



# Annual Report 2010

Pooling strengths



**Pooling strengths** is the theme of the TBI Annual Report 2010. It is a theme that runs as a common thread through the course pursued by TBI, now and in the years ahead. It reflects the growing demand from the market for multidisciplinary solutions that put the customer first. TBI companies put this theme into practice on a daily basis through the sharing of knowledge, a combined approach to the market and collaboration at the level of individual projects. The result is a team-based approach characterised by the pooling of our expertise, innovative power and passion.

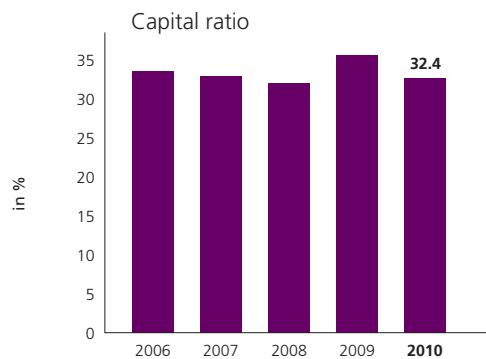
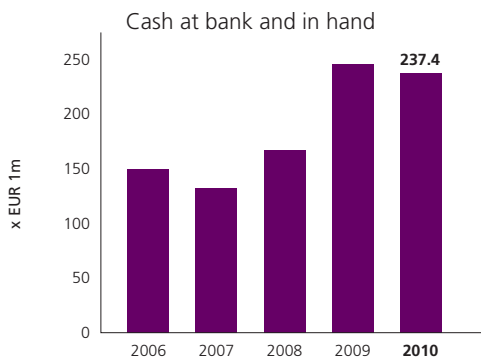
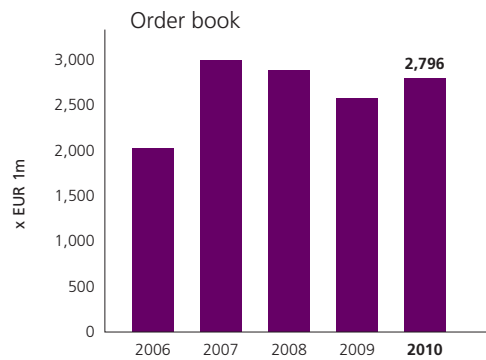
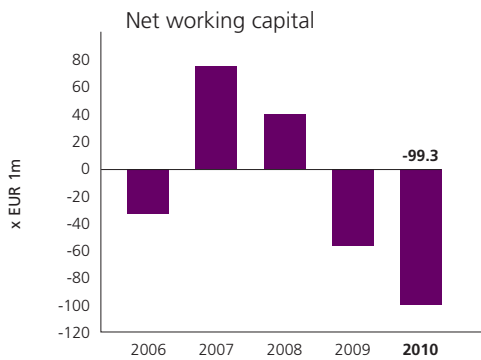
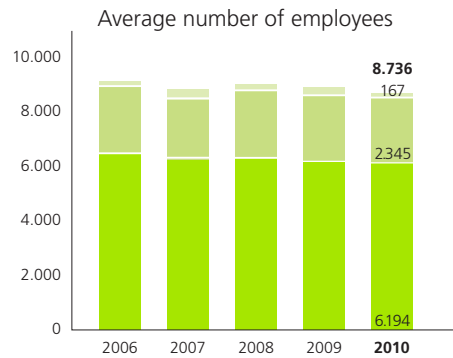
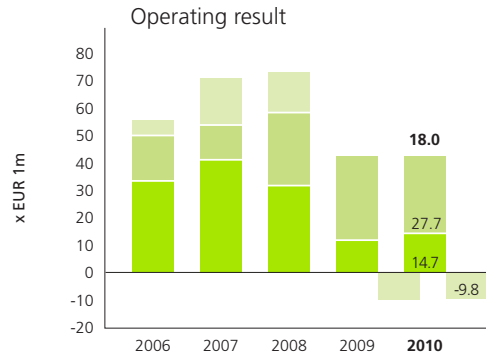
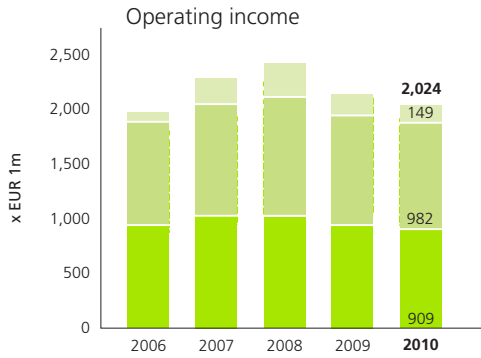
# Key figures TBI<sup>1</sup>

	2006	2007	2008	2009	2010
<b>Consolidated figures<sup>2</sup></b>					
Operating income	1,965	2,284	2,404	2,137	2,024
EBITDA	77.8	81.0	85.3	47.3	45.3
Operating result <sup>3</sup>	46.5	56.5	61.5	22.3	18.0
Net result	35.6	89.3	47.8	15.5	-33.6
Total assets	732.4	830.6	868.0	785.5	738.3
Shareholders' equity	245.1	273.8	276.3	277.5	239.4
Interest-bearing long-term liabilities	5.6	43.9	29.3	12.5	—
Net working capital	-32.5	75.2	40.2	-55.9	-99.3
Cash at bank and in hand	149.2	132.0	167.0	246.0	237.4
Orders received	2,003	2,393	2,956	2,066	2,140
Order book	2,026	2,992	2,885	2,573	2,796
Net investments in tangible assets	24.4	19.3	18.7	16.1	21.0
Depreciation of tangible assets	29.3	24.2	23.4	24.5	26.6
Amortisation of intangible assets	1.9	0.3	0.4	0.5	0.7
Cash flow before dividend	66.8	113.8	71.6	40.5	-6.3
Average number of employees	9,164	8,859	9,146	8,930	8,736
Number of employees at year-end	9,389	9,413	9,254	9,000	8,742
<b>Ratios</b>					
Operating result as % of operating income <sup>3</sup>	2.4	2.5	2.6	1.0	0.9
Net result as % of					
- operating income	1.8	3.9	2.0	0.7	-1.7
- shareholders' equity	14.6	32.6	17.3	5.6	-14.0
Capital ratio (%)	33.5	33.0	31.8	35.3	32.4
Current ratio	1.21	1.35	1.31	1.32	1.22

<sup>1</sup> Adjusted for comparison purposes

<sup>2</sup> Amounts x EUR 1 million

<sup>3</sup> Excluding impairment

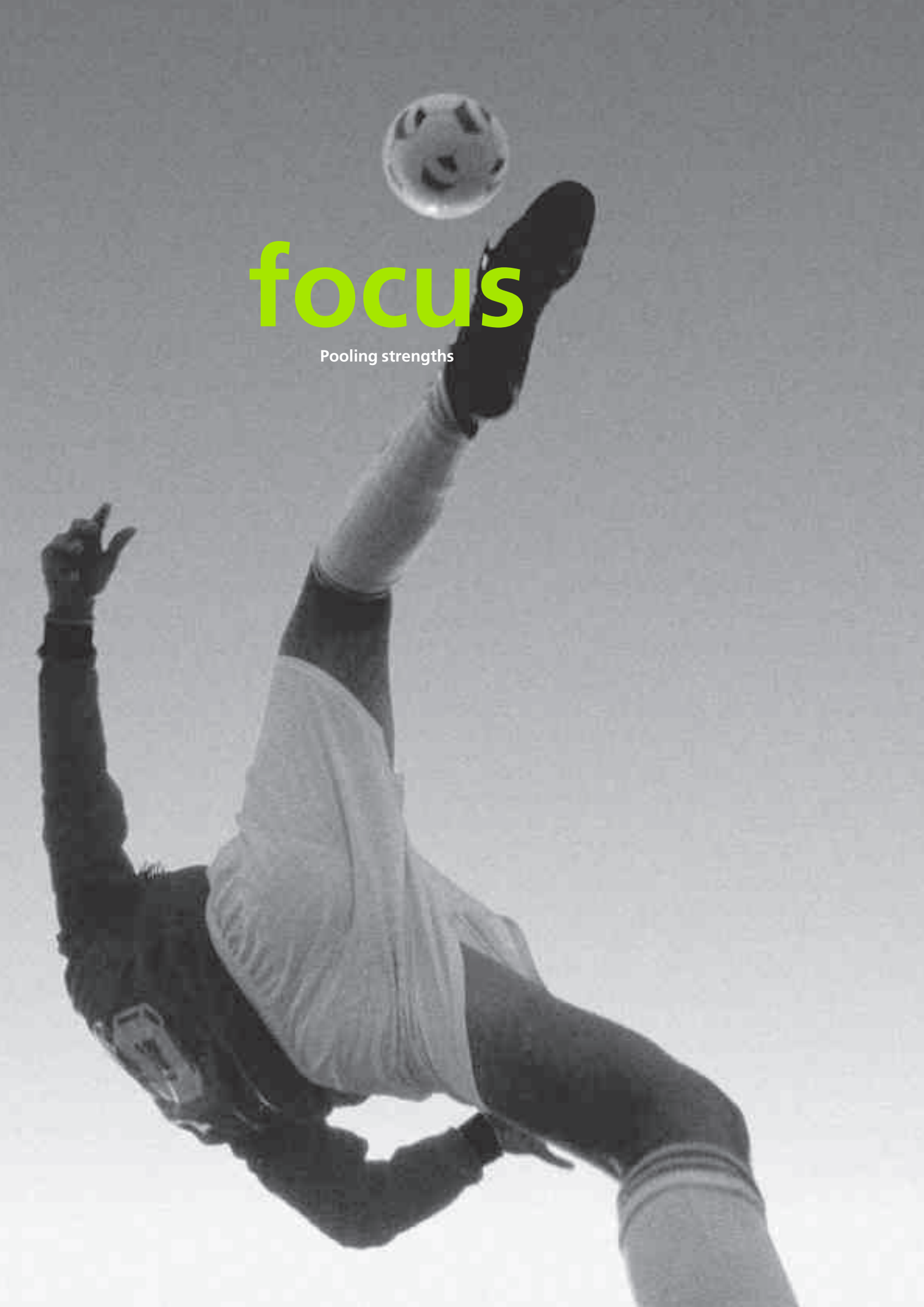


- TBI
- TBI vastgoed
- TBI bouw
- TBI techniek

# Annual report 2010

Pooling strengths





# focus

Pooling strengths





## Pooling strengths

2010 was another difficult year for the construction industry. Some 2,000 construction companies have failed over the last two years, and production has fallen by 15 percent. However, there are also signs of improvement, and that the low point has been reached. The offices market will recover less quickly, partly because of a need for a restructuring of the present stock. Vacancy rates have risen enormously, and in the low-end segment, in particular, many offices are currently empty and the only viable option is now change of use and/or demolition.

The high volume growth figures which characterised our construction markets for many years will not return, but this should by no means only be seen as a negative development. The way in which our clients operate their businesses is changing rapidly, with increasing flexi-working, working from remote locations and increased mobility. Ultimately, this will result in fewer square metres of office space per employee. In addition our clients, sometimes driven by changing regulations, are increasingly demanding more sustainable buildings and plant, as well as homes with low energy costs. We are also faced with the demographic trend of reduced population growth, which will ultimately lead to a net fall in the number of people in work. These trends mean that the days of purely quantitative growth, in other words generating profits from building more square metres and more buildings, are gone. In their place we have a new reality in which more intelligent, more innovative and more efficient building solutions are required. This means a sharper focus on the wishes and needs of the client, for example through co-creation, a more proactive approach based on our own analyses of trends in the housing, non-residential construction, infrastructure and industrial segments, a greater emphasis on corporate social responsibility – and more cooperation.

This latter point brings us to the theme of this year's annual report: 'Pooling strengths'. The growing complexity of our projects means there is a much greater need for far-reaching cooperation. We at TBI are in the unique situation of enjoying very wide coverage within the development, construction and installation contracting production chain. This adds a new dimension to our offering, in that we are able not only to offer the sum of our expertise in the different fields, but also an almost infinite number of possible combinations. This means we are able to serve our clients more as customers: by identifying their true demands, developing surprising solutions which generate benefits for the client, and offering sustainable total solutions, including maintenance and management of buildings for the longer term. This move towards working together towards a 'total cost of ownership' approach, points the way to our future; TBI has the potential to offer the most sustainable solutions for its clients with an emphasis on total cost of ownership.

Our order book for 2011 is healthy. Apart from the need for a one-off write-down on our land positions and associated plan development costs, we recorded a net positive result in the year under review and are in a good position going forward. We have the confidence of our clients. Our status as a non-listed company gives us added value in a period of hectic market conditions. As befits businesses in less prosperous times, we invested a great deal in 2010 in the quality of our own organisation. Our companies comply with applicable sustainability, safety and quality standards. TBI companies operated in close contact with each other again in 2010, sharing a great deal of knowledge about structuring the internal organisation and about setting up quality and safety programmes.

We will continue to focus on strengthening our organisation in 2011. As part of this exercise, we will for example be looking explicitly at the efficiency of our purchasing activities and looking for ways to optimise that efficiency further through joint procurement.

We are also seeing that this pooling of strengths is catching on at executive and management level. We will continue to invest in 2011 to ensure that the strengths in all layers of our companies are combined. We will once again be counting on the greatly valued commitment and dedication of the managements and staff of all TBI companies in helping us to achieve this.

