. The committee assesses the content and scope of the audit engagement. The chairman of the audit committee reports the committee's findings to the Supervisory Board.

As at 31 December 2016, the audit committee consisted of:

- M. Niggebrugge, chairman
- A.L.M. Nelissen

The audit committee met on four occasions in 2016, with three of the meetings being attended by the external auditor. It discussed the quarterly reports, the annual accounts for 2015, the auditor's report, the external auditor's audit plan for 2016 and the management letter.

The audit committee also held a meeting with the external auditor that was not attended by the Executive Board.

The internal audit function is exercised by BDO. The audit committee took note of the three audits carried out in 2016 and discussed the audit plan for 2017 with BDO.

Central Works Council

Members of the Supervisory Board attended several consultative meetings of the Central Works Council.

ANNUAL REPORT 2016 AND PROPOSED APPROPRIATION OF THE RESULT

In accordance with article 22 (4) of the articles of association of TBI Holdings B.V. the annual report for 2016 and the report of the Supervisory Board will be submitted to the Annual General Meeting. The annual report, including the report of the Executive Board and the annual accounts for 2016, has been prepared by the Executive Board. The external auditor, PwC, has expressed an unqualified opinion on the annual accounts. The auditor's report is presented on pages 94 to 98 of this report.

We propose that the Annual General Meeting:

- adopt the annual accounts for 2016, including the proposed appropriation of the result;
- discharge the members of the Executive Board from liability for the policy conducted during the 2016 financial year;
- discharge the members of the Supervisory Board from liability for their supervision of the policy conducted in 2016.

The audit committee has discussed the annual report and the annual accounts for 2016 in detail with the external auditor in the presence of the member of the Executive Board responsible for finance and ICT. The documents were also considered in a meeting of the full Supervisory Board and the full Executive Board that was attended by the external auditor. The quality of the internal risk management and control systems was also discussed.

TBI reported a net result for the year of €16.7 million negative. The Supervisory Board has approved the appropriation of the result proposed by the Executive Board. It is proposed that the negative result of €16.7 million be charged to other reserves.

COMPOSITION AND PERFORMANCE OF THE EXECUTIVE BOARD

There was a change in the composition of the Executive Board in 2016. Mr E.A.A. Roozen was appointed to the Executive Board on 11 May 2016. Mr L.J. Pruis stood down from the Executive Board as of 30 September 2016 upon reaching retirement age.

As at 31 December 2016, the Executive Board consisted of:

- D.A. Sperling, chairman
- E.A.A. Roozen

The Supervisory Board evaluated the performance of the Executive Board and its individual members in 2016. In the Supervisory Board's opinion, the Executive Board has the required competences and works well as a team. This can be seen in the progress made with the themes in the Strategic Agenda, in the changes in internal management to strengthen the involvement of the TBI companies and in the cohesion brought about within the group in general.

COMPOSITION AND INDEPENDENCE OF THE SUPERVISORY BOARD

As at 31 December 2016, the Supervisory Board consisted of:

- A.L.M. Nelissen, chairman
- E.H.M. van den Assem, vice-chairman
- M. Niggebrugge
- J.E. de Vries
- D.J.B. de Wolff

There were no changes in the Supervisory Board's composition during the year 2016.

The maximum term of office of the supervisory directors is limited under the articles of association to 12 years. Throughout 2016, all supervisory directors were independent within the meaning of best practice provision iii.2.2 of the Dutch Corporate Governance Code.

The Supervisory Board discussed the competences necessary for the proper performance of its own tasks in 2016 and carried out a self-evaluation.

CORPORATE GOVERNANCE

The Corporate Governance Code ('the Code') is not compulsory for unlisted companies. The corporate governance section of this report sets out the TBI group's corporate governance structure and explains its approach to the principles and best practice provisions contained in the Code. The provisions are particularly relevant to the performance of the audit committee, financial reporting and disclosure and the independence of the auditor. TBI's articles of association comply with the legislative regime of dual-board companies.

CONCLUSION

TBI has consistently built on its strategy. The financial result may have been disappointing but the overall picture gives us every confidence that the company is in good shape and is on track to rise to future challenges.

We would like to thank the Executive Board, the TBI company managers and all members of staff for their dedication, the results they achieved and the strong foundations they laid for 2017 and later years.

Rotterdam, 21 March 2017

Supervisory Board
A.L.M. Nelissen, chairman
E.H.M. van den Assem, vice-chairman
M. Niggebrugge
J.E. de Vries
D.J.B. de Wolff

Composition of the Executive Board as at 21 March 2017

D.A. SPERLING (61), PRESIDENT AND CEO

Nationality: Dutch
Appointed: July 2012 (member of the Executive Board since 2002)
Position: Executive Board President and CEO
Director, TBI Bouw B.V.
Director, TBI Techniek B.V.

E.A.A. ROOZEN RA (48)

Nationality: Dutch
Appointed: May 2016
Position: Executive Board member
Director, TBI Bouw B.V.
Director, TBI Techniek B.V.
Portfolio: Finance and ICT

CORPORATE STAFF

D.M. WIETSMA (53)

Director, Communications and Organisational Development

M.W.L. TROMM (53)

Head of Legal Affairs

GROUP COUNCIL

A.J.H. VAN BREUKELEN (57)

Chairman of the Board of Synchron B.V. (Development)

P.J. HEIJBOER (53)

Chairman of the Board of Croonwolter&dros B.V. (Engineering)

H. VAN KEULEN (57)

Chairman of the Board of TBI Bouw B.V. (Housing)

J.H.A. VAAGS (55)

Chairman of the Board of J.P. van Eesteren B.V. (Non-residential)

The structure of TBI is characterised by direct contact between the Executive Board and the management boards of the TBI companies, with the support of a small professional corporate staff. The Group Council advises the Executive Board on cross-company issues, knowledge sharing and on matters that can strengthen multidisciplinary cooperation between the segments.

Composition of the Supervisory Board as at 21 March 2017

A.L.M. NELISSEN (68), CHAIRMAN

Nationality: Dutch
 Appointed: September 2012, recently reappointed in 2016 (eligible for reappointment)
 Member of the audit committee
 Member of the nominations and remuneration committee
 Former position: Executive Board member, Dura Vermeer
 Other supervisory directorships: Chairman of the Supervisory Board of Brainport Development N.V.
 Member of the Supervisory Board of Van Nieuwpoort Groep N.V.
 Member of the Supervisory Board of Timber and Building Supplies Holland N.V.
 Principal external positions: Board member, Nederlands Blazers Ensemble
 Supervisory Board member, St. Jeroen Bosch 500

E.H.M. VAN DEN ASSEM (67), CHAIRMAN

Nationality: Dutch
 Appointed: July 2012, recently reappointed in 2016 (eligible for reappointment)
 Chairman of the strategic committee
 Former positions: Executive Board chairman, TBI Holdings B.V.
 Executive Board chairman, Cofely Nederland B.V.
 Executive Board member, Hagemeyer N.V.
 Executive Board member DAF Trucks N.V.
 Various positions at ITT, Alcatel Nederland B.V. and Fokker Aircraft B.V.
 Other supervisory directorships: Supervisory Board chairman, Eneco B.V.
 Supervisory Board chairman, EVCF (Eindhoven Venture Capital Fund)
 Supervisory Board member, Flight Simulation Company
 Principal external positions: Advisory Board member, DAS Rechtsbijstand
 Advisory Board member, IK Investment Partners LTD
 Advisory Board member, Mentha Capital
 General Board member, van Facicom N.V.
 Advisor to young start-up companies

M. NIGGEBRUGGE (67)

Nationality: Dutch
 Appointed: April 2015, term ends in 2019 (eligible for reappointment)
 Chairman of the audit committee
 Former positions: Executive Board member, Urenco Ltd.
 Executive Board member, N.V. Dutch Spoorwegen
 Other supervisory directorships: Supervisory Board chairman, Spoorwegpensioenbeheer B.V.
 Supervisory Board member, Koninklijke Boskalis Westminster N.V.

J.E. DE VRIES (60)

Nationality: Dutch
 Appointed: April 2006, reappointed in 2014, term ends in 2018 (not eligible for reappointment)
 Member of the strategic committee
 Position: Director, Investeringsmaatschappij Schansborg B.V.
 Other supervisory directorships: Supervisory Board member, Koninklijke Oosterhof Holman Beheer B.V.
 Investment Committee member, N.V. NOM
 Investerings- en ontwikkelingsmaatschappij

D.J.B. DE WOLFF (57)

Nationality: Dutch
 Appointed: April 2013, term ends in 2017 (eligible for reappointment)
 Chairman of the nominations and remuneration committee
 Position: Partner, Stadhouders Advocaten te Utrecht
 Former position: Member of the Senate of the States General
 Principal external positions: Supervisory Board member, Stichting Lindenhout
 Supervisory Board member, Stichting Musea Arnhem
 Member/legal counsel of the Disciplinary Appeals Tribunal Deputy Justice, Den Bosch court of appeal

SCOPE AND RESPONSIBILITY

This is the second integrated annual report to be published by TBI. We report on our strategy and on economic, social, environmental and societal developments. The annual report is prepared in accordance with the Global Reporting Initiative (GRI) G4 (Core) and is based on the IIRC Reporting Framework.

RELIABILITY

The Executive Board was closely involved in the preparation of the content of this annual report and the outcome of the materiality analysis. This report was verified externally (limited assurance) by PwC and complies with the guidelines of the Global Reporting Initiative, GRI G4 (Core). The assurance report issued by the independent auditor is presented on pages 94 to 98 of this report.

AVAILABILITY

The annual report 2016 and the GRI G4 content index can be read online and can be downloaded in PDF format from <http://jaarverslag.tbi.nl/en/>. The report is available in both Dutch and English. It was published on 20 April 2017.

MATERIALITY

The report's boundaries were determined by a materiality analysis. We report on the material aspects, and the boundaries of the report's content were based on the findings of the materiality analysis. The materiality matrix shows both the stakeholders' interests and the impact of material themes on TBI. The findings of the analysis are presented in the section on stakeholder dialogue.