Rotterdam, 10 March 2011

E.H.M. van den Assem



## Profile, vision, mission, strategy and objectives

### Profile

TBI comprises a network of companies active in the real estate, construction and engineering sectors. The TBI companies operate both independently and in partnership, primarily in the Dutch home market. The individual companies each focus strongly on their respective regions. The group sets itself apart through its unusual ownership structure, with an independent foundation as the sole – indirect – shareholder. With 8,742 employees, TBI generated operating income of EUR 2.0 billion in 2010 and an operating result of EUR 18.0 million. Measured by operating income, TBI is the third largest engineering and fourth largest construction group in the Netherlands.

### Vision

Housing, work, care and mobility are essential themes in a modern society. The way in which we live, work, are looked after and travel have been subject to great change in recent years, driven by underlying trends such as the need for more efficient use of our natural resources, the use of sustainable materials and processes and the emergence of alternative energy. These changes are closely interrelated and together result in a more complex economy. Instead of quantitative growth, the world is moving towards a new equilibrium in which corporate social responsibility and sustainability are key notions. Together they form the context for modern enterprises which wish to make a genuine contribution to our quality of life.

### Mission

The staff of TBI work together to achieve the continued development of a profitable, sustainable business active in the fields of real estate, construction and engineering. To this end, TBI creates an optimum balance between economic progress, social development and sustainable entrepreneurship. TBI sets itself apart through high-quality construction and technologically advanced applications, achieved through powerful mutual cooperation and a strong focus on the needs and wishes of our clients. This enables TBI and its staff to make an active contribution both to resolving current issues facing the wider community and to the continued sustainable development of our society.

### Strategy and objectives

The TBI management model is based on the principle of 'autonomy in unity'. Autonomy is created by placing entrepreneurship as low as possible in the organisation, in the TBI companies themselves. This affords each TBI company a great deal of freedom of action. Unity is reflected in the pursuit of a common course, in the embracing of shared core values and in the code of conduct of TBI and its companies. Part of this philosophy involves providing an inspiring working environment and adopting the principles of corporate social responsibility. The TBI companies share knowledge, deploy their capacity to best advantage and focus on the integral design, development and construction of sustainable buildings and homes. This multidisciplinary cooperation enables TBI to create added value for its clients.

TBI will formulate a new strategic agenda in 2011 for the period 2012-2015, based on the outcome of the strategy development process. As part of this process, the company's ambitions and goals will be reassessed and the initiatives needed to improve margins and volume growth will be redefined.



# Contents

## General

- 5 Pooling strengths
- 7 Profile, vision, mission, strategy and objectives
- 10 Corporate governance

## Report of the Supervisory Board

- 19 Members of the Supervisory Board
- 20 Report of the Supervisory Board

## Report of the Board of Management

- 29 Members of the Board of Management
- 30 Highlights in 2010
- 30 Course of business in 2010
- 31 Strategy and policy
- 32 Outlook for 2011
- 34 Sustainable enterprise
- 36 Market trends
- 37 Risk management
- 41 Personnel and organisation
- 43 Results, capital and finance
- 45 TBI vastgoed
- 46 TBI bouw
- 48 TBI techniek

## Financial statements 2010

- 57 Accounting policies
- 60 Consolidated balance sheet as at 31 December 2010
- 61 Consolidated profit and loss account for the year 2010
- 62 Consolidated cash flow statement 2010
- 63 Overview of movements in shareholders' equity
- 63 Notes to the consolidated balance sheet
- 69 Notes to the consolidated profit and loss account
- 71 Company balance sheet as at 31 December 2010
- 71 Company profit and loss account for the year 2010
- 72 Notes to the company financial statements 2010

## Other information

- 79 Provisions of the Articles of Association concerning profit appropriation
- 79 Appropriation of profit for 2009
- 79 Proposed appropriation of result for 2010
- 80 Auditor's Report
- 81 Definitions
- 82 Overview of operational structure and managements of TBI companies
- 83 Organisational structure/organisation chart

Inside cover Key figures

# Corporate governance

## General

TBI Holdings B.V. is a private company with limited liability which operates a full two-tier (dual board) regime under Dutch law. The company sets itself apart through its unusual shareholder structure, in which the sole – indirect – shareholder is an independent foundation, Stichting TBI. Stichting TBI has not made use of the possibility of opting for the ‘weakened two-tier regime’. This means among other things that the members of the Board of Management are appointed by the Supervisory Board and not by the General Meeting of Shareholders.

The Dutch Corporate Governance Code (the Code) applies for all Dutch companies which are listed on the stock exchange, and thus does not apply to TBI Holdings B.V., as a non-listed company. Nonetheless, the Board of Management and Supervisory Board apply the principles and best practice provisions of the Code as far as possible. In particular, TBI Holdings B.V. supports the principles embedded in the Code relating to integrity, accountability and transparency, with allowance being made for the special ownership structure of the group. The applied principles of the Code are incorporated in the Articles of Association of TBI Holdings B.V., the Board of Management Regulations and the Supervisory Board Regulations.

## Board of Management

The Board of Management is charged with managing TBI Holdings B.V. Among other things this means the Board is responsible for the policy pursued, aimed at achieving the strategy and aims of the company, and for developing and incorporating the ensuing results. The Board of Management is also responsible for complying with all relevant legislation and regulations, managing the risks associated with the business activities and financing the company.

The Board of Management exercises its authority as a collective, and thus takes joint decisions on all matters that are of essential importance for the group. Within the framework of the Board’s collective management responsibility, each member of the Board of Management has an individual focus area. With the prior approval of the Supervisory Board, the Board of Management decides on this division of tasks itself. The tasks and procedures of the Board of Management are laid down in the Regulations of the Board of Management of TBI Holdings B.V.

## Supervisory Board

The Supervisory Board supervises the operations of the company and the associated enterprise, as well as the policy pursued and the functioning of the Board of Management, and supports the Board of Management with advice. To this end the Supervisory Board receives all the information needed for the fulfilment of its tasks in good time.

The composition, tasks and procedures of the Supervisory Board are laid down in the Supervisory Board Regulations of TBI Holdings B.V. Given the size of the company, and with a view to ensuring the proper and thorough exercise of its supervisory tasks, the Supervisory Board has appointed three committees from among its members: an Audit Committee, a Remuneration Committee and a Selection and Appointments Committee. Under Dutch legislation these committees have no independent decision-making authority; their task is to prepare the decisions of the Supervisory Board on matters relating to the structure of the group, internal risk management and control systems and the remuneration and appointments policy.

## Audit Committee

The Audit Committee has its own Regulations. The Committee currently comprises the Chairman and two members of the Supervisory Board. Audit Committee meetings are held in the presence of the Chairman of the Board of Management, the Financial Director and, if desired, the external auditor. The Committee assesses the structure of the internal control measures and the rules and guidelines relating to financial reporting.

The Committee also advises the Supervisory Board on all matters concerning the appointment or dismissal of auditors and assesses the content and scope of the audit. The chairman of the Committee reports the findings in a meeting of the Supervisory Board.

The members of the Audit Committee have a broad financial background, with knowledge and experience of risk management systems and aspects of financial accountability and valuation in comparable companies. In accordance with the Code, the Supervisory Board has appointed one of its members as a financial expert who sits on the Audit Committee.

#### **Remuneration Committee**

The Remuneration Committee consists of at least two members of the Supervisory Board. The Committee meets at least once a year. The task of the Committee is to advise the Supervisory Board on the remuneration of members of the Board of Management. The chairman of the Committee reports to the Supervisory Board.

The members of the Remuneration Committee possess broad experience of remuneration and management issues in a corporate environment.

#### **Selection and Appointments Committee**

The Selection and Appointments Committee consists of the Chairman plus two members of the Supervisory Board. The Committee meets at least once a year. Among other things the Committee is charged with making proposals to the Supervisory Board relating to the selection and appointment policy for members of the Supervisory Board and the Board of Management.

#### **Compliance with and enforcement of the Code**

As a non-listed company, TBI Holdings B.V. applies the Dutch Corporate Governance Code (the Code) voluntarily, with allowance being made for its special shareholder structure. That special structure sometimes necessitates departure from the Code. The reasons for these departures are set out below.

The principles and best practice provisions of the Code as set out in Sections II.1 Role and procedure, II.2 Remuneration and II.3 Conflicts of interest, have been largely incorporated in the Board of Management Regulations, with the exception of the provisions on the provision of information on the individual remuneration of members of the Board of Management.

Given the special shareholder structure, the ultimate shareholder TBI Holdings B.V. has access to all information it considers relevant.

#### **Auditor**

The appointment of the auditor and the instructing of the audit of the financial statements as compiled by the Board of Management is the task of the General Meeting of Shareholders following a recommendation by the Supervisory Board.

The Supervisory Board, the Board of Management and the auditor have taken steps to guarantee the objectivity and impartiality of the auditor. These measures mean that the auditor performs only audit activities for TBI Holdings B.V. and provides no advisory services. This is tested periodically by the Supervisory Board and the Audit Committee.

The auditor reports to the Board of Management and Supervisory Board on the measures taken to ensure that the auditor complies with professional and statutory requirements intended to guarantee impartiality vis-à-vis TBI Holdings B.V.

#### **Financial reporting**

TBI Holdings B.V. bases its financial reporting on the principles ensuing from the prevailing provisions of Part 9, Book 2 of the Netherlands Civil Code. The interpretation of the statutory provisions is tested against the applicable Guidelines issued by the Dutch Council for Annual Reporting, which apply in full to financial years beginning on or after 1 January 2010.

The financial statements are discussed by the Audit Committee in the presence of the auditor before publication and in preparation for their discussion by the Supervisory Board.

### **Internal risk management and control systems**

The internal risk management and control systems at TBI Holdings B.V. are based on the principles of the Enterprise Risk Management Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Risk management is the subject of a separate section in this Annual Report (see p. 37), where a description is given of how risks are managed internally. Where specific events occur in which risks are brought to light or manifest themselves, consideration is given to what improvements in the risk management system are necessary and practicable. Based on experience to date, TBI Holdings B.V. believes that the present control systems in relation to the financial reporting provide a reasonable assurance that this Annual Report contains no material inaccuracies.

The section on risk management elsewhere in this Annual Report summarises the sensitivity of the results to external circumstances and other variables.

### **Remuneration**

The remuneration of the members of the Board of Management is fixed by the Supervisory Board on the recommendation of the Remuneration Committee.

The remuneration policy for the members of the Board of Management is designed to motivate the directors of TBI Holdings B.V. and to keep them motivated to lead TBI Holdings B.V. as a prominent Dutch real estate, construction and engineering group.

Pay levels of members of the Boards of Management of other Dutch (listed) real estate, construction and engineering groups are taken as a guide in determining the remuneration of members of the Board of Management, bearing in mind the complexity, size and risk profile of the company's activities. In determining the remuneration of the Chairman and other members of the Board of Management, their specific responsibilities are taken into account.

The Remuneration Committee periodically assesses the level of remuneration, where necessary drawing on advice from an (external) remuneration expert in weighing the relevant criteria.

### **Integrity**

TBI Holdings B.V. has introduced the TBI Code of Conduct in all its companies. A supervision officer has been appointed at all TBI companies to monitor compliance with the Code of Conduct and advise the company management on its implementation. The supervision officer also advises on the implementation of an information programme concerning the content and scope of the Code. The supervision officers report to the management of the relevant TBI company. They receive no instructions from their company managements regarding the exercise of their task. Their reports are made available to the Board of Management, but the supervision officers perform their tasks independently. The Code of Conduct also enables TBI employees to report any problems or unusual circumstances to the 'External Supervisor' of TBI.





## Blanxx

The care market is undergoing many changes. Among those changes is the phased introduction of market forces into the care sector. The government is withdrawing to play a more back-seat role, but continues to monitor the process closely. Care institutions increasingly find themselves faced with making difficult business decisions, with all the associated risks, including with regard to their accommodation. A number of TBI companies noted this growing complexity in the care market and decided to take a joint initiative to respond to the need for expert advice about accommodation and other property-related issues. This led to the creation of a new TBI company, Blanxx, a collaborative venture between J.P van Eesteren, Croon, Wolter & Dros, HVL and Hevo. Blanxx became fully operational in 2010 and offers a new, strategic approach to real estate in the care sector, which affords care administrators the ability to continue setting themselves apart

from the crowd in a constantly changing and ever more competitive care market.

Blanxx operates independently of the other TBI companies, has its own advisory service and is the discussion partner for the client during the entire development process. From strategy right through to operation, Blanxx combines practical know-how and experience with the latest innovations in the field of organisational processes, construction and technology. The underlying principle is that Blanxx helps care administrators and managers to develop concepts in a more integrated way, with less on the pure investment aspects and a greater focus on the long-term operational aspects and the perspective of the care client, i.e. the patient.

**Blanxx**

# Europol

## The Hague



Europol is the European Union law enforcement agency, which handles criminal information. Partly in the light of the enlargement of the European Union, the Europol organisation is set to grow substantially in the coming years, and will have a staff of between 700 and 800 employees. The present head office was not designed for such a large workforce, and the organisation is accordingly moving to new premises.

Europol's new European headquarters have been built on the site of the former Statenhal concert and exhibition venue in The Hague, based on a design by Quist Wintermans Architecten. The client, the Dutch Government Buildings Agency (Rijksgebouwendienst) invited candidates to tender in consortia for this major project. J.P. van Eesteren, Croon and Wolter & Dros pooled their strengths and tendered a combined offer. J.P. van Eesteren took responsibility for the construction aspects, with Croon standing in for the electrical and security equipment and Wolter & Dros for the mechanical plant. Despite the large size of

the project, the consortium succeeded in bringing in the building on schedule within a short construction period; following the formation of the consortium in October 2007, construction work began in May 2008 and the project was completed in February 2011.

A 'toothed' design was chosen for the building, which is closely linked to the surrounding built-up area. The transversely positioned main buildings of the office complex reflect the dimensions of the surrounding buildings, as do the materials and colours chosen.

The building has a gross floor area of 32,000 sq.m. and features a number of striking technological innovations, such as the end gables of the four office wings, which take the form of glass climate walls. This gable system forms part of the balanced energy concept that characterises the entire building. Another example of the use of sustainable technologies is the incorporation of underground heat and cold storage.

**J.P. van Eesteren**  
**Croon**  
**Wolter & Dros**

## Flevoziekenhuis hospital Almere



The Flevoziekenhuis hospital in Almere has undergone major extension and remodelling, and has grown from 20,000 to 54,000 square metres. A phased approach was used to enable the hospital to continue functioning while the work was being carried out. First, the new-build extension was completed; this part of the project involved the construction of a continuous building encircling the existing hospital. Once this was complete, the renovation of the old building began. This enabled the hospital to remain operational by using a mix of the old and new buildings. The hospital is equipped with a range of energy-saving technologies, including cold/heat storage and presence detectors for the lighting.

The client was ideally looking for a partner which could put forward an integrated tender for the entire package of construction work, electrical and mechanical plant.

J.P. van Eesteren, Wolter & Dros and Croon put in a joint bid to win the project.

**J.P. van Eesteren**  
**Croon**  
**Wolter & Dros**

## Liduina nursing home Boxtel



Liduina nursing home in Boxtel was adapted to the modern age in the year under review. The emphasis in the renovation works was on new construction to replace parts of the existing complex. For example, the commercial kitchen was far too large for present requirements, because it was used to serve several locations in the past. The 1,000 square metres of space freed up by the reconfiguration will be used for the stores, technical services and laundry. The front of the building is being substantially extended. The work was preceded by meticulous planning and close consultation in order to minimise the disruption. Clients of the Liduina nursing home are admitted at various stages to the new somatic and psychogeriatric nursing units, in which residents each have their own room.

The entire nursing home complex will be equipped with a new, sustainable climate control system. The nursing home will also use heat/cold storage technology.

**Hazenberg**  
**HVL**  
**Wolter & Dros**





# organisation

Pooling strengths

# Report of the Supervisory Board

## Members of the Supervisory Board

### **J.C. ten Cate (64), chairman**

Appointed in September 2008;  
retires in 2012 (available for reappointment).

Dutch nationality.

Member of the Audit Committee.

Member of the Selection and Appointments Committee (chairman).

Principal other positions or offices held: chairman of the Supervisory Boards of Beurs Rotterdam N.V., Janivo Holding B.V.; member of the Supervisory Boards of Koepon Holding B.V., Huntsman Holland B.V., IHC Merwede Holding B.V., Pon Holdings B.V.; chairman of the Supervisory Board of Trustfonds Erasmus Universiteit; member of the Supervisory Board of Workmate; member of the Advisory Board Gilde; chairman of Koninklijke Maatschap de Wilhelminapolder; member of the Board of Stichting Administratiekantoor Wessels; member of the Project Holland Fonds investment committee; consultant to Bolidt Kunststoftoepassing B.V.

### **P.A.M. Berdowski (53), vice-chairman**

Appointed in April 2007;  
retires in 2011 (available for reappointment).

Dutch nationality.

Member of the Audit Committee.

Chairman of the Board of Management of Koninklijke Boskalis Westminster N.V.

Principal other positions or offices held: chairman of the Supervisory Boards of Amega Holding B.V., N.V. Holding Nutsbedrijf Westland; member of the Supervisory Board of Van Gansewinkel Groep B.V.; member of Rijkscommissie voor Export-, Import- en Investeringsgaranties.

### **I.P. Asscher-Vonk (66)**

Member of the Remuneration Committee.

Appointed in April 2009;  
retires in 2013 (available for reappointment).

Dutch nationality.

Principal other positions or offices held: member of the Supervisory Boards of KLM N.V., Arriva Nederland N.V., Rabobank Nederland N.V. and Philip Morris Holland N.V.

### **J.B. van Dongen (67)**

Appointed in April 2003;  
most recent reappointment: 2007;  
retires in 2011 (available for reappointment).

Dutch nationality.

Chairman of the Audit Committee and the Remuneration Committee.

Former Chief Financial Officer of Eneco Holding N.V. and NBM Amstelland N.V.

Principal other position or office held: chairman of the Supervisory Board of Remia B.V.

### **J.E. de Vries (54)**

Appointed in April 2006;  
most recent reappointment: 2010;  
retires in 2014 (available for reappointment).

Dutch nationality.

Member of the Selection and Appointments Committee.

Managing director of Investeringsmaatschappij Schansborgh B.V.

Principal other positions or offices held: member of the Supervisory Boards of Daalderop B.V./ITHO; Dekker Hout Groep, Oosterhof Holman Infra en Milieu N.V., NOM investerings- en ontwikkelingsmaatschappij Noord-Nederland.

# Report of the Supervisory Board

## Financial statements 2010 and dividend proposal

This annual report has been prepared by the Board of Management and incorporates the consolidated financial statements of TBI Holdings B.V. for the financial year 2010 with Notes, as well as the report of the Board of Management on the last financial year.

PwC have audited the consolidated financial statements and issued an unqualified Auditor's Report, which may be found on page 80 of this Annual Report.

The financial statements and annual report 2010 were discussed with the auditor at length by the Audit Committee in the presence of the Chairman of the Board of Management and the Financial Director. The financial statements were also discussed in a meeting of the full Supervisory Board with the Board of Management, in the presence of the auditor. The quality of the internal risk management and control systems was also discussed.

The financial statements and accompanying documents meet with our approval. We therefore invite the General Meeting of Shareholders to adopt the consolidated financial statements 2010 of TBI Holdings B.V. as proposed by the Board of Management. We have also approved the dividend proposal by the Board of Management. We also ask that the General Meeting of Shareholders discharge the members of the Board of Management from liability in respect of their management activities during 2010 and the members of the Supervisory Board for their supervision thereof.

## Result

The Supervisory Board devoted extra attention in the year under review to the management of risks within the TBI group in general and the effectiveness of the existing internal control mechanisms in particular.

The radically changed market conditions in the real estate sector also affected TBI. Extensive analysis of the real estate and land portfolio, as well as a series of discussions between the Board of Management, Supervisory Board and the auditor, led to the application of a prudent but considerable write-down on this portfolio. One positive note here is that TBI has financed its real estate portfolio from its own resources, and after this write-down the balance sheet ratios and cash position remain very healthy.

In addition, given the extremely difficult market conditions, attention was focused above all on the earnings performance of the business. In particular, attention was given to the disappointing performance within parts of the engineering and real estate sectors, most notably at Baas and Synchroon. Intensive and detailed discussions took place with the Supervisory Board on the measures and actions taken and proposed by the Board of Management.

## Strategy

TBI is projecting slower growth in virtually all its basic markets. Across the construction sector as a whole, buildings are becoming technically more complex and are being built more sustainably. This offers many opportunities for TBI. Adopting an integral approach to projects and focusing on life cycle cost could enable TBI to respond to market demand whilst at the same time offering opportunities for efficiency improvements. With this in mind, the Supervisory Board and Board of Management devoted considerable attention in 2010 to TBI's business development. This will have an impact in 2011 on the positioning of TBI and on its strategic agenda for the period 2012-2015.

Regular topics of discussion in the meetings with the Board of Management were the portfolio analysis per sector, the market position relative to competitors and the realisation of the formulated ambitions. Naturally, the financial objectives were also evaluated.

## Corporate governance

The Supervisory Board endorses a number of principles and best practice provisions from the Dutch Corporate Governance Code (the Code). The corporate governance structure of TBI is described elsewhere in this annual report and a substantiated explanation is given of the approach taken to the application of these principles and best practices from the Code. The provisions are important in particular in relation to the functioning of the Audit Committee, the method of financial reporting and the independence of the auditor.



In the view of the Supervisory Board, the provision in the Code stipulating that all Supervisory Board members should be independent within the meaning of the Code is satisfied. In the event of any conflicts of interest the relevant provisions of the Code will be observed. The TBI Articles of Association are in line with the legislative framework that applies for statutory two-tier (dual board) companies.

As a result, pursuant to an amendment of the Articles of Association by notarial deed executed on 15 March 2005, the General Meeting of Shareholders has acquired additional powers with regard to the appointment of Supervisory Board members.

The Central Works Council has opted to waive its increased right of recommendation in the appointment of a maximum of one third of the Supervisory Board members.

### **Board of Management**

Mr G.J. Woudenberg stepped down as chairman of the Board of Management with effect from 1 June 2010, having reached retirement age. Mr E.H.M. van den Assem was appointed chairman of the Board of Management with effect from the same date. The Supervisory Board would like to express its thanks for the commitment and dedication shown by Mr Woudenberg during his term at the helm of TBI. Under his leadership, TBI developed into one of the leading construction and installation contracting concerns in the Netherlands.

Mr P.L. Broekhuijsen left the group by mutual agreement at the start of 2011, having been responsible until then for the engineering businesses. We would like to thank Mr Broekhuijsen for all he has done for TBI. His duties have been distributed among the other Board of Management members, with further embedding of the cooperation between the real estate, construction and engineering sectors.

During the financial year 2010, the Supervisory Board evaluated the functioning of the Board of Management and of its individual members. Despite the change of chairmanship, the Supervisory Board believes that the Board of Management performed well under difficult circumstances in 2010; the same applies for the individual members of the Board of Management. This is also reflected in the positive contribution made by all parts of the business to the result of the TBI group, with the exception of the real estate activities, which were hard hit by the economic crisis.

### **Supervision and advice**

The Articles of Association limit the term of office of Supervisory Board members to a maximum of twelve years. As a result of this provision, Mr W.F.C. Stevens stood down from the Supervisory Board at the General Meeting of Shareholders held on 15 April 2010. Mr Stevens held his position on the Supervisory Board for 12 years, during which time he made a substantial contribution to the development of TBI. The Supervisory Board greatly appreciates his support and dedication during this time.

The Supervisory Board held scheduled meetings with the Board of Management on five occasions in 2010. These meetings were preceded by preliminary meetings. In addition, the Supervisory Board met on several separate occasions.

The regular meetings in March, June, September and December devoted a good deal of attention to the financial results of TBI; the findings of the Audit Committee played an important role here.

The Operational Plan 2010 was discussed in February 2010 and the Regulations of the Board of Management and the Supervisory Board were adopted once again.

The Operational Plan 2010 sets out the practical implementation of the contours established in the TBI Strategic Plan 2008-2013, entitled 'Unity in Diversity'. Key points in the Operational Plan are the temporary scaling back of the growth ambitions, controlling the capital employed (stock of unsold homes, purchase obligations, etc.), the implementation of a large-scale ERP project, sustainability accreditation (CO<sub>2</sub> performance ladder) and expansion of the management development programme.

The meeting in March 2010 was devoted entirely to the discussion of the draft Annual Report 2009 including the financial statements for 2009, the Auditor's Report and the internal report for 2009 by the Board of Management. The first quarterly report 2010 was discussed extensively during the meeting in June 2010. The interim figures for 2010 were discussed at the meeting in September 2010. The meeting in December 2010 was devoted to the third-quarter figures for 2010 and the Operational Plan 2011, which sets out the preliminary contours of the strategic development.

At group level, there are a number of issues requiring extra attention, such as the formulation of the business development programme, evaluation of the portfolio structure and the developed expertise in the field of public-private partnership.

Against the backdrop of the economic crisis, the Supervisory Board and the Board of Management met several times to discuss the potential effects of the crisis on TBI and the measures to be taken. In particular, there was a good deal of discussion about the position of TBI on the property market in the Netherlands, and the Dutch housing market in particular. The Board of Management prepared a number of scenarios, which were discussed with the Supervisory Board. Special attention was also devoted to Synchron in this regard, and the measures to be taken in order to guide this business through the difficult economic climate.

### **Mutual deliberation**

Matters discussed at the other meetings of the Supervisory Board, which were held without the presence of the Board of Management, included the functioning of the Board of Management as a collective and the functioning of the individual members. The remuneration of the members of the Board of Management was also discussed, as well as completion of the process for the succession of the chairman of the Board of Management. The Board, both as a collective and through its individual members, invested a very great deal of time in the search for a new chairman.

In the view of the Supervisory Board the Board of Management, both collectively and through its individual members, possesses the necessary competences and functions satisfactorily. The Supervisory Board intended to evaluate its own functioning in the summer of 2010, but was unable to do so owing to illness on the part of the chairman. The intention is now to carry out this evaluation during the current financial year.

All members of the Supervisory Board are independent within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code. Mr J.B. van Dongen has been designated as a financial expert within the meaning of best practice provision III.3.2 of the Code. Mr P.A.M. Berdowski acts as vice-chairman of the Supervisory Board; from August to December 2010 the vice-chairman acted as chairman of the Supervisory Board due to the illness of the chairman.

The chairman/vice-chairman of the Supervisory Board held regular informal meetings with the Chairman of the Board of Management and also held discussions on several occasions with individual members of the Board of Management.