SCOPE

This report concerns the 2016 financial year, which ran from 1 January 2016 to 31 December 2016. The financial data and FTE numbers it presents relate to all activities performed by TBI, both nationally and internationally. All non-financial data relate exclusively to TBI's activities in the Netherlands. Consortia – undertakings in which control is exercised jointly with third parties subject to a cooperation agreement – are reported pro rata to the TBI company's interest in each consortium. Data on entities in which TBI has a minority interest or does not control management policy are not taken into account.

COMPARABILITY

All specific questions on the comparability of data are answered in the text or in the footnotes to the data concerned.

MEASUREMENT METHOD AND DATA COLLECTION

The consolidated figures presented in this report are based on measurements, calculations and statements made by the TBI companies. The controllers of the TBI companies are responsible for validating all data reported to TBI Holdings. TBI consolidates financial and non-financial data with the aid of a consolidation tool. All quantitative information on the financial and non-financial performance is based on internal memoranda, reports, correspondence and interviews with key figures.

ANNUAL ACCOUNTS 2016



Consolidated balance sheet as at 31 December 2016	68
Consolidated profit and loss account for 2016	69
Consolidated statement of cash flows for 2016	70
Notes to the consolidated accounts	72
Notes to the consolidated balance sheet	77
Notes to the consolidated profit and loss account	83
Company balance sheet as at 31 December 2016	87
Notes to the company accounts 2016	88
Other information	93
Independent auditor's report	94
Assurance report of the independent auditor	96

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

(before profit appropriation) (in thousands of euros)

		31 December 2016	31 December 2015
Non-current assets			
Intangible assets	(1)	2,113	2,219
Tangible assets	(2)	93,663	98,916
Financial assets	(3)	20,795	12,017
		<u>116,571</u>	113,152
Current assets			
Inventories	(4)	198,184	224,232
Work in progress for third parties	(5)	–	–
Receivables	(6)	254,620	262,954
Cash and cash equivalents	(7)	138,327	166,473
		<u>591,131</u>	653,659
Total assets		<u>707,702</u>	<u>766,811</u>
Group equity			
Shareholder's equity	(8)	229,658	247,008
Minority interests		97	113
		<u>229,755</u>	247,121
Provisions	(9)	11,038	13,776
Non-current liabilities	(10)	66,467	52,512
Current liabilities	(11)	400,442	453,402
Total liabilities		<u>707,702</u>	<u>766,811</u>

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2016

(in thousands of euros)

		2016	2015
Net Revenue		1,711,208	1,462,585
Change in balance sheet value work in progress		-138,586	94,112
Operating Revenue	(12)	1,572,622	1,556,697
Operating costs			
Cost of raw materials and consumables, contracted-out work and other external costs		-1,063,792	-1,033,965
Wages and salaries	(13)	-301,937	-297,256
Social security charges		-48,365	-54,967
Pension obligations	(14)	-34,460	-31,308
Depreciation and amortisation charges	(15)	-18,993	-18,523
Impairment charges on current assets	(4)	-4,332	-3,950
Other impairment charges on intangible and tangible fixed assets	(2)	-587	-
Other operating costs		-119,575	-117,698
		-1,592,041	-1,557,667
Operating result		-19,419	-970
Interest and similar income		1,042	1,415
Interest and similar expense		-5,442	-3,570
Result before taxes		-23,819	-3,125
Taxation on result	(16)	5,318	316
Result from participating interests	(17)	1,787	4,096
Result after tax		-16,714	1,287
Minority interest in result of group companies		-3	-19
Net result		-16,717	1,268

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2016

(in thousands of euros)

		2016	2015
Operating result		-19,419	-970
Adjustment for:			
– amortisation and depreciation charges	(15)	18,993	18,523
– impairment charges on current assets	(4)	4,332	3,950
– other impairment charges on intangible and tangible non-current assets	(2)	587	–
– changes in provisions	(9)	-2,738	-9,632
Changes in working capital (excluding cash and credit institutions):			
– inventories	(4)	21,716	13,018
– work in progress	(5)	-18,776	-28,405
– receivables	(6)	-3,264	2,735
– other liabilities	(11)	-33,243	33,400
		-33,567	20,748
Cash flow from ordinary activities		-31,812	32,619
Interest received		738	1,415
Interest paid		-5,443	-4,865
Dividends received	(3)	47	108
Paid income tax	(16)	-1,074	337
		-5,732	-3,005
Cash flow from operating activities		-37,544	29,614
Investments in non-current intangible assets	(1)	-2,533	-779
Capital expenditure on non-current tangible assets	(2)	-14,203	-17,197
Investments in non-current financial assets	(3)	-51	-3,707
Divestment of non-current intangible assets	(1)	100	678
Divestment of non-current tangible assets	(2)	2,415	5,286
Divestment of non-current financial assets	(3)	11,003	6,180
Cash flow from investing activities		-3,269	-9,539
Subordinated loan received	(10)	25,000	–
Repayment of/received from non-current liabilities	(10)	-11,045	27,831
Repayment of credit institutions		-908	-4,427
Dividends paid		-380	-420
Cash flow from financing activities		12,667	22,984
Net cash flow for the year		-28,146	43,059
Foreign exchange and translation differences on cash		–	–
Net increase/(decrease) in cash and cash equivalents		-28,146	43,059

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2016

(in thousands of euros)

	2016	2015
Changes in cash and cash equivalents:		
– Cash and cash equivalents at beginning of year	166,473	123,414
– Changes	–28,146	43,059
Cash and cash equivalents at end of year	138,327	166,473
	(7)	
Of which changes in construction consortia and other joint arrangements during the year	–6,631	3,045

NOTES TO THE CONSOLIDATED ACCOUNTS

GENERAL

TBI Holdings B.V. is a network of companies engaged in the engineering, construction and infrastructure sectors. The companies operate both independently and in joint arrangements, chiefly in the Netherlands. TBI Holdings B.V. has its registered seat in Rotterdam, the Netherlands. Its head office is located at Wilhelminaplein 37, Rotterdam.

TBI Holdings B.V. is entered in the commercial register of the Chamber of Commerce under number 24144064.

The ultimate shareholder of TBI Holdings B.V. is Stichting TBI, registered in Ammerzoden, the Netherlands.

ACCOUNTING POLICIES

Presentation of the annual accounts

The consolidated accounts of TBI Holdings B.V. are prepared in accordance with the applicable provisions of Part 9, Book 2, of the Dutch Civil Code. The interpretation of the statutory provisions has been checked against the Guidelines for Annual Reporting in the Netherlands issued by the Netherlands Council for Annual Reporting, applying to financial years commencing on or after 1 January 2016.

The company accounts of TBI Holdings B.V. are prepared in abridged form in accordance with article 402, Part 9, Book 2 of the Dutch Civil Code.

There have been no changes in accounting policies since the previous year.

The accounting policies are applied on the assumption that the company is a going concern.

The consolidated accounts are presented in euros, the company's functional currency. All financial information is presented in thousands of euros unless stated otherwise. The balance sheet, profit and loss account and statement of cash flows contain references to the explanatory notes.

The preparation of the annual accounts requires management to make estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual amounts may differ from these estimates. The estimates and underlying assumptions are constantly reviewed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods in which the revision has consequences.

TBI has several significant DB(F)(M), contracts in portfolio, which by their nature have a high risk profile on account of their size, complexity and long duration. The result of these projects is determined on the most reasonable current estimates of the realisable proceeds on those projects (including contract variations), and the anticipated project results on the contractual maintenance phase.

These projects, moreover, can have a relatively large impact on the company's results on account of their size, complexity and long duration. On completion of these projects, the project proceeds (including contract variations), project costs and thus the project results may significantly differ from the current estimates.

Consolidation

The consolidated accounts comprise the financial information of TBI Holdings B.V., the group companies in which TBI Holdings B.V. holds more than 50% of the voting capital or in which TBI Holdings B.V., by virtue of supplementary rules, exercises power of control over the management and financial policy, and other legal entities over which TBI Holdings B.V. can exercise power of control or central management. In general, these are participating interests of more than 50%. The assets and liabilities and results of these companies are consolidated in full. Minority interests in group equity and group profit or loss are shown separately.

Participations in consortia – i.e. contractually agreed participations in groups in which control is exercised jointly with third parties – are consolidated on a pro rata basis. The duration and legal form of the participations are not relevant. If a construction consortium takes the form of a general partnership, account is taken of joint and several liability, if and in so far as there is cause to do so in the light of the consortium's financial position and/or that of one or more of the partners in the consortium.

Intragroup receivables and liabilities and results on transactions between group companies and other legal entities recognised in the consolidated are eliminated in so far as those results are not due to transactions with parties outside the group.

With due regard for the provisions of articles 379 and 414 of Part 9, Book 2 of the Dutch Civil Code, a list of participating interests has been filed for inspection with the Commercial Register in Rotterdam.

Acquisition and divestment of group companies

The assets, liabilities, results and cash flows of participating interests acquired are consolidated as from the date that effective power of control can be exercised over the commercial and financial policies. The results of participating interests divested during the year are consolidated up to the date that power of control can no longer be exercised.

There was no change in the consolidation circle in 2016.

Related parties

TBI has the following related parties: the shareholder, group companies, the members of the Executive Board, key management officers, close associates and the members of the Supervisory Board. Transactions with related parties are conducted on the same conditions as transactions with third parties.

Foreign currency

Transactions in foreign currency during the year are recognised in the accounts at the rate ruling as at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the rate ruling as at balance sheet date.

Exchange differences arising from settlement and translation are recognised in the profit and loss account. Non-monetary assets valued at cost in a foreign currency are translated at the exchange rate ruling as at the transaction date. Translation differences on net investments in a foreign participating interest are taken directly to the statutory reserve for exchange differences in group equity.

Valuation

Assets and liabilities are, as a rule, valued at cost of acquisition or production or at current value. Where no specific valuation policy is stated, they are recognised at cost of acquisition.

Impairment of non-current assets

Indications that the value of a non-current asset has been impaired are reviewed as at every balance sheet date. If such indications are present, the recoverable amount of the asset is calculated. An asset is impaired if the carrying amount of the asset exceeds its recoverable amount, whereby the recoverable amount is the higher of the asset's net realisable value and its value in use. Circumstances that could lead to the reversal of a prior-year impairment are also reviewed as at every balance sheet date.