### **Supervisory Board committees**

Without prejudice to its own responsibilities, the Supervisory Board has appointed three committees. The Audit Committee has three members; the Selection and Appointments Committee and the Remuneration Committee each have two members.

#### **Audit Committee**

The Audit Committee met twice in connection with the financial year 2010. The topics discussed were the financial statements 2009, the related reports, the Auditor's Report and the Management Letter.

#### **Remuneration Committee**

Topics discussed by the Remuneration Committee on four occasions in the year under review included the remuneration of the members of the Board of Management, the 2010 bonus programme together with the criteria for the performance-related bonuses, and the awarding of performance-related bonuses for 2009.

**Selection and Appointments Committee**

The Selection and Appointments Committee met several times during the year under review in connection with the appointment of the new chairman of the Board of Management.

**Central Works Council**

Members of the Supervisory Board attended a number of meetings of the Central Works Council in the year under review. In addition – as usual together with the Board of Management – an informal meeting was held between the Supervisory Board and the Central Works Council, at which the topic under discussion was 'chain integration'.

**In conclusion**

The Supervisory Board is aware that the Dutch construction industry felt the effects of the economic crisis in 2009 and 2010. However, despite the deterioration in the results, the financial stability of the concern was maintained.

This strong financial position is attributable not only to the good position occupied by TBI in the markets in which it is active, but has been achieved above all thanks to the great efforts made in very many instances by the TBI companies and their employees in order to achieve the targets. We would therefore like to express our great appreciation to the Board of Management and all employees for their dedication and for the results achieved in the past year.

Rotterdam, 10 March 2011

On behalf of the Supervisory Board,  
J.C. ten Cate, Chairman

# Nieuw Sleutel Project (NSP) Rotterdam Central Station



Rotterdam is getting a new central station: the Rotterdam Central Public Transport Terminal (Openbaar Vervoer Terminal Rotterdam Centraal), which will serve as a hub not just for trains, but also for trams, metro trains, buses, the HSL-Zuid high-speed rail link and the RandstadRail commuter rail service. TBI companies are closely involved in both the construction and installation engineering aspects of this ambitious and complex project.

The new central station is part of the Nieuw Sleutel Project (NSP) at Rotterdam Central, which is being built on the site of the old Rotterdam CS station. The tracks and associated facilities are being modified and a new passage is being created in the form of a loop linking the tracks, station concourses and street level. There will also be two new station concourses (Zuidhal and Noordhal) and a new roof. The underground metro station is also being remodelled.

As the public transport system must continue to operate during the construction works, Mobilis devised a method to enable as much of the work as possible to be carried out underground; using this wandendakmethode ('wall-roof method'); the walls

are first constructed in trenches, and the roof then installed at ground level, following which the spoil within the underground structure can be excavated. This technique enables the above-ground activities to continue with minimal disruption.

The new central station will boast a great deal of new technology. Wireless display screens on the platforms will replace the old information system, while the communication system for the C2000 emergency services will be integrated in the electronic network and upgraded to a new quality standard. The platforms will be equipped with more than 50 digital surveillance cameras and fire alarms. To accommodate unexpected power cuts, a special system has been developed which will automatically step in to restore the electricity supply in the event of a power outage.

The glass roof of the new station incorporates a large number of integrated solar cells, which means a substantial proportion of the energy needed will be generated on-site. This makes the new central station one of the biggest solar energy projects in the Netherlands.

**Mobilis**  
**Croon**  
**Wolter & Dros**

## Surplus®Advanta



The SurPlus®Advanta concept is an innovation in the housing construction segment which combines low costs, high material quality and flexible housing. Based on experiences gained in a number of large projects, a small-scale pilot was completed in 2010. The SurPlus®Advanta concept is being rolled out more widely across TBI, enabling other TBI companies to offer this concept to their clients. Given the positive energy effects, and the resultant ultimate benefits for society, TBI has adopted the SurPlus®Advanta concept as one of the central planks of its sustainable enterprise policy.

The highly competitive price of a SurPlus®Advanta home is achieved thanks to chain integration and prefabrication of much of the dwellings. Many components have been standardised and can therefore be manufactured in large series, thus reducing the defect costs.

In addition, SurPlus®Advanta can accommodate a wide range of individual requirements. Each home can be different, both externally and internally. Different dwelling types and architectural styles can be incorporated, and successive occupants can reconfigure the home to match their preferences. There are three phases in the construction of SurPlus®Advanta homes: the development phase, the production phase and

the operational phase. In the development phase, the wishes and requirements are translated into a suitable design.

To guarantee smooth implementation, the technical parameters are incorporated during this early phase. In the production phase, the details are standardised as far as possible, while prefabrication of most of the structural elements ensures rapid and high-quality construction.

The SurPlus®Advanta concept also includes a contract for maintaining the homes after construction is complete. During this operational phase, the high-grade value of the homes is maintained.

In practice, the flexibility of the concept is reflected in the ability to choose from different roof styles: flat roof, gable roof, hipped roof or pent roof. The building shell can also be executed in various dimensions and there is a selection of entrance designs, external wall finishes and bathrooms is also available. The use of highly insulating materials means that SurPlus®Advanta homes have an energy performance coefficient of 0.4 or better.

The SurPlus®Advanta concept has so far been used in housing projects in a number of localities throughout the Netherlands, including in Amsterdam, Utrecht, Almere, Zutphen and Zwolle.

**Koopmans Bouwgroep**  
**Comfort Partners**  
**Voorbij Prefab Beton**



passion

Pooling strengths





# Report of the Board of Management



## Members of the Board of Management

**E.H.M. van den Assem (61), chairman**

Dutch nationality, appointed in June 2010. Also managing director of TBI Bouw B.V. and TBI Techniek B.V.  
Until his appointment in June 2010, he was Chairman of the Board of Management of Cofely Nederland N.V.

**P.L. Broekhuijsen (54)\***

Dutch nationality, appointed in October 2008. Also chairman of TBI Techniek B.V.  
Until his appointment to the Board of Management, he was president of GEA Refrigeration (a division of GEA Group AG).

**D.A. Sperling (55)**

Dutch nationality, appointed in February 2002. Also chairman of TBI Bouw B.V.  
Until his appointment to the Board of Management, he was chairman of HBG Civiël B.V.

**Holding company staff:**

W. Poldervaart (60), Financial Director  
R.M. de Koning (50), Head of Group HRM  
M.W.L. Tromm (47), Head of Legal Affairs

The TBI structure is characterised by direct contact between the Board of Management and the managements of the individual companies, backed up by a small professional support staff. There is also a Platform which provides a forum for structured consultations and the sharing of experience, coordination and advice. The managing boards of all group companies that report directly to the holding company are represented on this Platform.

\* Stepped down with effect from 28 February 2011

## Highlights in 2010

- Continuing stagnation on housing market.
- Operating result under pressure.
- All sectors profitable, with the exception of TBI vastgoed.
- Operating income down slightly.
- Substantial increase in order book.
- Major projects contracted, including Sluiskil tunnel project and A15 Maasvlakte-Vaanplein motorway intersection.
- Impairment charge on land positions.
- Healthy financial position: balance sheet and capital ratio.
- Improvement in liquidity and control of working capital.
- Reduction in purchase obligations for land positions.

### Key figures

(x EUR 1 million)	2010	2009
Operating income	2,024	2,137
Operating result	18.0	22.3
Operating margin	0.9%	1.0%
Net result	-33.6	15.5
Order book	2,796	2,573
Net working capital	-99.3	-55.9
Cash at bank and in hand	237	246
Number of employees as at 31 December	8,742	9,000

### Course of business in 2010

2010 was a difficult year for TBI, with shrinking volumes, increasing competition and significant price pressure having a particular impact in a number of basic markets, such as the residential and non-residential construction sectors. This put pressure on the results and operating income. The group companies are adapting their organisation further in response to this.

Despite the difficulties, most TBI companies – with the exception of those in the real estate sector – performed well in 2010. However, the market conditions, particularly in the housing construction sector, meant there was no possibility of a recovery in the results, and operating income fell by around 5 percentage points to EUR 2.0 billion in 2010.

On a positive note, with the exception of TBI vastgoed, all sectors closed the year under review in profit. Overall, the operating result fell by 19 percent to EUR 18 million (2009: EUR 22.3 million).

The operating environment for TBI vastgoed is hedged in with uncertainties. There was no sign of a recovery in the Dutch housing market in the second half of

2010, and many local authorities put (new) projects on hold and scrapped existing plans. Recent studies have shown an increase in the number of regions in the Netherlands where the market is shrinking. TBI believes that the outlook for the Dutch housing market is increasingly bleak, with more and more projects being deferred or cancelled. Current operations, too, are being affected by delays, dilution and rationalisation, leading to later – and lower – revenues.

TBI vastgoed (Synchroon) posted an operating loss of EUR 15 million in 2010 due to disappointing sales and sales revenues, write-downs on plan costs, insufficient coverage of general expenses and reorganisation costs. Despite the environmental factors, TBI continues to regard Synchroon's activities as part of its core business. Based on the above developments, which gathered pace at the end of 2010, TBI applied an impairment charge of EUR 57 million to the land positions of its subsidiary Synchroon and the TBI Vastgoed land bank.

The uncertain economic outlook is having a major impact on the Dutch housing market. Consumer confidence is unstable, and home sales are also being depressed by the stricter criteria being applied by lenders. Despite this, the number of homes purchased from TBI increased by 88 in 2010 compared with 2009 (443). The stock of completed but unsold homes amounted to 40 as at 31 December 2010 (31 December 2009: 78 dwellings). The number of unsold homes under construction at year-end was 212 (31 December 2009: 245). Both competition and pressure on prices continue to increase in the non-residential construction sector.

TBI bouw performed well in the year under review, despite the weak market conditions.

Results in the sector TBI techniek came under pressure due to the loss-making situation at the company Baas. Orders received in 2010 increased, as did the order book as at 31 December 2010, thanks to the acquisition of a number of major projects such as the Sluiskil tunnel project (construction of a tunnel beneath the Ghent-Terneuzen canal in Belgium) and the A15 Maasvlakte-Vaanplein motorway intersection. These projects will be implemented in partnership with third parties. The regular flow of orders is by contrast under pressure due to the selective tendering policy in the construction and installation contracting activities and the dampening effect on the influx of new projects in the sector TBI vastgoed due to the major slowdown within the development portfolio, especially in the area of housing.

Orders to a total value of EUR 2,140 million were received in 2010 (2009: EUR 2,066 million). A large number of projects with a value of more than EUR 20 million were contracted in 2010, including the Nieuw Crooswijk urban development project in Rotterdam, Oosterheem Centrum Campus, the EON power station at Maasvlakte Rotterdam, the Woonzorgcentrum Transwijk residential care complex, the Westdijk project in Amstelveen, Valburg bridge on the A50 motorway, a renovation and new-build project at Veilingweg police station in Rotterdam, and new-build activity at the law courts and at Waterlandplein square in Amsterdam.

The order intake can be broken down across the sectors as follows:

(x EUR 1 million)	<b>2010</b>	2009
TBI vastgoed	65	147
TBI bouw	1,081	1,006
TBI techniek	994	913
		2,573
<b>Total orders received</b>	<b>2,140</b>	<b>2,066</b>

The order book (value of orders still to be carried out and pipeline orders) is of reasonable quality and is made up as follows:

(x EUR 1 million)	<b>year-end 2010</b>	year-end 2009
TBI vastgoed	175	262
TBI bouw	1,580	1,600
TBI techniek	1,041	711
		2,573
<b>Order book</b>	<b>2,796</b>	<b>2,573</b>

The order book is largely concentrated at TBI bouw. The order books of the companies within TBI techniek are more limited due to the nature of their activities (short-cycle/product-related). The order book at TBI techniek shows an improvement compared with previous years, due to the contracting of a number of very large infrastructure projects.

### Strategy and policy

The growth targets assumed in the Strategic Plan 2008-2013 have encountered considerable delays due to the credit and economic crisis. As a consequence, production volumes have failed to meet those predicted on the basis of the principles adopted in the Plan. Little or no growth is again expected in our basic markets in 2011 and 2012.

TBI companies are increasingly confronted with more complex demands from the market, such as:

- demand for integral solutions, in both non-residential construction and infrastructure;
- complex physical environment in health care;
- lifecycle cost approach with a focus on maintenance and management spanning several years;
- growing demand for multidisciplinary solutions within the industrial process environment, often concentrated around a strong ICT component.

This trend requires more structured multidisciplinary cooperation within the group, to enable TBI to secure a better position in specific product/market combinations (PMC). Ultimately it is this which will give the TBI concern its 'USP' and the added value that can be regarded as the backbone of the enterprise. Given the strategic opportunities this could generate, a Business Development Programme will be developed for this purpose.

With a view to strengthening the governance model and enhancing the cohesion within the group, the critical mass of the TBI companies is a key focus area. This critical size is necessary to enable individual TBI companies to develop their primary core competences and to operate as independently as possible at cost levels that are in line with the market. This means that, where appropriate, internal mergers or integration within other parts of the group will be encouraged.

Issues arising in the market create opportunities for responding to social trends. Sustainability is becoming increasingly important in this regard. Translating sustainability requirements into practical solutions in housing, work, infrastructure and industrial projects demands more design, product and maintenance expertise, both with regard to construction and in the areas of civil and installation engineering. The growing interest in sustainability above all requires technical solutions. The following social trends are relevant for TBI here:

- energy conservation, alternative fuels and solutions which contribute to a better environment;
- safety;
- care, welfare and health, accompanied by changes in the way in which care is organised and funded;
- mobility.