Where non-current financial assets are carried at amortised cost, the impairment is the difference between the carrying amount and the best estimate of future cash flows, discounted at the effective rate of interest for the financial asset, as calculated on the initial recognition of the instrument.

Non-current intangible assets

Non-current intangible assets consist chiefly of expenditure on internal development projects for the production of new or substantially improved products and processes. This expenditure can be capitalised if the product or process is technically and commercially viable. The capitalised costs are recognised at cost. Non-current intangible assets are amortised on a straight-line basis over an estimated useful life of five years or, if closer to economic reality, pro rata to the units produced from the associated development. A statutory reserve is formed for capitalised development costs.

Goodwill is defined as the positive difference between cost of acquisition and net asset value of the capital interests acquired. Goodwill is capitalised and written off over the assets' expected economic life.

Cost of acquisition consists of the consideration paid for the acquisition plus any costs directly attributable to the acquisition. A participating interest's net asset value is calculated by valuing its assets, provisions and liabilities based on the accounting policies used by TBI Holdings B.V.

Non-current tangible assets

Non-current tangible assets are carried at the lower of cost of acquisition plus associated costs or cost of production and value in use. Non-current tangible assets are depreciated on a straight-line basis over the estimated useful life, with account being taken of any residual value. The annual depreciation rates are:

Buildings	0 tot 10 percent
Plant and machinery	10 tot 20 percent
Other operating assets	20 percent

Account is taken of impairments foreseen as at balance sheet date. Reference is made to the relevant note on the impairment of non-current tangible assets.

The cost of major maintenance is charged directly to the financial year in which it takes place, unless the maintenance clearly extends the asset's life. If so, the costs are capitalised and depreciated pro rata over the asset's remaining life.

Non-current financial assets

Participating interests in which the company can exercise significant influence over the commercial and financial policy are carried at net asset value in accordance with the accounting policies of TBI Holdings B.V.

Acquired participating interests are initially recognised at the market value of the identifiable assets and liabilities as at the date of acquisition. Subsequent valuations are based on the accounting policies used in these annual accounts, based on the values in the initial valuation.

Participating interests in which the company can exercise no significant influence are carried at cost of acquisition. Account is taken of impairments as at balance sheet date. Where a participating interest's equity position is negative, the interest is valued at nil and the negative equity is deducted from the amounts receivable from the participating interest concerned or a provision is formed if necessary. Other amounts receivable are recognised at amortised cost, which generally agrees with the nominal value, taking account of the effective rate of interest and after deduction of a value adjustment for doubtful debts. Other amounts receivable are recognised at market value on their initial recognition.

Inventories

Inventories of raw materials and consumables are carried at the lower of historical cost and recoverable value, after adjustment for slow-moving stock based on the FIFO method.

Work in progress, semi-manufactures, finished goods and goods for resale are carried at the lower of cost of production and realisable value. Cost of production includes all costs relating to acquisition or production and costs incurred to bring stocks to their current place and state. Cost of production includes direct wages and salaries and mark-ups for production-related indirect fixed and variable costs.

The realisable value is the estimated selling price less direct selling costs. Calculation of the realisable value takes account of slow-moving inventories.

NOTES TO THE CONSOLIDATED ACCOUNTS

Land owned by the group is carried at cost plus the cost of infrastructure developments and other costs arising from land ownership, less provisions necessary for development risks as soon as they are foreseeable.

No interest is added to group-owned land or work in progress for own development except where use is made of limited recourse project financing in collaboration with third parties.

Capitalised costs of unsold housing under construction are recognised under stock of housing under construction. Unsold housing that is completed is recognised under stock of completed housing, etc. No profit is recognised on unsold housing.

Work in progress for third parties

Work in progress for third parties consists of the balance of realised project costs, attributable profit and, where applicable, recognised losses and instalment payments already declared. Work in progress is presented separately in the balance sheet under current assets. Net negative balances are presented under current liabilities.

Receivables

On initial recognition, receivables are carried at market value of the counter-performance. On subsequent recognition, receivables are carried at amortised cost, which generally agrees with nominal value, taking account of the effective interest rate and a value adjustment for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consists of cash, bank balances and deposits with a term of less than 12 months. Cash and cash equivalents is carried at nominal value.

Liabilities

On initial recognition, liabilities are carried at market value. Transaction costs directly attributable to the acquisition of the liabilities are included in the carrying amount on initial recognition. After initial recognition, liabilities are carried at amortised cost, i.e. the amount received after taking account of premiums and discounts and after deduction of transaction costs.

Repayment obligations on non-current liabilities falling due within one year are presented under current liabilities: credit institutions.

Provisions

Provisions are formed for all legally enforceable or actual obligations arising from an event before balance sheet date whose settlement is likely to entail an outflow of funds that can be reliably estimated.

Provisions are carried at the best estimate of the amounts needed to settle the obligations as at balance sheet date. Provisions are carried at the nominal value of the estimated expenditure necessary to settle the obligations, unless stated otherwise. Payments received from third parties are deducted from the provision.

Deferred tax assets and liabilities are recognised in respect of timing differences between the value of assets and liabilities for taxation purposes on the one hand and the carrying value of those assets on the other. Deferred tax assets and liabilities are calculated using the tax rates applying at year end or in future years. Deferred tax assets are deducted from the provision and valued if it can reasonably be assumed that they will be realised within the tax terms. Deferred tax liabilities are carried at nominal value.

The provision for long service payments consists of the present value of payments made to mark employee anniversaries. Calculation of this provision takes account of the probability of employees leaving and a discount rate of 3.0% (2015: 3.0%).

The provision for guarantee obligations covers the cost of guaranteeing completed projects. The amount of the provision is based on specific guarantee problems known as at balance sheet date.

A reorganisation provision is formed if a detailed reorganisation plan has been formalised as at balance sheet date and there are justified expectations among those who will be affected by the reorganisation when the annual accounts are prepared that the plan will be implemented. An expectation is justified if implementation of the reorganisation has commenced or if the main points of the plan have been announced to those who will be affected. The reorganisation provision includes necessary reorganisation costs that are not related to the company's continuing activities.

Other provisions have been formed for foreseeable liabilities and potential charges arising from disputes and legal proceedings and environmental risks.

Financial instruments and financial risk management

TBI uses various financial instruments in the course of its ordinary activities. The financial instruments are presented in the balance sheet and include cash and cash equivalents, debtors and other receivables and interest-bearing loans, creditors and other liabilities.

On their initial recognition in the balance sheet, derivatives are carried at fair value; subsequent valuation of derivatives is based on whether the underlying securities are listed or not. If the underlying security is listed, the derivative is carried at fair value. If the underlying security is not listed, the derivative is carried at the lower of cost and market value. TBI does not apply hedge accounting. In so far as a derivative's fair value is lower than its cost as at balance sheet date, the difference is taken to the profit and loss account.

Financial instruments are assessed as at balance sheet date to determine whether there are objective indications of impairment of a financial asset or group of financial assets. If there are objective indications of impairment, TBI calculates the amount of the impairment and charges it directly to the profit and loss account. Financial instruments expose TBI to market and credit risks.

Market and credit risks relate chiefly to financial risk factors surrounding currencies, prices, interest rates, cash flows, credit and liquidity. These financial risks are not unusual and do not differ from the risks considered normal in the industry. TBI has a strict policy to mitigate and manage these risks so far as possible.

MARKET RISK

Currency risk

The greater part of the activities are carried out in the Netherlands and/or countries participating in the eurozone. The transactions arising from these activities are usually settled in euros (the functional currency). The currency risk is therefore limited. The translation risk is not hedged.

Price risk

Price risks arise on the purchase of raw materials and consumables and on subcontracting, and consists of the difference between market price at the time of contract tendering or award and at the time of actual performance. TBI's policy is to agree an indexation option with the client when tendering for or being awarded the contract for a large project. If this is not possible, prices and conditions are fixed with the principal suppliers and subcontractors at an early stage. Price risk is also managed by means of framework contracts, quotations from suppliers and reliable sources of information.

Interest rate and cash flow risks

TBI is exposed to interest rate and cash flow risks on interest-bearing receivables and liabilities. The company is exposed to risks in respect of future cash flows on receivables and liabilities bearing variable interest rates. In light of the interest rate and risk profile of the interest-bearing loans, derivative financial instruments are not deemed necessary to hedge the interest rate risk.

CREDIT RISK

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations. Credit risks are related principally to amounts receivable from clients. TBI conducts an active policy to limit the concentration of credit risk wherever possible. The risk is managed with the aid of information from recognised institutions specialising in the provision of credit information. Continuous monitoring of the credit risk is part of the credit management system. Where necessary, risks are hedged by means of credit insurance, bank guarantees, advance payments and other forms of security. The trade debtors recognised as at balance sheet date do not represent a significant concentration of receivables in particular market sectors. Part of the debtor position, moreover, is receivable from the Dutch government sector.

TBI's cash balances are held at several banks. TBI limits the credit risk on cash balances held at banks by selecting reliable banks.

Liquidity risk

Owing to the project-based nature of TBI's activities, the use of operational funds varies widely. TBI meets its working capital requirements by raising external finance centrally. Partly to manage the liquidity risk, TBI's companies prepare monthly liquidity forecasts for the coming 12 months. This enables TBI to optimise the use of its cash and credit facilities and identify any shortfalls on a timely basis.

Profit or loss determination

The profit or loss for the year is determined as the difference between the proceeds of the goods and services sold and the costs and other expenses incurred during the year. Proceeds on transactions are recognised in the year in which they are realised.

Operating revenue

Operating revenue comprises the balance of income (excluding value added tax) from works completed and delivered to third parties during the year (net turnover), increased or decreased by changes in the book value of work in progress and goods and services delivered.

Project revenue and expenses on work in progress that can be reliably estimated is recognised in the profit and loss account in proportion to the work completed as at balance sheet date. The progress of work completed is determined on the basis of the project costs incurred as at balance sheet date relative to the estimated total project costs. If the result cannot be reliably estimated, the proceeds are recognised in the profit and loss account up to the amount of the project costs that can probably be recovered. The project costs are then recognised in the profit and loss account when they are incurred.

The profit or loss is determined as the difference between project income and project costs. The result on the large number of smaller projects, usually with a duration of less than one year, is recognised on delivery of the project. This method has no material influence on the capital or the result.