The policy for the coming period will be developed via three clusters: TBI vastgoed (real estate activities), TBI bouw (construction activities) and TBI techniek (engineering activities). Cooperation between these sectors will be promoted and encouraged.

The companies making up the real estate arm **TBI vastgoed** focus on housing development and the development of shopping centres and offices, often as part of inner-city (re)development programmes.

The property development activities within TBI are concentrated mainly at Synchroon. Hevo has wide experience in solving integral housing and real estate challenges in both the public and private sectors. The main focus in the public sector is on the care and education sectors.

TBI vastgoed is the vehicle for building up the necessary strategic positions in land for future development and construction projects.

The emphasis in the construction and contracting cluster **TBI bouw** is on the production of affordable housing (including starter homes), activities in the non-residential public sector and infrastructure projects. The companies in this cluster operate in a collaborative network which enables them to retain their own (regional) identity. Any acquisitions effected are intended in the first place to strengthen the position of the cluster in regional housing development. In other sectors, the focus is on securing niche positions in the market. Project development within construction companies remains a core strategic focus, together with attention for capital tie-up and risk control. The complex urban restructuring activities are where possible carried out in collaboration with Synchroon.

The policy in the electrical and mechanical engineering and contracting cluster **TBI techniek** is directed towards offering a coherent package of technical services, based on a network approach, in the non-residential construction, industrial, marine engineering, infrastructure and telecommunications markets. The combination of mechanical and electrical engineering and ICT lies at the heart of these activities.

Expansion is desirable particularly in the higher segment of the production column; this can be achieved among other things through the development of concepts in the areas of facility management and building control.

### Outlook for 2011

The Dutch economy is projected to grow by 1.5 percent in 2011. However, the risks surrounding international financial and economic developments, and therefore the uncertainty regarding the accuracy of this forecast, are considerable. The growth in world trade and production was at unprecedented levels at the start of 2010, but fell off steadily as the year progressed.

In Europe, the greatest uncertainty for the short term relates to the weak confidence in the public finances in several countries, especially Portugal and Spain. The European banking sector has insufficient reserves to accommodate any major new investment losses. This could once again jeopardise a lending, and the possibility cannot be ruled out that governments will have to step in once again. The persistent unrest could also undermine manufacturer and consumer confidence. In many countries, the scope for a fiscal stimulus policy is limited.

Industry is still not operating at full strength. Furthermore, the modest trend in production means that capacity utilisation rates will rise only slightly. As a consequence, there is still little demand in the industrial sector for expansion investments. Accordingly, only modest growth of around 2.75 percent is forecast here for 2011, with replacement investments being the main driver. Although the economy in the Netherlands is recovering slowly, there is no end in sight to the malaise in the construction sector. Falling home prices and shrinking order books heralded the start of a marked slide in the construction industry as much as 18 months ago, and this downward trend did indeed manifest itself in the course of 2009 in terms of production and employment in the sector. Building production is expected to hit a low point in 2010 in volume terms. The market volume is estimated at EUR 52 billion for 2010, a fall of EUR 8 billion compared with 2008, and this lower level is expected to persist in 2011 and 2012.

Much of the building production consists of investment goods, including construction of new homes, commercial buildings and infrastructure, though also taking in repair and renovation activities. This means that construction is by definition a cyclical sector.

Investments in commercial and office buildings are expected to fall relatively sharply. The downturn in investments in commercial property began in 2009, after having risen sharply in the two preceding years. The growing vacancy rates in office and commercial

premises which followed that sharp increase in production severely held back investments in commercial and office buildings in 2010, and will continue to do so in 2011. In addition, the internal utilisation of office and commercial premises within organisations fell during the economic crisis, and this also leads to lower investments in commercial and office buildings. All in all, the prospects for the offices market are expected to remain weak for some years to come.

The health care sector, and especially the hospital segment, is changing rapidly. Dutch hospitals are currently in a transitional phase, moving from a state-guaranteed system to a system in which a major role is assigned to the market. The government is taking a step backwards, at a time when investments are needed in ICT, buildings and numerous facilities to make care more consumer-friendly. This demands a completely new strategic approach to real estate in the care sector, which enables care managers to build a lasting distinct profile in a continually changing and ever more competitive care market.

Although the number of new homes sold in 2010 increased compared with 2009, the improving demand for new homes is not yet being translated into an increase in production volumes. The reason for this is that new-build projects are generally only commenced once an adequate level of off-plan sales has been achieved. Given the construction period of between 18 months and two years, therefore, it could be some time before the recovery manifests itself. Proposed spending cuts by (local and regional) authorities could prolong the period of stagnation. Publicly funded projects in several major Dutch cities are also under threat due to stagnating sales of land for commercial projects, leading to the drying up of a major source of income.

The number of sales transactions is expected to fall further in 2011, despite the fact that a new government has taken office and the uncertainties regarding the tax-deductibility of mortgage interest have been removed. Stricter energy performance standards for buildings (EPC) and the resultant cost increases, together with a tightening up of lending criteria by the Netherlands Authority for the Financial Markets (AFM) are likely to have a negative impact, and help push down housing production in 2011 to below 50,000 completed homes in the rental and owner-occupier sectors. This figure could then subsequently increase, reaching a maximum of 60,000 new homes in 2012.

The installation contracting market largely tracks the construction market, though with some time lag. The other important segments are industry and marine engineering. The industry sector is heavily dependent on the global economy, with an emphasis on export activities. The outlook in the industrial sector has improved considerably, and offers scope for growth.

New shipbuilding activity is also showing signs of recovery in the Netherlands, thanks to growing transport volumes and improving margins for ship-owners. In addition, the Dutch shipbuilding sector is likely to receive a strong boost from exports in 2011, especially to the emerging markets. The number of new orders is gradually beginning to increase; however, the order books in most shipyards are not as well filled as in the peak year 2008, and this is likely to lead to some consolidation within the industry. The infrastructure market is showing some improvement, driven mainly by a stepping up of central government investment. Fully integrated projects are becoming a feature of the infrastructure and non-residential construction markets, with the market seeking one address for all disciplines. The maintenance market is less cyclical than the new-build market and therefore provides a strong basis with potential.

Despite the difficult market conditions, TBI began 2011 with a reasonably well-filled order book totalling EUR 2.8 billion (year-end 2009: EUR 2.6 billion). The order book increased substantially thanks to the acquisition of two major projects, which will contribute to the production volume in particular after 2011. It is expected that EUR 1.6 billion of the order book will be executed in 2011, and EUR 1.2 billion in 2012 and subsequent years. Based on current indications, and partly in the light of the quality of the order book, operating income is expected to turn out at around EUR 2 billion in the current year, excluding any new acquisitions.

The policy of expanding the activities through acquisitions or considering disposals will depend on the outcome of the strategic development process. Given the difficult market climate and uncertain economic outlook, TBI is unable to make any predictions about the result for 2011.

Net capital expenditure and the depreciation ratio are likely to be higher in 2011 than in 2010, at EUR 26 million (2010: EUR 21 million).

The number of employees in 2011 is likely to turn out fractionally higher than at year-end 2010 (8,742).

## Sustainable enterprise

TBI translates its corporate social responsibility into a sustainability policy in which the welfare of its staff and care for the environment are the central planks, supported by a healthy financial business operation. TBI sees it as its task to add value socially, economically and environmentally.

A key feature of TBI is its decentralised structure, with around 20 companies which report directly but operate autonomously and which can differ in terms of size, market position and typology. Given this diversity, the measures taken in the area of sustainability, and their impact, can also vary. For this reason, TBI has opted for a centralised sustainability policy, which is then implemented by the individual TBI companies on the ground. The TBI companies share common objectives, and can determine the most effective form of implementation for its own circumstances, based on the nature of the business.

### Central sustainability policy: priority areas

TBI's sustainability policy is focused not just on its products and services, but also on its business operations. Four areas have been identified in the sustainability policy where measures have the biggest effect. TBI highlights these core focus areas within the wide diversity of themes and topics in this field. The four core focus areas are the CO<sub>2</sub> performance ladder, energy consumption on the construction site and in buildings, sustainable vehicle fleet management and the Surplus®Advanta concept, an innovation relating to sustainable housing development. The impact of these measures feeds in to the CO<sub>2</sub> footprint of each company. The CO<sub>2</sub> targets and the results of each company are specified and explained on the TBI company websites.

### CO<sub>2</sub> performance ladder

*Specific measures and results:*

- *Special policy plan for all TBI companies.*
- *Total CO<sub>2</sub> reduction: 15.5 percent.*

The CO<sub>2</sub> performance ladder was developed at the initiative of ProRail, the organisation responsible for maintaining the rail network in the Netherlands. It is a method which enables organisations to express in hard figures the reduction in their CO<sub>2</sub> emissions as a result of sustainability measures they have taken. All TBI companies now employ a special policy plan to improve the sustainability of their business operations with a view to reducing their CO<sub>2</sub> footprint. The standard adopted within TBI for 2010 is to achieve a score of at least 3 on the CO<sub>2</sub> performance ladder.

Thanks to the measures taken in 2010, the projected total reduction in CO<sub>2</sub> emissions is 3.5 percent per year, rising to 15.5 percent in future years. This is

equivalent to 9,000 tonnes of CO<sub>2</sub> out of a total of 58,500 tonnes.

### Targets for 2011

The following sustainability targets have been formulated for 2011:

- Accreditation at level 4 or 5 on the CO<sub>2</sub> performance ladder for TBI Infra, Voorbij Prefab Beton, J.P. van Eesteren, Croon and Wolter & Dros.
- Reduction in TBI's CO<sub>2</sub> emissions of 3.5 percent. Emissions currently total 58,500 tonnes per annum; the reduction target for 2011 has been set at 2,000 tonnes, to be achieved mainly through the use of green energy and increasing the sustainability of the vehicle fleet.
- Energy reduction and efficiency based on the long-term agreement with Senter Novem, which specifies an improvement of 30 percent in the period 2005-2020, equivalent to a reduction of 2 percent per annum.

### Energy consumption on construction sites and in buildings

*Specific targets and results:*

- *Reduction in energy consumption of 20 percent through use of sustainable materials and tools.*
- *Intelligent logistics to improve delivery of goods to the construction site.*

Although the costs of energy consumption on the construction site account for only a very limited proportion of total costs, relatively simple measures can be taken to save a great deal of energy. With this in mind, a target has been set to reduce energy consumption on construction sites by 20 percent. A framework contract is being prepared with the SMK sustainability accreditation organisation for the supply of 'green electricity' derived from wind energy. It is expected that this contract will be signed in early 2011. As part of the drive for sustainable enterprise, all TBI companies have committed to substantially reducing their energy consumption and CO<sub>2</sub> emissions in the coming years. One of the measures taken to achieve this is the transition to wind energy. TBI has assured itself of a sufficient supply of wind-generated electricity for the years ahead by signing a long-term contract with the Dutch energy supplier Essent. The wind power which TBI will begin using meets the SMK criteria for CO<sub>2</sub> reduction in the context of accreditation for the CO<sub>2</sub> performance ladder. Wind-generated power emits only 25 grams of CO<sub>2</sub> per kWh, compared with approximately 550 grams per kWh for traditionally generated electricity.

The further measures being taken range from the use of hybrid cranes to aggregates based on bioethanol

and LED lighting. A pilot project has been launched using fuel cells on the construction site, in which the hydrogen needed is produced locally using solar cells. Energy consumption can also be reduced through the use of intelligent logistics, for example by delivering goods direct to the construction site and parking plant close to the site overnight.

#### **Sustainable vehicle fleet management**

*Specific measures and results:*

- *Increasing the sustainability of the vehicle fleet through a centralised approach.*
- *Classification by job category will lead to savings and a greener vehicle fleet.*

TBI and its companies together operate a fleet of 3,700 vehicles, roughly half of which consist of vans and lorries and the rest passenger cars. Several TBI companies have taken measures independently in recent years to make their vehicle fleets greener, for example by switching to cars carrying an 'A-label'. A centralised approach was initiated in 2010, and a working group held talks on several occasions with the leasing company to discuss the possibilities. Among other things, practical steps were taken in preparation for making the entire fleet more sustainable. One of the steps taken was the development of a system of classification by job category: the opportunities for savings are different with a smaller category of vehicle than with a larger vehicle. A plan will be developed in 2011 in which specific measures will be defined for achieving the objective of making the vehicle fleet greener. All vehicles leased by TBI and the TBI companies have been placed with a single lease company in recent years. This increases cost efficiency, while working with a single lease company also makes the impact of fuel consumption and the related CO<sub>2</sub> emissions more transparent and easier to monitor.

#### **Surplus®Advanta-concept**

*Specific measures and results:*

- *Standard developed for sustainable and affordable housing.*
- *Successful pilot in 2010.*

Sustainable enterprise and the core activities of TBI as a real estate, construction and engineering concern are brought very close together in the Surplus®Advanta construction concept. This concept standardises sustainable construction; homes built in accordance with the Surplus®Advanta concept have an energy performance coefficient of at least 0.4, well within the standard. The concept is based on the use of highly sustainable materials, maximum use of prefabrication and extremely good insulation. The homes can be built very quickly, in small production runs if required.

The system is also flexible, giving residents great freedom to decide on the precise internal layout, which can be modified later very simply.