Project revenue is the contractually agreed revenue and revenue from contract variations, claims and payments if and in so far as they are realisable and can be reliably estimated. Project costs are the costs directly related to a project that can generally be attributed and allocated to project activities and other costs that can be contractually charged to the client. Project costs are related chiefly to materials, third-party services and subcontracting, wages and social insurance costs, plus surcharges to cover general expenses.

If total project costs are likely to exceed total project revenue, the expected loss is taken directly to the profit and loss account. The provision for the loss is recognised in work in progress.

Proceeds on the sale of goods are recognised when all material rights and risks attaching to ownership of the goods are transferred to the purchaser.

Revenue from the provision of services is recognised in proportion to the services provided, on the basis of the services provided as at balance sheet date relative to the total services to be provided.

NOTES TO THE CONSOLIDATED ACCOUNTS

Operating costs

Operating costs are carried at historical cost. The FIFO method is generally used to determine the cost of raw materials and consumables. Intragroup transactions are recognised at arm's length prices. Development costs are capitalised only if the development project is likely to be technically and commercially successful (i.e. that it will be of economic benefit) and the costs can be reliably estimated.

Operational leases

Leases that transfer a substantial proportion of the risks and rewards of ownership to third parties are accounted for as operating leases. Commitments arising from operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Staff remuneration

Staff remuneration, including wages, salaries and social insurance contributions, is recognised in the profit and loss account in accordance with the terms of employment, in so far as it is payable to employees. Other staff remuneration, with the exception of long service payments, are charged to the profit and loss account in the year in which they are paid.

The cost of pension schemes is equal, in principle, to the pension contributions payable to pension funds and insurance companies over the period. A liability is recognised for pension contributions not paid as at balance sheet date. Contributions paid in excess of contributions due as at balance sheet date are recognised as accrued income in so far as they will be repaid by the pension funds and/or insurance companies concerned or will be set off against future contributions. A provision is also recognised as at balance sheet date for existing additional obligations to pension funds, insurance companies and employees if it is likely that the settlement of those obligations will entail an outflow of funds that can be reliably estimated.

The existence of additional obligations is determined on the basis of the administration agreement with the pension funds and insurance companies and the pension agreement with the employees and other implicit or explicit undertakings given to employees. The provision is valued at the best estimate of the amounts needed to settle the obligations as at balance sheet date.

Amortisation of non-current intangible assets and depreciation of non-current tangible assets

Non-current intangible assets are amortised and non-current tangible assets are depreciated over their estimated useful lives as from the date they are taken into use, with account being taken of residual values where necessary.

Interest income and expense

Interest income and expense relate to interest and other financing expenses attributable to the year.

Result from participating interests

The result from non-consolidated participating interests is TBI's share in the result pro rata the interest held during the year, after deduction of relevant taxes. Dividends are recognised if there is a right to dividends.

Taxes

Taxes on the profit for the year are computed on the result from ordinary operations, taking account of tax facilities such as loss carry-overs and participation exemption. Tax losses are recognised when utilisation is foreseeable.

TBI Holdings B.V. and its shareholder, TBI Beheer B.V., and a number of subsidiary companies located in the Netherlands, together form a corporation tax group. In accordance with statutory requirements, all members of a tax group are jointly and severally liable for the group's tax liabilities. Each member of the tax group bears its tax burden as an independent taxpayer. Settlement takes place in current account.

Statement of cash flows

The statement of cash flows is presented in accordance with the indirect method. In this method, the net profit or loss is adjusted for items in the profit and loss account that do not influence income and expenditure during the year, movements in balance sheet items, and profit and loss account items not relating to operating activities. Transactions not involving a cash inflow or outflow are not included in the statement of cash flows. The cash position in the statement of cash flows consists of cash and cash equivalents.

Cash flows in foreign currency are translated at estimated average rates. Exchange differences on cash flows are presented separately in the statement of cash flows. Interest income and expense, dividends received and corporation taxes are included in the cash flow from operating activities. Dividends paid are included in the cash flow from financing activities.

The acquisition price of group companies acquired is presented in the cash flow from investing activities in so far as payment has been made in cash. Cash balances present in acquired group companies are deducted from the acquisition price.

The selling price of divested group companies is presented in the cash flow from divested activities in so far as payment has been made in cash. The cash balances present in divested group companies are deducted from the selling price.

NOTES TO THE CONSOLIDATED BALANCE SHEET

(in thousands of euros)

1 NON-CURRENT INTANGIBLE ASSETS

	Development costs
As at 1 January 2016	
Cost of acquisition or production	6,932
Accumulated impairments and amortisation	-4,713
Book value	2,219
Changes in book value	
Investments	2,533
Divestments	-100
Amortisation	-2,539
Balance	-106
As at 31 December 2016	
Cost of acquisition or production	7,952
Accumulated impairments and amortisation	-5,839
Book value	2,113

2 NON-CURRENT TANGIBLE ASSETS

	Land and buildings	Plant and machinery	Other tangible fixed assets	Advance payments etc.	Total
As at 1 January 2016					
Cost of acquisition or production	111,225	80,684	141,734	46	333,689
Accumulated impairments and depreciation	-56,465	-59,579	-118,729	-	-234,773
Book value	54,760	21,105	23,005	46	98,916
Changes in book value					
Additions	1,533	3,204	8,741	725	14,203
Divestments	-430	-2,264	-308	-	-3,002
Depreciation	-3,571	-4,054	-8,829	-	-16,454
Balance	-2,468	-3,114	-396	725	-5,253
As at 31 December 2016					
Cost of acquisition or production	109,000	74,302	99,242	771	283,315
Accumulated impairments and depreciation	-56,708	-56,311	-76,663	-	-189,652
Book value	52,292	17,991	22,609	771	93,663

Movements include other impairments of €0.6 million.

NOTES TO THE CONSOLIDATED BALANCE SHEET

3 NON-CURRENT FINANCIAL ASSETS

	Non-consolidated participating interests	Loans granted	Deferred tax assets	Other financial fixed assets	Total
As at 1 January 2016	6,223	4,593	–	1,201	12,017
Changes in 2016					
Profit distributions and dividends received	–47	–	–	–	–47
Share in result for the year	1,787	–	–	–	1,787
Loans granted to non-consolidated participating interests	–	–4,217	–	–	–4,217
Investments	51	–	–	–	51
Reclassification of deferred taxes	–	–	9,695	–	9,695
Addition to deferred taxes	–	–	8,295	–	8,295
Divestments	–6,185	–	–	–601	–6,786
Balance	–4,394	–4,217	17,990	–601	8,778
As at 31 December 2016	1,829	376	17,990	600	20,795

The principal consolidated participating interests at year-end 2016 are shown in the Operational Structure of TBI. In accordance with statutory requirements, a list of consolidated and non-consolidated participating interests, the main construction consortia and other joint arrangements has been filed for inspection with the Commercial Register of the Chamber of Commerce in Rotterdam.

In 2014 TBI Techniek B.V. granted a loan to a non-consolidated participating interest with a principal of €3.983 million. Interest is payable on the loan at 7%. This loan was repaid during 2016.

TBI also sold its remaining interest (30.0 percent) in MC Ice B.V. (Fri-Jado Groep B.V.) during 2016.

4 INVENTORIES

	31 December 2016	31 December 2015
Raw materials and consumables	3,563	4,142
Work in progress and semi-manufactures	60	172
Finished products and goods for resale	3,204	3,101
Housing under construction	6,667	13,778
Completed housing, etc.	1,948	13,063
Land positions, etc.	182,742	189,976
	198,184	224,232

TBI carries out projects developed by third parties or arising from its own project development activities. Investments in project development activities, as recognised under inventories, relate to work in progress (Land positions, etc.), capitalised construction and development costs of the unsold part of work in progress (Housing under construction) and projects already completed (Completed housing, etc.). The item Land positions relates chiefly to land positions acquired in the Netherlands for development in the near future. In the light of market conditions and expectations, TBI analysed its real estate positions in 2016. The analyses focused on the riskiest positions, predominantly in land and associated plan development costs. On the basis of these analyses based on a residual land value method, TBI concluded in 2016 that the expected future realisable value of a number of positions needed to be permanently written down. These impairment charges amounted to €4.3 million (2015: €4.0 million).

5 WORK IN PROGRESS FOR THIRD PARTIES

Work in progress for third parties as at 31 December:

	31 December 2016	31 December 2015
Work in progress for third parties		
Costs including profits based on percentage of completion, less provisions for losses	1,885,313	2,104,050
Less: invoiced instalments	<u>-1,922,714</u>	<u>-2,160,227</u>
	-37,401	-56,177
Recognised under current liabilities	<u>37,401</u>	<u>56,177</u>
Balance	<u>-</u>	<u>-</u>

The balance consists of:

	31 December 2016	31 December 2015
Balance of work in progress for third parties greater than invoiced instalments	201,807	141,345
Balance of work in progress for third parties less than invoiced instalments	<u>-239,208</u>	<u>-197,522</u>
	-37,401	-56,177

The balance of costs and invoiced instalments for third-party projects includes production not yet invoiced to clients or financed by clients, against which there are commitments.

6 RECEIVABLES

	31 December 2016	31 December 2015
Trade debtors	207,257	200,916
Income tax	1,494	472
Deferred tax assets	-	9,695
Other receivables	40,186	48,143
Prepayments and accrued income	<u>5,683</u>	<u>3,728</u>
	<u>254,620</u>	<u>262,954</u>

Deferred tax assets have an expected term of longer than one year. The remaining receivables have a term of less than one year. The fair value of receivables approximates their book value on account of their short-term nature and the fact that provisions have been formed for doubtful debts where necessary. A provision for uncollectibility has been deducted from receivables to a total of €2.6 million (31 December 2015: €3.4 million).

7 CASH AND CASH EQUIVALENTS

	31 December 2016	31 December 2015
Banks	138,270	166,406
Deposits	11	-
Cash	<u>46</u>	<u>67</u>
	<u>138,327</u>	<u>166,473</u>

NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents is readily disposable with the exception of approximately €15.5 million (31 December 2015: €22.1 million) held by general partnerships that is consolidated on a pro rata basis under other participating interests. Dutch bank balances also include the balances of frozen G accounts amounting to approximately €4.1 million (31 December 2015: €4.4 million). Deposits have a term of less than one year.