The Surplus®Advanta concept was developed by Koopmans Bouwgroep and is now being rolled out more widely within TBI. Following a successful pilot in 2010 based on small-scale projects, the concept will be rolled out further in the years ahead and the social impact will be monitored.

#### **Knowledge development**

An effective sustainability policy demands continuous knowledge development. TBI accordingly plays an active role in all manner of initiatives which make it possible to anticipate clients' future wishes and demands. TBI companies are affiliated to a variety of green organisations, such as the Dutch Green Building Council, the Environmental Construction Foundation (stichting Milieuvriendelijk Bouwen) the Rotterdam Climate Initiative, the Dutch Forest Stewardship Council (FSC Nederland) and the corporate social responsibility organisation MVO-Nederland.

#### **Research and information**

The Sustainable Energy Technologies Information Centre (IDET) informs clients and those involved in the construction process about energy-saving technologies. IDET saw the birth of a hundred projects aimed at achieving ambitious energy performance targets. The TBI Belevingscentrum (Innovation Centre) in Amersfoort presents demonstrations of the latest energy-saving techniques in practical applications. The Centre makes its facilities available for meetings by external groups and provides information.

#### **Local initiatives**

In addition to the central approach with its four core focus areas, TBI companies also take their own initiatives in relation to corporate social responsibility and sustainability. These initiatives are communicated across TBI to enable companies to learn from each other and facilitate their broader application. Examples of such initiatives include internal awareness-raising campaigns, the transition to green energy, the introduction of low-energy lighting, encouraging car pooling, the introduction of electric scooters for maintenance activities, use of sustainably produced materials and the introduction of video-conferencing to facilitate remote meetings.

#### **TBI study fund**

Stichting Studiefonds TBI also warrants a mention in relation to corporate social responsibility. It is a fund that promotes the education, study and training of children of staff of TBI companies.

## Market trends

The market conditions for the real estate and construction sector have been under severe pressure since mid-2008. Building production held up reasonably well in 2008, but during the course of 2009 the sector was increasingly confronted with falling demand as a result of the recession. The construction sector was hit even harder in 2010, whereas the Dutch economy was already showing a slight recovery. Total construction volumes fell in 2010 by almost 10 percent compared with 2009, and have fallen very sharply compared with the peak levels seen in 2008.

Home sales in the Netherlands have been under pressure for several years, and the downward trend seen in recent years is expected to continue in 2011. However, the fall in demand is a temporary phenomenon. Housing production has for some time been out of step with the demographically driven demand for more housing, and at some point there is likely to be catching-up exercise.

One reason for the fall in demand for homes is the greater difficulty that consumers face in obtaining finance, driven partly by rising mortgage interest rates and stricter lending criteria. In addition, consumers are reluctant to embark on major purchases in the current climate. The improving economy is expected to boost demand for new homes as job and income security increases.

Market conditions in the non-residential construction sector are bleak, and are expected to deteriorate further in 2011. Production volumes have fallen sharply in recent years and are almost 20 percent lower than in 2008. These developments are influenced chiefly by the offices market, where there is overcapacity and many offices are empty. In the light of this, the outlook in the office-building segment is weak. There are however still opportunities in the refurbishment and maintenance market and in buildings for the public sector, including in education, care, public administration and other services.

The commercial property market is cyclical in nature, a characteristic which applies to investments, prices as well as rents. Since new construction takes time, the supply can respond to the demand only with a time lag, leading to alternating periods of shortage and surplus of supply. The present downturn in the commercial property market is therefore not a surprise.

Market conditions in the civil engineering segment are different from those affecting the housing and non-residential construction sectors. The shrinkage in this market segment began later and recovery is expected to set in earlier. This market segment is largely influenced by the budgetary scope of central and local government; these budgets are expected to remain under pressure in the coming years. On the other hand, the number of projects initiated in the context of the Dutch Crisis and Recovery Act will have a positive influence on this market segment.

The installation contracting market is closely tied in with the construction market. Installation contracting companies are however positioned later in the construction chain, making this sector late-cyclical. As a result, developments in the installation contracting market show largely the same pattern as those in the housing and non-residential construction sectors.

The industry sector is heavily dependent on the global economy, and especially export activities. The outlook in the industrial sector has improved considerably, and there is scope for growth in this segment.

The Dutch marine engineering sector is showing signs of a recovery as transport volumes begin to increase again and margins for shipowners are starting to improve. The number of new orders is gradually increasing, though the order books of most shipyards are no longer as full as in the peak year 2008. This is likely to lead to some consolidation within the industry.



## Risk management

Entrepreneurship stands or falls with the taking and controlling of risks. Dealing with these risks in an aware and responsible manner is a necessary condition for successful operation. TBI operates a strict risk management policy aimed at limiting and managing present and future risks as adequately as possible. The Board of Management has a responsibility in this regard in setting up and monitoring compliance with the internal risk management and control systems. As far as possible, TBI's decentralised organisational structure serves as the guiding principle here. The aim is also to develop risk management systems which are appropriate to the size, type of activities and risk profile of the different TBI companies, with the objective of managing the business risks as well as possible whilst providing maximum assurance that the set objectives will be realised.

The risk management systems functioned adequately in the year under review. Developments in the real estate activities will be discussed below. It is also reasonable to state that there are no indications that the risk management systems will not function properly in the financial year 2011, and no substantial changes or improvements to these systems are therefore envisaged. However, TBI could offer no guarantee that no risks will arise. It also does not mean that there is no scope for improvement of the risk management systems. Optimising the internal risk control systems remains an important focus of attention for the Board of Management, and this can lead to further tightening up of or additions to the systems.

The property markets were hit hard by the economic crisis during the year under review. TBI's own real estate activities also suffered badly as a result of the crisis, and the consequences were particularly severe for the operating company Synchroon. The difficult market conditions prompted the application of an impairment charge and the formation of provisions for the land positions of Synchroon and TBI vastgoed. As to the underlying causes of the losses at Synchroon and TBI vastgoed, reference can be made in the first instance to the particularly difficult conditions on the property markets. On top of this, the valuation of land is largely a matter that is decided by the markets.

Developments at Synchroon prompted the Board of Management to take radical measures, including a number of reorganisations at Synchroon. The level of ambition was also adjusted to take account of the opportunities offered by the current market.

The Board of Management believes that these measures will be enough to pilot Synchroon safely through the difficult economic conditions.

The main risks and the design and operation of the internal risk management systems are described below.

### Internal control and risk management

The Supervisory Board monitors the course of business and the management of the business risks by discussing the quarterly results, the Annual Report, the financial statements, the Strategic Plan and the Operational Plan with the Board of Management. The Supervisory Board meets the Board of Management to discuss these issues at least five times per year.

The Supervisory Board Audit Committee monitors compliance with the financial regulations, the quality of the financial reports and the effectiveness of the internal control systems, and advises the Supervisory Board on these matters. The full Supervisory Board meets the external auditor at least once per year. The external auditor is appointed annually by the General Meeting of Shareholders.

The Group Control department reports directly to the Financial Director and works on the basis of a programme approved by the Board of Management. Audits by the Group Control department focus on the design and functioning of the administrative organisation and internal control systems at the operating companies.

TBI uses the following instruments for the planning, implementation and adjustment of its business operations:

- The long-term strategy is laid down in a Strategic Plan. The TBI companies base their plans and budgets on this Plan.
- Implementation of the TBI Annual Plan is the responsibility of the management boards of the TBI companies. The associated powers and responsibilities are laid down in an authorisation chart and in the management instructions.
- The TBI companies report periodically on progress to the Board of Management. The financial reports are assessed at central level and compared with approved budgets. Forecasts are reviewed on a quarterly basis and adjusted where necessary.
- The operational plans and performance of the TBI companies are discussed on a quarterly basis, with a strong focus on the key risks and actions taken to control them.

- Regular contact with the TBI companies in between the quarterly discussions maintains a clear view of the operational processes and associated risks.
- Reporting guidelines are laid down in the periodically updated TBI Reporting Manual, which is based on the prevailing legislation and regulations.

Project management plays a central role in the management of risks within TBI, from the preparation of the quotation up to and including the delivery of the end product and the guarantee period. TBI divides the risks into the following categories: market risks, operational risks, financial risks and compliance risks.

#### **Management of market risks**

The diversity of TBI's operations means that the risks associated with the activities in the various sectors will vary. Maintaining a balanced portfolio and spreading the activities across client categories and market segments reduces the sensitivity of the business to variable market conditions. Changed political priorities, changes in the central or local administrations and amendments to existing legislation and regulations resulting in changes to long-term plans and ongoing projects, and intensification of competition, all bring risks for TBI. The infrastructure segment is the most susceptible to these risks, since this market segment is located specifically in the 'public domain'.

#### **Management of operational risks**

TBI companies carry out a diversity of projects which differ from each other in their complexity, size, contract types and throughput time. In order to be able to complete these projects successfully, the risks during the preparation, execution and completion phase of the projects must be identified at an early stage and then managed effectively.

The following measures have been taken to manage operational risks:

- A continual focus on compliance with internal project management procedures.
- Clear assignment of responsibility for acceptance of assignments. Within the parameters set in the management instructions and authorisation charts, this responsibility lies with the managements of the TBI companies.
- Large projects or quotations with a heightened risk profile require the approval of the Board of Management.

- Working under the ISO quality system. This offers guarantees that projects will be offered and implemented in a structured way and also provides guidelines for bringing in partners and advisors at the right time.
- Insurance of risks stemming from the implementation of projects.
- Prior approval by the Board of Management for investments in land positions, entering into long-term commitments and commencing construction projects for own risk.

The personnel policy is also important in relation to risk management. This is an area where project managers play a key role, and they accordingly follow special courses and training programmes. Other measures include keeping up standards of professional knowledge and, where possible, outsourcing of ICT services to specialists.

#### **Management of financial risks**

The financial risks include financing risks, liquidity risks and credit, interest rate and currency risks. The project-based character of TBI's activities leads to wide variation in the use of operational cash. TBI meets its working capital requirements by raising external finance centrally. This central treasury function then serves as the basis for an internal financing structure. Based on internal credit assessments, the Board of Management extends credit lines to the individual TBI companies.

There is a continuous focus on optimising the management of working capital, including an assessment of the liquidity and solvency of clients. Where necessary, additional security is requested and/or amounts receivable are insured.

In the light of the continuing weak market conditions, a cautious approach is adopted to taking on new investment commitments. TBI seeks to maintain a good liquidity position at all times, with key elements being strict control of working capital and a healthy interest coverage and debt/earnings ratio.

The following measures have been taken to manage financial risks:

- Hedging of currency risks in the quotation phase using exchange-rate clauses. Quotations with a high chance of success are hedged using currency options. As costs and income are largely realised in euros, the effect of exchange rate differences is limited for TBI. Interest rates are fixed for extended periods for the long-term liabilities. An interest-rate swap has been effected to limit

the interest-rate risk on the drawn-down portion of the syndicated facility (EUR 8 million).

The extent of the short-term interest-bearing liabilities is limited, and the interest-rate risk is therefore minor.

- Tightening up of the procedures for taking on new commitments, both in terms of acquiring the land and at the start of construction on new projects. The reason for this is that current market trends are leading to an increase in the stock of unsold homes. The same applies for the extent of the land holdings resulting from commitments entered into.
- A central treasury function which guarantees access to the money and capital markets and ensures that the working capital requirements are met, whilst also providing an insight into the liquidity requirements of the TBI companies. The group companies concerned can draw project finance in consultation with the central treasury function on the basis of non-recourse or limited recourse conditions.

TBI has access to bank guarantee and credit facilities totalling approximately EUR 600 million. At year-end 2010 EUR 295 million of this sum had been utilised for the issuing of bank guarantees and/or sureties (2009: EUR 303 million).

The group has lease and rental commitments totalling EUR 135 million. These mainly comprise current operating costs for which sufficient cover is in place.

Property development risks, such as the acquisition of land and commencing construction of own development projects, may only be taken on with the prior written approval of the Board of Management. Given the unusual market conditions, every investment application or request to commence construction is assessed on its own merits.

### Management of safety risks

TBI regards safe and healthy working conditions as extremely important. TBI is also aware that construction sites in particular pose a heightened risk of injury, and accordingly has in place a policy aimed at ensuring that the necessary measures are taken to prevent accidents, occupational illnesses and damage.

Health and safety risks are managed as far as possible by designing and planning projects and organising the activities (including the configuration of the construction site) in such a way that this has no harmful effects on the health and safety of workers, and also by adequately

instructing employees on safe working methods. Within the decentralised group structure of TBI, the managements of the individual TBI companies are responsible for implementing an adequate safety management system within their company. In view of the importance attached by the Board of Management to safety, a guideline will be developed in 2011 applying across the whole of TBI, with which these safety management systems will have to comply.

Notwithstanding the prevailing safety policy, a serious accident occurred in 2010 on the B-Tower project being carried out by Aanneming Maatschappij J.P. Van Eesteren B.V., resulting in five serious injuries and one fatal accident at Baas B.V.

On Thursday, 21 October 2010, a serious accident occurred on the B-Tower in Rotterdam, a project which is being implemented by Aanneming Maatschappij J.P. van Eesteren B.V. for MAB Development B.V.

The support structure beneath a section of the floor on the third storey gave way. At the time of the accident, the concrete for this floor section was being poured. The floor section affected covered an area of 320 sq.m. Five construction site workers fell when the floor collapsed, and were seriously injured in the process. All five were employed by subcontractors. They have all since been discharged from hospital and are currently recovering at home.

On Wednesday, 17 November 2010, a 47 year-old technician lost his life whilst working on the low-voltage network for Baas B.V.

The technician had been hired by Baas via an engineering secondment agency. He was an experienced technician and was qualified for the work being carried out.

There were numerous contacts with the technician's family via his immediate employer.

The funeral was attended by senior and local management of Baas.

The Board of Management has decided that, in addition to the inquiries by the relevant government agencies, TBI will initiate an independent inquiry into both accidents.

### Management of compliance risks

Doing business in a way that meets the standards of corporate social responsibility and integrity is becoming more and more important for a company's reputation.

The following measures are taken to manage compliance risks:

- A Letter of Representation, signed by the management of the TBI company concerned, is issued annually as evidence of compliance with internal rules and external legislation and regulations. In addition, the company managements furnish the Board of Management with an In Control declaration each year.
- Quarterly reports on risks and compliance matters.
- A code of conduct for staff employed by companies in which TBI has a majority holding. A supervision officer has been appointed within each TBI company who is responsible for monitoring compliance with the TBI code of conduct.
- A whistle-blower's charter which protects employees who draw attention to practices that are contrary to the TBI code of conduct.

To ensure compliance with the code of conduct of the Association of Dutch Project Development Companies (NEPROM), the NEPROM Transaction Register was introduced in mid-2010. NEPROM is committed to further professionalisation and adequate positioning of the project development industry. The core values to which NEPROM members commit with regard to their activities include due care, integrity and corporate social responsibility.

The Transaction Register is an internal system designed to make key aspects of property transactions transparent and centrally accessible, with a view to promoting transparency and verifiability.

As part of its audit, PwC assessed the proper design and functioning of this system.

## Personnel and organisation

TBI comprises a network of independently operating companies active in the real estate, construction and engineering sectors. In order to emphasise the features that distinguish the group from the competition, TBI encourages (multidisciplinary) cooperation between the group companies.

Each TBI company pursues its own personnel policy, in accordance with the specific market conditions or local situations in which it operates, and where appropriate the companies also pool their strengths in developing their own talents.

### Employees

TBI had 8,742 employees at year-end 2010, a slight decrease compared with year-end 2009 (9,000). This reduction was due to a combination of divestments in a number of companies, natural turnover and reorganisation. The squeeze on the labour market has virtually disappeared as a result of the credit crisis and the ensuing recession, but a mismatch between supply and demand means there is still a shortage of technically qualified personnel.

### Management development

TBI employs a Management Development (MD) programme to foster internal career growth and retain top talent. The Board of Management has expressed a preference for internal candidates to fill vacancies at senior management level. An added benefit of MD and its development programmes is that it enables TBI and its companies to present themselves as attractive employers for talented young graduates.

To ensure that there is sufficient top talent available in the future, it is necessary to identify, develop and hold on to that talent.

Management development is a recurrent topic at the annual meetings between the Supervisory Board and the managements of the group companies, during which the current status in relation to the succession of management and key employees is discussed.

There is a consistent focus on developing talented employees from within the company. TBI provides encouragement and support where possible and makes efforts to embed management development within the TBI companies.

Where necessary, career development programmes are developed across the individual companies. This is necessary where there are insufficient career opportunities for 'potentials' within their present company, or where there is a need for a temporary outplacement in order to foster an employee's development in the longer term.

TBI distinguishes between two complementary categories of potentials:

- Talent: staff with the potential to progress to the level of project manager, company manager or departmental head within two to five years.
- Top potential: employees with the potential to grow within five years to (company) managing director or MT member (reporting to the board).

The quality of the management development activities within the TBI companies has improved considerably in recent years. The new training programmes provided by TBI acadmy have been further differentiated, enabling the different target groups to be offered training which matches their needs and ambitions. The programmes also foster cooperation and cohesion within TBI.

The table on page 42 presents an overview of the age profile and education level of all employees. At present, employees with a graduate background (higher professional or university) make up almost 25 percent of the total TBI workforce. The average age across the group ranges between 40 and 45 years. The workforce profile can therefore be described as balanced. Women make up just under 10 percent of the workforce.

### TBI acadmy

Motivated employees who have the right knowledge and skills are the key to the successful performance of our companies. Committed, well-trained staff are willing to work together, share knowledge and make optimum use of the available capacity within the business. Accordingly, TBI companies devote a great deal of attention to the intake and training of well-qualified employees. TBI acadmy provides an extensive internal development and training programme, a unique platform where people from different TBI companies can meet and get to know each other. This meeting place provides a fruitful basis for close cooperation across the group.

TBI acadmy offers three programmes:

The TALENT programme (16 participants, two-year programme) is aimed at employees aged under 34 years with between two and seven years' work experience, with a minimum of a higher professional education (HBO) degree and the potential to progress to project manager/leader, company manager or departmental head within two to five years. The focus in this training programme is on finance, project management and personal skills.

The TOP programme (16 participants, 18 months) is for employees aged between 34 and 45 years working at the level of project leader/manager, company manager or departmental head, with at least a higher professional education (HBO) degree and the potential to grow within five years to (company) managing director or MT member (reporting to the board). The focus is on leadership, strategy development, corporate finance and multidisciplinary project management.

The TRAINEE-programme (16 participants, duration two years) is for new graduates of higher professional education/universities of technology. Trainees go through three eight-month project periods at different TBI companies. The emphasis in this programme is on finance, project management and personal skills.

#### Code of conduct

In addition to professionalism in a general sense, the core values of TBI are care, integrity and corporate social responsibility. These values receive a good deal of attention, including during the various TBI training programmes.

#### Personnel & Organisation Platform

This platform for personnel officers meets four times a year. New P&O topics are discussed during these meetings, and developments within TBI acdmy also receive extensive attention.

The vacancy bank at [www.tbi.nl](http://www.tbi.nl) is operating satisfactorily. Vacancies at TBI companies are posted fully automatically and are automatically removed after a set period. This keeps the vacancy bank up to date.

#### Stichting Studiefonds TBI

Stichting Studiefonds TBI is a fund that promotes the education, study and training of children of staff of TBI companies by providing school and study grants to children following a course of study at an institution recognised by the Dutch government.

Stichting Studiefonds TBI publishes its own annual report on the TBI intranet. Its financial year is concurrent with the academic year, running from 1 August to 31 July inclusive.

A total of 3,109 candidates applied for grants for the 2010/2011 course year (2009/2010: 3,110).

#### Employee participation/ Central Works Council (COR)

TBI regards good cooperation with staff representatives as very important. The Central Works Council (COR) currently consists of 20 members, delegated by the individual company works councils. A consultation meeting is held with the Board of Management five times per year, while once a year a joint meeting takes place with the Supervisory Board and the Board of Management, during which a preselected theme is fleshed out and discussed. These discussions are valued by all who take part in them.

#### Overview age profile and education level employees

December 2010	< 20 years	20–30 years	30–35 years	35–40 years	40–45 years	45–50 years	> 50 years	Total
<b>University</b>								
Technical	—	17	33	27	21	25	44	167
Other	—	11	16	23	19	18	21	107
<b>Higher prof. (HBO)</b>								
Technical	3	280	222	237	229	147	271	1,389
Other	1	63	68	64	81	68	77	423
<b>Senior sec. voc. (MBO)</b>								
Technical	25	637	423	407	494	369	812	3,167
Other	5	129	77	81	99	72	108	570
<b>Other</b>								
Technical	90	430	261	275	332	310	795	2,493
Other	5	78	65	53	79	44	102	426
<b>Total</b>	<b>129</b>	<b>1,646</b>	<b>1,164</b>	<b>1,168</b>	<b>1,354</b>	<b>1,053</b>	<b>2,229</b>	<b>8,742</b>

## Results, capital and finance

### Results

Operating income fell by 5 percent to approximately EUR 2.0 billion.

Operating income (before elimination of intercompany revenue) can be broken down by segment as follows:

(x EUR 1 million)	2010	2009
TBI vastgoed	149	211
TBI bouw	982	1,007
TBI techniek	908	948
	2,039	2,166
Less: intercompany turnover	15	29
<b>Operating income</b>	<b>2,024</b>	<b>2,137</b>

Operating profit fell by EUR 4.3 million or 19 percent, from EUR 22.3 million to EUR 18.0 million.

Operating profit can be broken down by segment as follows through:

	2010		2009	
Operating result	x EUR 1 m	in %	x EUR 1 m	in %
TBI vastgoed	-9.8	-6.6	-10.3	-4.9
TBI bouw	27.7	2.8	29.9	3.0
TBI techniek	14.7	1.6	12.6	1.3
Group costs + other	-14.6	—	-9.9	—
<b>TBI</b>	<b>18.0</b>	<b>0.9</b>	<b>22.3</b>	<b>1.0</b>

The balance of financial income and charges, consisting of interest income and charges and the result from participating interests, was EUR -5.8 million in 2010 (2009: EUR -1.8 million). The financial income and charges can be analysed as follows:

(x EUR 1 million)	2010	2009
Interest income	1.8	3.0
Interest charges	-4.6	-4.8
Net interest charges	-2.8	-1.8
Result from participating interests	-3.0	—
<b>Net financial income/charges</b>	<b>-5.8</b>	<b>-1.8</b>

The net higher interest charges were due primarily to the sharp fall in money market interest rates and consequent lower returns on deposited funds, and the use of project finance.

At the end of October 2010 it was decided to liquidate BFN, the German subsidiary of Voorbij Group. The resultant liquidation loss explains virtually all of the negative result from participating interests.

The impairment charge in 2010 relates to the property portfolio and reflects the downrated expectations regarding the market recovery in this sector.

The impairment charge totals EUR 56.9 million.

Partly because of the negative pre-tax result caused by the impairment charge on the property portfolio, the corporation tax liability fell from EUR 16 million to EUR -11.1 million (2009: EUR 5.0 million).

The negative tax rate over 2010 amounts to 26.6 percent (2009: positive 24.1 percent).

The net loss of EUR 33.6 million compares with a net profit of EUR 15.5 million in 2009.

### Capital and finance

The balance sheet based on capital invested can be analysed as follows:

(x EUR 1 million)	2010	2009	Change
Non-current assets	141	148	-7
Net working capital	-99	-56	-43
Net cash at bank and in hand	208	210	-2
Invested capital	250	302	-52
Shareholders' equity	240	278	-38
Provisions	10	11	-1
Long-term liabilities	—	13	-13
<b>Financing</b>	<b>250</b>	<b>302</b>	<b>-52</b>

Net capital expenditure (investments less divestments) amounted to EUR 21.0 million in 2010 (2009: EUR 16.1 million).

Depreciation of tangible assets was higher, at EUR 26.6 million (2009: EUR 24.5 million).

Net working capital amounted to EUR 99.3 million negative (2009: EUR -55.9 million). The net working capital can be broken down as follows:

(x EUR 1 million)	<b>2010</b>	2009
TBI vastgoed	156	188
TBI bouw	-194	-151
TBI techniek	-47	-80
Other	-14	-13
	<b>-99</b>	<b>-56</b>

The impairment charge leads to some distortion of the development of net working capital at TBI vastgoed.

The net working capital of TBI bouw is continuing to improve thanks to a combination of lower investments in project development and a substantial reduction in outstanding debtors.

The level of outstanding debtors also fell at TBI techniek, though this was offset by a deterioration in the work in hand, concentrated mainly at Croon and Wolter & Dros. This can be partly explained by prepayments in 2010 which were substantially lower than in 2009. The knock-on effect of this was that the policy initiated to improve the net working capital position within TBI techniek had less impact than hoped. In response to this, the policy on managing the net working capital will be tightened up further.

The financing of work in hand, including investments in property development, stabilised at around the level of year-end 2009, closing the year under review in positive territory (EUR 16.8 million versus EUR 11.9 million at year-end 2009).

Investment in the property portfolio (land positions, building rights, unsold homes, etc.) amounted to EUR 210.2 million at year-end 2010 (2009: EUR 255.9 million). The reduction in investment in property development was chiefly due to the impairment charge of EUR 56.9 million applied in 2010.

The organic increase in land holdings as a result of purchase commitments was limited in 2010. In addition, the stock of unsold homes fell, partly thanks to careful financial control.

The amount of non-recourse project finance raised for property development is negligible, amounting to EUR 2.1 million at year-end 2010 (2009: EUR 2.1 million). Work in hand, both for third parties and own development, also developed positively thanks to good financing arrangements and prudent valuation. There was a sharp increase in net tax assets compared with 2009. This relates largely to a tax

credit of EUR 14.5 million in connection with the impairment charge applied to the property portfolio. The net cash position, less the repayment obligations and a drawn-down current account credit which has been taken to Current liabilities, amounted to EUR 207.6 million at year-end 2010 (2009: EUR 210.2 million).

Long-term liabilities fell compared with year-end 2009. A syndicated facility to an amount of EUR 200 million was agreed in mid-2007. This facility has since been reduced to EUR 108 million. It matures in mid-2012. EUR 8 million of the facility was drawn down in 2010. An interest-rate swap was effected as part of this financing arrangement to hedge the interest-rate risk on the fixed portion of this loan. At year-end 2010 TBI more than met the agreed banking terms.

The balance sheet total of the group based on total assets stood at EUR 738.3 million as at year-end 2010, a reduction compared with 2009 (EUR 785.5 million). There was a substantial decrease in shareholders' equity to EUR 239.4 million in 2010 (year-end 2009: 277.5 million). Based on total assets, the capital ratio as at year-end 2010 stood at 32.4 percent (2009: 35.3 percent).