8 SHAREHOLDERS' EQUITY

Shareholders' equity is explained in the notes to the company balance sheet.

9 PROVISIONS

	Long-service commitments	Guarantee commitments	Reorganisation	Other	Total
As at 1 January 2016	4,247	6,605	1,799	1,125	13,776
Changes in 2016					
Addition	283	629	7,159	547	8,618
Withdrawals	-57	-3,690	-7,442	-442	-11,631
Other movements	-	150	35	90	275
Balance	226	-2,911	-248	195	-2,738
As at 31 December 2016	4,473	3,694	1,551	1,320	11,038

Other provisions have been formed chiefly for environmental levies and vacancies.

The terms of provisions are:

	31 December 2016			31 December 2015		
	< 1 year	1 – 5 year	> 5 year	< 1 year	1 – 5 year	> 5 year
Provisions (x € 1 million)	4.6	3.4	3.0	6.7	4.4	2.7

10 NON-CURRENT LIABILITIES

Non-current liabilities by category	31 December 2016	31 December 2015
Subordinated loan	25,000	-
Non-recourse financing	24,000	26,000
Project financing	17,467	26,512
	<u>66,467</u>	<u>52,512</u>

Repayments that are due within one year are recognised under current liabilities. Collateral security has been provided in the form of a first right of mortgage, pledges of sales and rental contracts and group guarantees.

The fair value of non-current liabilities approximates the book value.

The non-current liabilities have the following terms:

Non-current liabilities by maturity	31 December 2016		31 December 2015	
	1 – 5 year	> 5 year	< 1 year	1 – 5 year
(x € 1 million)				
Non-current liabilities	39.7	26.8	50.0	2.5

TBI Beheer B.V. granted a ten-year 5% €25 million subordinated loan to TBI Holdings B.V. in January 2016. The loan is redemption-free during the first 5.5 years. Thereafter it will be redeemed in five equal and successive annual instalments.

In addition, non-recourse financing of €30 million has been contracted against some of the premises. Of the total, €24 million was recognised as a non-current liability and €2 million as a current liability as at 31 December 2016. The interest rate on this loan is fixed at 2.95 percent.

Project financing relates to non-current project financing contracted by group companies. Interest is based on one-month EURIBOR plus 3 percent.

11 CURRENT LIABILITIES, ACCRUALS AND DEFERRED LIABILITIES

	31 December 2016	31 December 2015
Credit institutions	13,154	14,062
Trade creditors	224,196	232,880
Taxes and social insurance contributions	41,640	39,049
Work in progress for third parties	37,401	56,177
Personnel costs	32,961	39,729
Pension contributions	709	4,590
Other liabilities	43,861	56,627
Accruals and deferred liabilities	6,520	10,288
	<u>400,442</u>	<u>453,402</u>

Current liabilities, accruals and deferred liabilities have a term of less than one year. The fair value of current liabilities approximates their book value owing to their short-term nature.

Credit facilities

TBI concluded a €75 million two-year committed Revolving Credit Facility (RCF) as at 21 December 2015. It also has uncommitted bilateral current account facilities of €30 million to cover short-term liquidity shortages. The two facilities are documented in a single agreement. The facilities are spread equally over three banks, ABN AMRO, ING and Rabobank.

No use had been made of these facilities as at 31 December 2016 or as at 31 December 2015. The facilities were not drawn down in 2016 (there was no draw down in 2015). The interest rate is linked to EURIBOR plus a surcharge. The EURIBOR rate is determined by the chosen term of the draw down.

As under the previous RCF, the principal security is the satisfaction of financial covenants (interest cover ratio and senior debt cover ratio). These ratios were satisfied in 2016.

NOTES TO THE CONSOLIDATED BALANCE SHEET

OFF BALANCE SHEET COMMITMENTS

	31 December 2016	31 December 2015
Bank guarantees and securities		
Guarantees for letters of intent	6,226	13,725
Guarantees for work performance	166,931	143,534
Guarantees for advance payments received	58,148	55,787
Other	9,227	11,652
	<u>240,532</u>	<u>224,698</u>

	31 December 2016			31 December 2015		
	< 1 year	1 – 5 year	> 5 year	< 1 year	1 – 5 year	> 5 year
Other (x € 1 million)						
Leases	17.0	33.7	1.2	18.8	31.3	1.4
Rental agreements, etc.	7.9	21.5	9.5	8.6	25.2	11.5
Land purchase commitments	26.1	14.1	–	11.4	12.5	–

The following amounts were recognised in the profit and loss account in respect of leases during the year:

	2016
Minimum lease payments	34,419
Sub-lease income	<u>-350</u>
	<u>34,069</u>

Lease commitments relate principally to the vehicle fleet, rental commitments related principally to real estate. Operating lease and rental commitments are stated in nominal amounts and taken to the profit and loss account on a straight line basis over the term of the agreement. Land purchase commitments are conditional in part on planning changes and/or the issuance of permits.

TBI Holdings B.V. and its group companies are involved in legal disputes from time to time. A provision is formed when the settlement of a dispute will likely entail an outflow of funds and the size of the outflow can be reliably estimated. After taking legal advice, the company's management believes the outcome of current proceedings in other disputes will not have a material influence on the consolidated position of TBI Holdings B.V.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of euros, unless stated otherwise)

	Engineering		Construction		Infrastructure		Holding		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Segmental information by area of activity (in millions of euros)										
Operating revenue										
External	668	692	715	694	194	174	-5	-3	1,573	1,557
Internal	15	5	9	-4	5	10	-29	-11	-	-
Total	683	696	724	690	199	184	-34	-13	1,573	1,557
Earnings before depreciation and amortisation*										
	13.4	11.8	24.3	18.9	2.5	6.1	-28.6	-4.1	11.7	32.7
Operating profit before contribution	-3.3	4.0	9.8	13.0	0.3	3.5	-14.1	-6.3	-7.3	14.2
Contribution**	9.2	-	9.2	-	-	-	-18.3	-	-	-
Operating profit*	5.9	4.0	18.9	13.0	0.3	3.5	-32.4	-6.3	-7.3	14.2
Operating margin										
Operating profit/turnover	0.9%	0.6%	2.6%	1.9%	0.1%	1.9%	-	-	-0.5%	0.9%
Capital expenditure	6.9	6.5	3.0	7.7	2.5	2.7	1.7	0.3	14.2	17.2
Investments in intangible fixed assets	0.2	-	1.9	0.6	-	0.1	-	-	2.1	0.8
Depreciation of tangible fixed assets	7.4	7.7	3.6	5.0	2.2	2.6	3.3	2.1	16.5	17.4
Amortisation of intangible fixed assets	0.1	0.1	1.8	0.9	-	-	0.6	0.1	2.5	1.1

* Excluding impairment charges and reorganisation costs.

** The contribution relates to a contribution made by TBI Holdings to New Main, that is for 50% recognised by Engineering and 50% by Construction.

12 NET REVENUE

	2016	2015
Geographical spread of net revenue		
Netherlands	1,660,885	1,424,578
Other EU countries	24,890	14,579
Rest of Europe	4,195	523
Outside Europe	21,238	22,905
	1,711,208	1,462,585

13 EMPLOYEES

	2016	2015
Average number of employees by activity:		
Engineering	3,733	3,975
Construction	1,363	1,377
Infrastructure	399	375
Other	61	47
	5,556	5,774

In 2016, 272 of the average number of employees worked outside the Netherlands (2015: 262).

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

14 PENSIONS

The employees of TBI and its group companies are members of the following pension funds or insurance schemes depending on the relevant collective labour agreement and/or contract of employment:

- Pension Fund for the Construction Industry
- Pension Fund for the Metalworking and Mechanical Engineering Industry
- Pension Fund for the Concrete Products Industry
- Insurance schemes:
 - Construction Industry dispensation scheme (for pensions accrued until 1 January 2012)
 - Company pension schemes
- Stichting TBI Pension Fund

The first three pension funds administer industry-based pension schemes. The TBI group companies have no obligation to make additional contributions other than the future contributions payable to make up for any underfunding in an industry-based pension scheme. Similarly, the TBI group companies are not entitled to any surpluses present in the funds. The same applies to the insurance-based schemes and the schemes administered by Stichting TBI Pension Fund, which have been placed with an insurance company.

On the basis of the above characteristics, the pension charge recognised for the year is equal to the contributions payable to the pension funds and insurance companies over that period.

The employees of the companies in the Engineering sector are members of the Pension Fund for the Metalworking and Electrical Engineering Industry. As a result of the further decline in interest rates, the funding rate in the Pension Fund for the Metalworking and Mechanical Engineering Industry declined further below 100 percent in 2016. No reductions were made in 2016 and 2015. This had not been the case in 2014 and 2013, when pensions had been reduced by 0.4% and 6.3% respectively. A new top-up pension scheme was introduced on 1 January 2015 for salaries of between €70,000 and €100,000. Membership was compulsory in 2015 and is voluntary as from 2016. TBI has decided to continue offering this scheme to its employees.

The funding rate of the Pension Fund for Construction also declined in 2016. This pension fund, however, is still not underfunded. The pensions of both the active and inactive members were not raised as of 1 January 2016 or as of 1 January 2017.

The funding rate of the Pension Fund for the Concrete Products Industry is less than 100 percent. This pension fund will therefore not raise its pensions as of 1 January 2017 either.

Pensions administered by Stichting TBI Pension Fund are reinsured in full by means of a guarantee contract. The insurer guarantees payments from the pension fund regardless of the investment result and the age of the members. The guarantee contract between Stichting TBI Pension Fund and the insurer will expire on 31 December 2016. A comparable situation applies to the company pension schemes.

The pension fund has decided to be liquidated as of 1 January 2017. The Dutch central bank has agreed to the collective transfer of the value of accrued pension entitlements as at 31 December 2016. A direct agreement has been concluded between the employer, TBI, and an insurer in respect of the new pension accruals and pension insurances as from 1 January 2017. The contract includes the administration of pension schemes for all TBI employees with the exception of those administered by compulsory occupational pension funds.

15 AMORTISATION OF NON-CURRENT INTANGIBLE ASSETS AND DEPRECIATION OF NON-CURRENT TANGIBLE ASSETS

	2016	2015
Amortisation of non-current intangible assets	2,539	1,097
Depreciation of non-current tangible assets	16,454	17,426
	<u>18,993</u>	<u>18,523</u>
Amortisation of non-current intangible assets		
Development	2,539	1,097
	<u>2,539</u>	<u>1,097</u>
Depreciation of non-current tangible assets		
Land and buildings	3,571	3,903
Plant and machinery	4,054	4,341
Other non-current operating assets	8,829	9,182
	<u>16,454</u>	<u>17,426</u>

16 TAXATION

Taxation relates to tax payable on the results earned in the Netherlands and abroad, with account being taken of changes in the provision for deferred taxation. The tax payable is computed at applicable rates, with account being taken of tax-exempt profit components, permanent differences and non-deductible items.

The effective tax rate for the year was 22.3% (2015: 10.1%). The relationship between the average effective tax rate and the statutory corporation tax rate is as follows:

(as a percentage)	2016	2015
Corporation tax rate	25.0	25.0
Result from participating interests	3.2	4.8
Non-deductible costs	-1.2	-8.9
Differences in foreign tax rates	-0.9	-5.0
Prior year tax adjustments	-3.0	-3.2
Tax facilities, etc	-0.8	-2.6
Effective tax rate	<u>22.3</u>	<u>10.1</u>

17 RESULT FROM PARTICIPATING INTERESTS

The result from participating interests includes the profit from non-consolidated participating interests of €0.0 million (2015: €1.3 million) and the profit on the sale of participating interests of €1.8 million (2015: €2.7 million). The profit for 2016 relates to the sale of the interest in MC Ice B.V. (Fri-Jado Groep B.V.) (30.0%).

Derivative financial instruments

The fair value of forward exchange contracts concluded is negligible.

Research and development costs

Research and development costs charged to the profit and loss account for 2016, including the amortisation of development costs recognised in the balance sheet, amounted to €1.9 million (2015: €1.3 million).

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Reorganisation costs

The persistently weak market conditions and outlook, particularly in the commercial building sector, in combination with economic developments have exerted significant pressure on the results of many companies in the construction industry. With a view to maintaining profitability and the continuity of TBI, a number of TBI companies have adapted their cost structure and organisations to the volume of activity expected in the years ahead. The related reorganisation costs for the year amounted to €7.2 million (2015: €11.2 million).

Remuneration of executive and supervisory directors

The remuneration of the members and former members of the Executive Board includes periodic payments such as salaries, social insurance contributions, pension contributions and profit shares and bonus payments. To this end, €2.547 million was charged to the company in 2016 (2015: €1.385 million). The remuneration of the Executive Board was increased in 2016 because of the termination of the long-term incentive scheme for current and former executive directors and the temporary increase in the number of Executive Board members ahead of the retirement of Mr L.J. Pruis.

The remuneration of the members of the Supervisory Board amounted to €0.238 million (2015: €0.238 million).

Auditor's fee

The auditor's fee can be broken down by category as follows:

	2016	2015
Audit of the consolidated accounts	1,010	1,000
Other audit engagements	54	75
Tax advice	44	4
Other non-audit services	136	113
	<u>1,244</u>	<u>1,192</u>

As in the previous year, other, non-audit services related principally to the provision of advice on working capital management and ICT. The fees shown above relate to work carried out at the company and the interests included in the consolidation by audit firms and external independent auditors within the meaning of section 1 (1) of the Audit Firms (Supervision) Act and the fees charged by the entire network to which the audit firm belongs. These fees relate to the examination of the annual accounts for 2016 regardless of whether or not the work was performed during the financial year.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2016

(before profit appropriation, in thousands of euros)

	31 december 2016	31 december 2015
Fixed assets		
Tangible fixed assets	(1) 560	475
Financial fixed assets	(2) <u>349,560</u>	<u>336,059</u>
	350,120	336,534
Current assets		
Receivables	(3) 4,318	12,457
Cash and cash equivalents	(4) <u>103,998</u>	<u>111,009</u>
	108,316	123,466
Total assets	<u>458,436</u>	<u>460,000</u>
Shareholder's equity	(5)	
Issued capital	45,378	45,378
Share premium reserve	7,683	7,683
Statutory reserves	2,234	2,440
Other reserves	191,080	190,239
Retained earnings	<u>-16,717</u>	<u>1,268</u>
	229,658	247,008
Provisions	(6) 243	608
Non-current liabilities	(7) 25,000	-
Current liabilities, accruals and deferred liabilities	(8) <u>203,535</u>	<u>212,384</u>
Total liabilities	<u>458,436</u>	<u>460,000</u>

COMPANY PROFIT AND LOSS ACCOUNT FOR 2016

(in thousands of euros)

	2016	2015
Result from participating interests after tax	9,955	15,412
Company result after tax	<u>-26,672</u>	<u>-14,144</u>
	<u>-16,717</u>	<u>1,268</u>

NOTES TO THE COMPANY ACCOUNTS 2016

GENERAL

The company accounts of TBI Holdings B.V. are prepared in accordance with the statutory provisions laid down in Part 9 of Book 2 of the Dutch Civil Code. The same accounting policies are used for both the company and the consolidated accounts. The policies applied to value assets and liabilities and to determine the result for the year are explained in the notes to the consolidated balance sheet and profit and loss account. Participating interests in group companies are accordingly carried at net asset value.

COMPANY BALANCE SHEET

1 NON-CURRENT TANGIBLE ASSETS

	Other non-current tangible assets
As at 1 January 2016	
Cost of acquisition or production	2,211
Accumulated impairments and amortisation	<u>-1,736</u>
Book value	<u>475</u>
Changes in book value	
Additions	209
Depreciation	<u>-124</u>
Balance	<u>85</u>
As at 31 December 2016	
Cost of acquisition or production	2,420
Cost of acquisition or production	<u>-1,860</u>
Book value	<u>560</u>

2 NON-CURRENT FINANCIAL ASSETS

	31 December 2016	31 December 2015
Share in group companies	334,657	335,216
Deferred tax assets	14,060	–
Other participating interests	843	843
	<u>349,560</u>	<u>336,059</u>

Movements during the year:

	Share in group companies	Deferred tax assets	Other participating interests	Total
As at 1 January 2016	335,216	–	843	336,059
Changes in 2016				
Net profit for 2016	9,955	–	–	9,955
Dividends received	–14,575	–	–	–14,575
Other movements	4,061	–	–	4,061
Reclassification of deferred tax assets	–	14,060	–	14,060
Balance	–559	14,060	–	13,501
As at 31 December 2016	334,657	14,060	843	349,560

The principal consolidated participating interests at year-end 2016 are shown in the Operational Structure of TBI. In accordance with statutory requirements, a list of consolidated and non-consolidated participating interests, the main construction consortia and other joint arrangements has been filed for inspection with the Commercial Register of the Chamber of Commerce in Rotterdam.

3 RECEIVABLES

	31 December 2016	31 December 2015
Debtors	12	129
Taxes	112	10,208
Other receivables, prepayments and accrued income	4,194	2,120
	<u>4,318</u>	<u>12,457</u>

Receivables have a term of less than one year. Receivables include an amount receivable from the shareholder of €3.3 million (2015: €1.7 million).

4 CASH AND CASH EQUIVALENTS

	31 December 2016	31 December 2015
Cash	–	1
Banks	103,998	111,008
	<u>103,998</u>	<u>111,009</u>

Cash and cash equivalents are readily disposable.

NOTES TO THE COMPANY ACCOUNTS 2016

5 SHAREHOLDER'S EQUITY

The authorised capital consists of 2,250,000 ordinary €100 shares, of which 453,780 have been issued and are fully paid up. The share premium reserve created on payment for the shares is not distributable free of tax. The composition of shareholder's equity and movements in it were as follows:

	Issued capital	Share premium-reserve	Statutory reserves	Other reserves	Un-appropriated result	Total
Shareholders' equity						
As at 1 January 2015	45,378	7,683	2,683	188,739	1,400	245,883
Addition to reserves	–	–	–	980	–980	–
Dividend 2014	–	–	–	–	–420	–420
Result for 2015	–	–	–	–	1,268	1,268
Exchange differences and other movements	–	–	–243	520	–	277
As at 31 December 2015	45,378	7,683	2,440	190,239	1,268	247,008
Addition to reserves	–	–	–	888	–888	–
Dividend 2015	–	–	–	–	–380	–380
Result for 2016	–	–	–	–	–16,717	–16,717
Exchange differences and other movements	–	–	–206	–47	–	–253
As at 31 December 2016	45,378	7,683	2,234	191,080	–16,717	229,658

Of the statutory reserves, an amount of €0.1 million relates to exchange differences at participating interests and an amount of €2.1 million to the cost of developing non-current intangible assets. Under article 389 (8) and article 365 (2) of Part 9, Book 2 of the Dutch Civil Code (statutory reserves), these amounts are not freely distributable.

In April 2016, the Annual General Meeting acting on a recommendation by the Supervisory Board decided to adopt the annual accounts for 2015 without change. In accordance with the company's Articles of Association it was agreed to distribute a cash dividend of €0.4 million to the shareholder and to add the remaining €0.9 million to other reserves.

The net loss for 2016 was €16.7 million. The Executive Board proposes that the loss is charged to other reserves.

6 PROVISIONS

	Tax liabilities	Other	Total
As at 1 January 2016	161	447	608
Changes in 2016			
Addition	375	524	899
Withdrawals	–451	–813	–1,264
Balance	–76	–289	–365
As at 31 December 2016	85	158	243

Other provisions have been formed chiefly for restructuring costs and legal disputes.

7 NON-CURRENT LIABILITIES

Non-current liabilities by category	31 December 2016	31 December 2015
Subordinated loan	<u>25,000</u>	<u>–</u>

Non-current liabilities by maturity	31 December 2016		31 December 2015	
	1 – 5 year	> 5 year	< 1 year	1 – 5 year
Non-current liabilities	<u>–</u>	<u>25,000</u>	<u>–</u>	<u>–</u>

TBI Beheer B.V. granted a ten-year 5% €25 million subordinated loan to TBI Holdings B.V. in January 2016. The loan is redemption-free during the first 5.5 years. Thereafter it will be redeemed in five equal and successive annual instalments.

8 CURRENT LIABILITIES, ACCRUALS AND DEFERRED LIABILITIES

	31 December 2016	31 December 2015
Payable to shareholder Group companies	193,788	206,145
Other liabilities, accruals and deferred liabilities	<u>9,747</u>	<u>6,239</u>
	<u>203,535</u>	<u>212,384</u>

Current liabilities, accruals and deferred liabilities have a term of less than one year. The fair value of current liabilities approximates their carrying value owing to their short-term nature.

TBI acts as a banker for its subsidiaries. The funds that are not required by the subsidiaries for their day-to-day operations can be placed in a financing account with the company. The interest payable on this instant access current account is based on the base rate set by commercial banks plus a surcharge. The average interest rate in 2016 was 2.5% (2015: 2.6%). For the sake of completeness, reference is made to the notes to current liabilities, accruals and deferred liabilities in the consolidated accounts.

Off balance sheet commitments

The company had issued group guarantees, chiefly to project clients, in place of bank guarantees to an amount of €106.9 million as at year-end 2016 (year-end 2015: €43.8 million).

TBI Holdings B.V., its shareholder TBI Beheer B.V. and a number of subsidiary companies in the Netherlands together form a corporation tax group. In accordance with statutory requirements, all members of a tax group are jointly and severally liable for the group's tax liabilities. Each member of the tax group bears its tax burden as an independent taxpayer. Settlement takes place in current account.

Reference is also made to the notes to the consolidated balance sheet.

Company profit and loss account

The abridged profit and loss account is prepared in accordance with article 402, Part 9 of Book 2 of the Dutch Civil Code.

NOTES TO THE COMPANY ACCOUNTS 2016

Financial income and expense from transactions with group companies

TBI Holdings B.V. acts as internal banker within the group. In principle, the group companies deposit funds they do not need for their day-to-day operations with TBI. The interest payable on the instant access current account is based on the base rate set by commercial banks plus a surcharge. The financial income arising from these transactions with group companies amounted to €3.4 million (2015: €4.0 million). The financial expense arising from transactions amounted to €3.7 million (2015: €5.1 million).

Related party transactions

In 2016 TBI Holdings B.V. charged exceptional costs incurred by New Main B.V. of €18.3 million (2015: nil) to the result.

TBI Holdings B.V. did not recognise any reorganisation costs for the TBI companies in 2016 (in 2015 €9.4 million had been charged to the result of TBI Holdings B.V.).

Furthermore, a reserve of €0.3 million (2015: €1.4 million) directors' bonuses still payable to the directors of the TBI companies has been charged to the result of TBI Holdings B.V.

Appropriation of the result for 2015

In April 2016, the Annual General Meeting acting on a recommendation of the Supervisory Board decided to adopt the annual accounts for 2015 without change. In accordance with the company's Articles of Association it was agreed to distribute a cash dividend of €0.4 million to the shareholder and to add the remaining €0.9 million to other reserves.

Proposed appropriation of the result for 2016

The net loss for 2016 was €16.7 million. The Executive Board proposes that the loss is charged to other reserves.

Subsequent events

There were no subsequent events within the meaning of article 2:280a of the Dutch Civil Code.

The average number of people employed by the company in 2016 was 43 (2015: 41 employees). As in 2015, all employees worked in the Netherlands in 2016.

Rotterdam, 21 March 2017

Supervisory Board

A.L.M. Nelissen, chairman
E.H.M. van den Assem
M. Niggebrugge
J.E. de Vries
D.J.B. de Wolff

Executive Board

D.A. Sperling, chairman
E.A.A. Roozen

OTHER INFORMATION

PROVISIONS OF THE ARTICLES OF ASSOCIATION ON PROFIT APPROPRIATION

Article 24

Reserves shall be charged to the profit and loss account as determined by the Executive Board and with the approval of the Annual General Meeting of Shareholders. The remainder shall be at the disposal of the Annual General Meeting.

INDEPENDENT AUDITOR'S REPORT AND ASSURANCE REPORT

To: the general meeting and supervisory board of TBI Holdings B.V.

GENERAL

Our assurance procedures consisted of an audit (reasonable assurance) of the company's financial statements and review procedures (limited assurance) on the 'non-financial information' in the TBI Holdings B.V. integrated report (as defined in our assurance report). The other information in the integrated report is out of scope for our assurance procedures.

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS 2016

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of TBI Holdings B.V. as at 31 December 2016, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2016 of TBI Holdings B.V., Rotterdam ('the company'). The financial statements include the consolidated financial statements of TBI Holdings B.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2016;
- the consolidated and company income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

Independence

We are independent of TBI Holdings B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- [Message from CEO](#)
- [About TBI](#)
- [Stakeholders dialogue](#)
- [Material themes](#)
- [How TBI creates value](#)
- [Key figures TBI](#)
- [TBI in the market - Strengthen the market position](#)
- [Financial - Maintain a solid profile](#)
- [Employees - An attractive workplace](#)
- [Environment - Reducing the impact](#)
- [Society - Corporate responsibility and engagement](#)
- [Governance](#)
- [Scope and responsibility](#)
- [Other information](#)
- [Management boards of the TBI companies](#)
- [Glossary](#)
- [Credit](#)

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information pursuant to Part 9 Book 2 of the Dutch Civil Code.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

ASSURANCE REPORT ON THE SUSTAINABILITY INFORMATION 2016

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the sustainability information as included in the Annual Report 2016 of TBI Holdings B.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to sustainability; and
- the events and achievements related thereto for the year ended 31 December 2016

What we have reviewed

The sustainability information contains a representation of the policy and business operations of TBI Holdings B.V., Rotterdam (hereafter: "TBI") regarding sustainability and the events and achievements related thereto for 2016.

We have reviewed the sustainability information for the year ended 31 December 2016, as included in the following sections in the Annual Report 2016 (hereafter: "the sustainability information"):

- [About TBI](#)
- [Stakeholders dialogue](#)
- [Material themes](#)
- [How TBI creates value](#)
- [Employees – An attractive workplace](#)
- [Environment – Reducing the impact](#)
- [Society – Corporate responsibility and engagement](#)

The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen'. This review engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of this Assurance-report.

Independence and quality control

We are independent of TBI in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA/AA)' and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

TBI developed its reporting criteria on the basis of the sustainability reporting Guidelines version G4 of GRI, as disclosed in section "Scope and responsibilities" of the Annual Report 2016. The information in the scope of this assurance engagement needs to be read and understood in conjunction with these reporting criteria. The Executive Board is responsible for selecting and applying these reporting criteria. The absence of a significant body of established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Inherent limitations

The sustainability report includes prospective information such as expectations on ambitions, strategy, plans, estimates and risk assessments based on assumptions. Inherently, the actual results are likely to differ from these expectations, due to changes in assumptions. These differences may be material. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

RESPONSIBILITIES FOR THE SUSTAINABILITY REPORTING AND THE ASSURANCE ENGAGEMENT

Responsibilities of the Executive Board

The board of directors of TBI is responsible for the preparation of the sustainability report in accordance with the sustainability reporting Guidelines version G4 of GRI and the internally applied reporting criteria as disclosed in section "Scope and responsibilities" of the Annual Report 2016, including the identification of stakeholders and the definition of material subjects. The choices made by the Executive Board regarding the scope of the sustainability information and the reporting policy are summarized in section "Scope and responsibilities". The Executive Board is responsible for determining that the applicable reporting criteria are acceptable in the circumstances.

The Executive Board is also responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or errors.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review engagement to obtain sufficient and appropriate assurance information to provide a basis for our conclusion.

This review engagement is aimed at obtaining limited assurance. In obtaining a limited level of assurance, the performed procedures are aimed at determining the plausibility of information and are less extensive than those aimed at obtaining reasonable assurance in an audit engagement. The performed procedures in this context consisted mainly of gathering information from the company's employees and applying analytical procedures set out in relation to the information included in the sustainability information. The assurance obtained in review engagements aimed at obtaining limited assurance is therefore significantly lower than the assurance obtained in assurance engagements aimed at obtaining reasonable assurance.

Misstatements may arise due to fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability information. The materiality affects the nature, timing and extent of our review and the evaluation of the effect of identified misstatements on our conclusion.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our main procedures include:

- Performing an external environment analysis and obtaining insight into relevant social themes and issues, relevant laws and regulations and the characteristics of the organization.
- Evaluating the appropriateness of the reporting policy and its consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of management's estimates.
- Evaluating the design and implementation of the reporting systems and processes related to the information in the sustainability information.
- Interviewing relevant staff responsible for the sustainability strategy and policy.
- Interviewing relevant staff responsible for providing the information in the sustainability report, carrying out internal control procedures on the data and consolidating the data in the sustainability information.
- Site visits to companies in Amsterdam, Gouda, Rotterdam and Zoetermeer, and a project visit in Delft to evaluate the source data and to evaluate the design and implementation of control and validation procedures at local level.
- An analytical review of the data and trends submitted for consolidation at corporate level.
- Reviewing internal and external documentation to determine whether the sustainability information, including the disclosure, presentation and assertions made in the sustainability information, is substantiated adequately;

ASSURANCE-RAPPORT VAN DE ONAFHANKELIJKE ACCOUNTANT

- Assessing the consistency of the sustainability information and the information in the Annual Report 2016 not in scope for this assurance report;
- Assessing whether the sustainability information has been prepared 'in accordance' with the Sustainability Reporting Guidelines version G4 of GRI.

Rotterdam, 22 March 2017

PricewaterhouseCoopers Accountants N.V.

Origineel getekend door

drs. M.R.G. Adriaansens RA

(This independent auditor's report and assurance report is a translation of the original assurance report accompanying the original Annual Report 2016, both stated in Dutch. This original assurance report can be found on the website of TBI Holdings B.V.)

APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2016 OF TBI HOLDINGS B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MANAGEMENT BOARDS OF THE TBI COMPANIES

as at 21 March 2017

ENGINEERING

Croonwolter&dros B.V.

Eekels Technology B.V.

Comfort Partners B.V.

WTH Vloerverwarming B.V.

Management Board

P.J. Heijboer, drs. F.J.A. Haring,
L.B. Koek MBA

H. de Haan, ing. L.H.J.D. Brom

J.P.M. Voogt, J.A.S. Berendsen

J. Bouwman

Website

www.croonwolterendros.nl

www.eekels.com

www.comfort-partners.nl

www.wth.nl

CONSTRUCTION & DEVELOPMENT

J.P. van Eesteren B.V.

ERA Contour B.V.

Groothuis Wonen B.V.

Hazenberg Bouw B.V.

Aannemingsbedrijf

Nico de Bont B.V.

Koopmans Bouwgroep B.V.

MDB B.V.

Voorbij Prefab B.V.

J.H.A. Vaags, A. van Lunteren, M. Peppel

B. Seekles, J.J.L. Heijdra,

J.P. van Zomeren

S.J.F. de Wit, J.J.M. Waegemaekers

B.N.W. de Bont, J.F.C.M. van der Doelen

Hazenberg Bouw B.V.

H.C. Smit, J.M. Kuling

A.J.C.J. van de Loo

D. Staal

www.jpvaneesteren.nl

www.eracontour.nl

www.groothuis.nl

www.hazenberg.nl

www.nicodebont.nl

www.koopmans.nl

www.mdb.nl

www.voorbijprefab.nl

HEVO B.V.

Synchroon B.V.

E.R. van der Sluis MBA

A.J.H. van Breukelen, H.J. van Dam

www.hevo.nl

www.synchroon.nl

INFRASTRUCTURE

TBI Infra B.V.

Mobilis B.V.

Servicis B.V.

Timmermans Infratechniek B.V.

Voorbij Funderingstechniek B.V.

R.J. Feijen, J. de Jong

R.J. Feijen, J. de Jong

TBI Infra B.V.

TBI Infra B.V.

M. Sterk

www.tbi-infra.nl

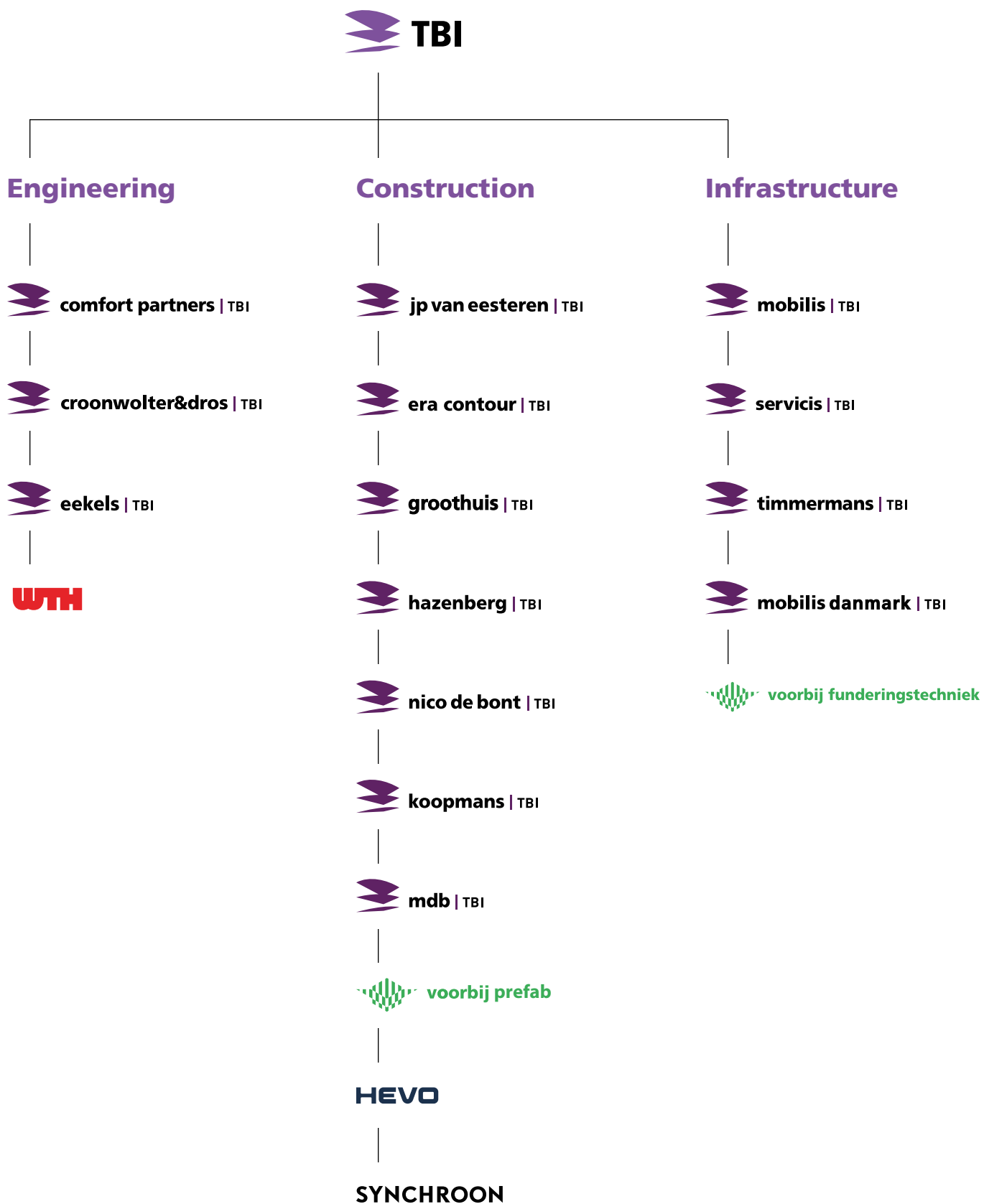
www.mobilis.nl

www.servicis.nl

www.timmermans-infra.nl

www.voorbijfunderingstechniek.nl

OPERATIONAL STRUCTURE TBI



GLOSSARY

BUILDING INFORMATION MODEL (BIM)

A digital representation of all physical and functional characteristics of a building. A BIM model is a shared knowledge source or file, with information that serves as a reliable basis for decision-making on a building during its entire life cycle: from initial design via construction and management to the building's final demolition.

CO₂ AND ENERGY

CO₂ is a gas that is one of the main causes of the greenhouse effect. It is emitted chiefly through the combustion of fossil fuels. In accordance with the SKAO emission factors handbook (version 3.0, June 2015), TBI reports only on its scope 1 and scope 2 emissions.

Scope 1 emissions are direct emissions caused by the organisation itself. They include emissions from the organisation's gas consumption and emissions from its vehicle fleet (including private mileage driven by staff in company vehicles).

Scope 2 emissions are indirect emissions released during the generation of the electricity consumed by the organisation, including emissions from the power stations that supply the electricity. These emissions are presented net of renewable energy. Scope 2 emissions also include emissions from flights and business mileage driven by staff in private vehicles. TBI's energy consumption is expressed in the annual report both in units of CO₂ and in units of Giga Joules (GJ).

EMPLOYEE

Person with a permanent or temporary contract of employment with a TBI company.

EXTERNAL STAFF

Independent workers not employed by TBI but instructed directly by TBI's managers.

INCIDENT FREQUENCY

The total number of work-related lost-time or fatal incidents divided by the total number of hours worked per one million employees and external staff.

LOST-TIME INCIDENT

A work-related incident (with the exception of commuting) that caused injury, sickness or death, where the person concerned is absent from work for at least the whole of the working day following the incident. An incident without lost time is one where the person concerned resumes work within two hours. All serious incidents must be reported to the Social Affairs and Employment Inspectorate.

OPERATING INCOME

Operating income refers in general to the value of production. Operating income includes net turnover, movements in work in progress (including profit mark-up and/or provisions formed) and other operating income. Net turnover comprises the sales value recognised in respect of goods and services delivered during the year (excluding value added tax).

OPERATING RESULT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)

Operating result from normal activities before financial income and expense, taxes, depreciation of tangible fixed assets and amortisation of intangible fixed assets. The term is a measure of the group's ability to generate cash and one of the banking syndicate's financial covenants.

OPERATING RESULT FROM NORMAL ACTIVITIES (EBIT)

Operating result before financial income and expense and taxes, before the deduction of reorganisation costs and impairments in value.

ORDER BOOK

That part of the contracted value of work in progress not completed or still to be commenced as at balance sheet date plus work in the pipeline: the total value of contracts or projects to be awarded with agreed prices (construction teams) or the lowest tender (contract award procedure).

RESULT FROM NORMAL OPERATIONS

Operating result, interest and the result from unconsolidated participating interests.

PROJECTS WITH SUSTAINABILITY SPECIFICATIONS

Projects with demonstrable sustainability specifications set by third parties.

SICKNESS ABSENTEEISM

The weighted average number of calendar days of absenteeism due to ill health (not including pregnancy and parental leave), adjusted for part-time employees (as set out in the National Absenteeism Standard).

SOCIAL INVESTMENTS

Financial resources applied to donations and sponsorship.

SOCIAL RETURN

Temporary (fixed period) contract of employment concluded directly by a TBI company with a person at a disadvantage on the labour market, often someone receiving a benefit payment who has had little education or work experience.

SOLVENCY RATIO

Shareholder's equity as a percentage of total assets.

SUSTAINABLE TIMBER

Timber and forest products that are subject to the Construction and Timber Covenant of the FSC, based on the TPAC definition for certified sustainable timber; FSC for timber sourced from temperate and tropical zones and PEFC for timber from temperate zones.

TBI CODE OF CONDUCT

Written document in which TBI lays down rules and guidelines to prevent conflicts between the business and private interests of all employees, to prevent the misuse of confidential information and to provide guidance on personal conduct within TBI.

WASTE SEPARATION

The sorting of waste flows for separate disposal: the weight of construction and demolition waste divided by the total weight of waste.

CREDITS

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TBI Holdings B.V., Rotterdam

Concept, text development and realisation

Jonkergouw & van den Akker, Amsterdam

© Photography

Carel Kramer Fotografie, Rotterdam

Correspondence address

TBI Holdings B.V.
Postbus 23134
3001 KC Rotterdam
The Netherlands

Office address

Wilhelminaplein 37
3072 DE Rotterdam
The Netherlands

Telephone

+31 (0)10 – 290 85 00

E-mail

communicatie@tbi.nl

Annual report homepage

<http://jaarverslag.tbi.nl>

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Should differences in interpretation arise, the Dutch version prevails.