The ratios used by TBI are based on the principles as set out in Part 9, Book 2 of the Netherlands Civil Code, taking as a reference the Guidelines of the Dutch Council for Annual Reporting as these applied on 1 January 2010.

The abridged cash flow statement, based on the indirect method, can be presented as follows:

(x EUR 1 million)	<b>2010</b>	2009
Operations	36	131
Investments	-21	-18
Financing	-23	-34
<b>Cash flow</b>	<b>-8</b>	<b>79</b>

The operational cash flow was boosted in 2010 by a further improvement in the capital employed, mainly due to lower net debtors and despite the deterioration in work in hand, the high amount of capital tied up in land positions and the stock of unsold homes.

The outgoing cash flow in relation to investment activities includes the capital expenditure.



## TBI vastgoed

### TBI vastgoed: the year 2010 in figures

(x EUR 1 million)	<b>2010</b>	2009	Change
Operating income	<b>149</b>	211	-29%
Operating result	<b>-9.8</b>	-10.3	5%
Margin	<b>-6.6%</b>	-4.9%	-
Orders received	<b>65</b>	147	-56%

### General picture

Market conditions remain poor for the companies within TBI vastgoed, and continue to have a noticeable impact on business. The effect of the continuing weak market climate is clearly visible at Synchron, with sales and production of both new-build homes and commercial property still at very low levels. As a consequence, only a very limited number of projects developed independently by Synchron were taken into production in the year under review. On the other hand, breaking down projects into smaller constituent projects meant it was possible to take a number of projects that were in preparation to market successfully.

TBI vastgoed recorded a loss of EUR 9.8 million in the year under review; this followed a loss of EUR 10.3 million in 2009. The negative operating result was due entirely to developments at Synchron; the other companies within TBI vastgoed are profitable. All companies within TBI vastgoed are focusing critically on the development in indirect costs, seeking to reduce avoidable organisational costs and implementing reorganisations where necessary.

### Business developments

An advisor at Hevo was appointed as a BREEAM-NL (BRE Environmental Assessment Method) Assessor by the Dutch Green Building Council. This means that Hevo can independently assess the sustainability of third-party buildings in accordance with internationally accepted standards for new-build and major renovation projects. In addition, Hevo appointed a number of BREEAM-NL Experts, who advise on the accreditation of buildings and help in the preparation of assessments.

Other initiatives by Hevo include the publishing of a sustainability guideline and the launch of 'accommodation scripts' for schools, which use scenarios to enable schools to gain an understanding of their accommodation needs in the longer term, so that they can make informed choices.

Key projects in 2010 included new head offices for the Waterschap Brabantse Delta Water Board in Breda, and the De Grijze Generaal project in Eindhoven, combining housing, commercial functions and the municipal mental health care service under one roof. A strategic property plan was formulated for 29 school locations for Wellant College in Houten, which analyses the achievements and problems in relation to the financial, organisational, functional and technical aspects. Hevo is also developing a care concept in partnership with Koopmans Bouwgroep and a firm of architects.

The workforce at Synchron was adjusted to match the market conditions. The internal organisation was simplified and processes streamlined. The outcome is that Synchron now has a stronger focus on clients and end-users. Synchron is developing 'sustainability packs', a market initiative which encourages clients to make sustainable choices. Instead of simply talking in terms of purchase price, payback periods and green financing opportunities, clients are informed about the ultimate benefits for them, such as cost, comfort and convenience.

Synchron has formulated a plan to meet the social housing needs in the Droomweide housing project in Bodegraven, in which half the total of 240 homes will be offered at very affordable prices. All the homes are being developed with the consumer in mind, with residents having a great deal of say in the design of their home. More than 20 percent are being developed on the basis of private commissioning, in which residents can use their own architect. The plan also places great emphasis on a wide mix of different dwelling types, creating an architectural profile that echoes the historic heart of Bodegraven. ERA Contour has been brought in for the build.

Synchron developed a master plan for the redevelopment of the De Kwinkelier shopping centre in Bilthoven, in close collaboration with the local authority and local businesses. This collaboration with the owner of the site brought an end to years of impasse. In addition to renovation of the retail outlets, the plan involves an expansion of the retail amenities, a car park and 110 apartments. The build has been placed in the hands of Heijmerink.

## TBI bouw

### TBI bouw: the year 2010 in figures

(x EUR 1 million)	<b>2010</b>	2009	Change
Operating income	<b>982</b>	1.007	-2%
Operating result	<b>27.7</b>	29.9	-7%
Margin	<b>2.8%</b>	3.0%	–
Orders received	<b>1,081</b>	1,006	7%

### General picture

The companies that make up TBI bouw are active in a number of market segments: housing, non-residential construction, infrastructure and supply. With the exception of infrastructure, all segments are confronted with persistently weak market conditions. The companies within TBI bouw has seen sales and production of new homes and commercial property falling back very sharply. The steep downturn in production of new homes has prompted home-builders and non-residential construction companies to seek compensation in other areas of the market, leading to increasing competition and falling prices in the contracting market.

The operating result in 2010 was slightly down on 2009. Apart from the difficult market conditions, this was also caused by the wintry weather conditions, which led to delays in a number of projects in both early 2010 and December 2010.

Despite the market climate, the companies within TBI bouw are generally well positioned going forward. They are profitable and have a solid capital structure, while the order books for 2011 have been either appointed or contacted in most cases. The trend in business activity in relation to the size of the organisation is closely monitored by all companies.

### Business developments

J.P. van Eesteren was engaged in a number of major projects in 2010 for Europol, Rijksmuseum Amsterdam and Rabobank. The building of new headquarters for Europol in The Hague was a large project with a short construction period, and involved an integrated build and installation contracting project which was carried out in partnership with Croon and Wolter & Dros. The renovation of the Rijksmuseum in Amsterdam is a prominent project which is being followed with great public interest. The building of the new administrative centre for Rabobank in Utrecht is an integrated project which is being carried out by a consortium that includes Croon, Wolter & Dros and Mobilis.

ERA Contour began construction of the De Oriënt housing project on 1 March 2010. De Oriënt is situated in the Transvaal district of The Hague and comprises a hundred upmarket houses, courtyard dwellings and apartments. The project was inspired by the many Oriental cultures which enrich this district and which are reflected above all in the cheerful architecture, with its Oriental ornamentation. The consumer was co-producer in this project: consumer panels were formed to enable future residents to share in the detailing of the plan.

ERA Contour plans to roll out its 'Een Blok Stad' concept in more locations. It is a concept in which the fabric of older buildings undergoes thorough renovation, involving renewal of the foundations, walls and roof. The result is a building with future-proofed value at an affordable price, whilst still retaining the identity of the location. A declaration of intent has been signed with the Ymere housing association for the start of three pilot projects.

Hazenberg Bouw works in several consortia on new-build and renovation projects, including nursing homes and other care institutions. Hazenberg Bouw is redefining the Brabanthallen centre in 's-Hertogenbosch as a conference centre.

Nico de Bont, part of Hazenberg Bouw, completed the renovation of St. Jan's Cathedral in Den Bosch at the end of 2010, bringing to a close, after 11 years, one of the biggest and most important restoration projects in the Netherlands in recent decades.

Major projects at Heijmerink include the head offices of Eneco in Rotterdam and the Theophile de Bock school in Amsterdam. The Eneco building has a very sustainable design, including a moss and sedum roof. The building also incorporates an innovative fixing system for flood defences. The Theophile de Bock school is a multifunctional building with a gross floor area of 7,000 sq.m. It incorporates a special system of sliding sun blinds, in which coloured glass panels can be slid into different positions.

The new-build project for the Sint Nicolaas Lyceum in Amsterdam is a prime example of the pooling of strengths. Heijmerink is working in partnership with Wolter & Dros and Croon to realise the client's ambition of building a school that is as sustainable as possible.

Koopmans Bouwgroep is working with Comfort Partners and Voorbij Prefab Beton on the SurPlus®Advanta initiative, a concept for small-scale, flexible and sustainable housing construction. As far

as possible, the homes are built in prefabricated sections and assembled on the construction site. SurPlus®Advanta is one of the core elements within the TBI sustainability programme.

As part of a renovation project in Enschede, Koopmans upgraded 165 homes from energy label F to A, using prefabricated wall sections that were installed within one day. Working in partnership, Koopmans is engaged in three major projects in Leeuwarden, involving new-build, renovation and a car park for the Provinciehuis (provincial government headquarters), apartments, shops and offices and the Fries Museum.

The De Verwondering project in Almere was completed in the year under review. It is a unique residential development incorporating 550 homes, two schools, a multifunctional centre and many other amenities. Sustainability is a very important feature of the development, which is characterised by low energy consumption and the use of high-grade materials. Koopmans Bouw also completed the first CO<sub>2</sub>-neutral home in Almere.

The plant hire specialist MDB has been responsible for ICT services at TBI construction sites since 1 January 2010, in collaboration with TBI Bouw SSC-ICT Diensten. MDB ensures that the ICT services on the sites are organised efficiently and effectively. MDB is engaged in an innovative project involving a pilot with a hydrogen-based aggregate in the construction of new head offices for ERA Contour.

Mobilis is working in close partnership with Croon and Voorbij on a project for the new Central Station in Rotterdam: the Openbaar Vervoer Terminal public transport terminal. Without disrupting the use of the station, the tracks and associated facilities are being modified and a new walkway is being built linking the tracks and station halls, in addition to the creation of two new station halls and a new roof construction. Another striking project is the underground car park beneath the Markthal market hall in Rotterdam, a multifunctional building next to Blaak station which stands out because of its unusual architecture. Mobilis (in partnership) is building the substructure, involving an excavation 14 metres deep. Voorbij Funderingstechniek is installing 2,270 'vibro-combipiles' to support the future covered market hall.

Other notable (collaborative) projects include the Spoorzone Delft (a railway tunnel comprising two tunnel bores, an underground station and an

underground car park), widening of the motorway from two to four lanes on each carriageway at Brug A50 Ewijk Valburg, and the Second Coen Tunnel.

Kanters is building the mr L.E. Visserhuis residential care complex in The Hague. The complex combines supported housing, nursing home units, a restaurant, swimming pool, physiotherapy unit and crèche, making it extremely multifunctional. It also incorporates 30 units specially designed for patients with dementia, with their own bedrooms and sanitary facilities, as well as a day room for shared use.

The Educatief Centrum Lombardijen project in Rotterdam is part of the Muster Plan for revitalising the Lombardijen district to make it more attractive. The development, which comprises a mix of high-rise and low-rise buildings, serves as a meeting place for local residents and offers a combination of housing, childcare, educational and training facilities.

Kanters was involved in a special renovation and new-build project at the Nehalennia education facility in Middelburg. The existing building was stripped and equipped with new exterior wall finishes and internal layout. The building was also extended with the addition of a new main entrance, music room, gymnasium, teaching facility and an ICT unit for pre-vocational secondary students. The smooth progress of this complex project was assured by the cooperation between the partners, consultation with the local authorities and the provision of information to local residents.

## TBI techniek

### TBI techniek: the year 2010 in figures

(x EUR 1 million)	<b>2010</b>	2009	Change
Operating income	<b>908</b>	948	-4%
Operating result	<b>14.7</b>	12.6	16%
Margin	<b>1.6%</b>	1.3%	–
Orders received	<b>994</b>	913	9%

### General picture

Technology makes it possible to offer relevant solutions to social problems, now and in the future, for example in relation to care, water management and mobility. The demand for sustainable technological solutions is also growing continually.

Despite the lower volume, the majority of the activities of the engineering companies within the TBI techniek division made a positive contribution to the TBI operating result in 2010.

The order book showed an improvement compared with 2009, mainly because of a number of notable infrastructure projects. The losses caused by the economic crisis have not yet been made good, and the market conditions have changed drastically. This is also affecting the companies within TBI techniek. The recession led to measures being taken at a number of companies, while others managed to achieve their objectives despite the difficulties.

### Industry

The industrial market was hit hard by the credit crisis in 2010. The propensity to make new investments fell sharply and prices were pushed to low levels. Investments in the drinking water and waste water segments, however, held up reasonably well. Service and maintenance form an undercurrent underlying the activities. Competition has increased significantly. Activities in the industry sector in the year under review included work on installations for the storage and transshipment of biofuels, waste water treatment plants and transport systems, combined heat and power plants and energy generation plants. Many installations are used for the production of drinking water, foodstuffs and in the oil industry.

### Infrastructure

Projects were carried out in the infrastructure market in the year under review in the shipping sector, as well as on the rail network (tunnels), ticket vending machines, monitoring and security of projects and personnel and fibre-optic networks for oil refineries.

Croon and Eekels design and install electrical and electromechanical installations for projects in the maritime and offshore market. The service they provide focuses on cabling and installation of systems for the monitoring, control and propulsion of large seagoing vessels, yachts and drilling platforms.

### Business developments

Croon founded the Maintenance Competence Centre at the start of 2010 in response to growing demand for long-term maintenance services. Not only are maintenance activities increasingly forming part of public-private partnership contracts for new-build projects, but more and more multidisciplinary maintenance contracts are also being signed.

Another activity for which there is heavy demand, especially from large clients, is systems engineering. Croon has developed the 'Relatics' modelling system for this, which enables knowledge to be recorded, managed and accessed in a uniform way.

Croon saw the number of infrastructure projects in its order book increase considerably in 2010, with projects including the Second Coen Tunnel, the Maasvlakte-Vaanplein intersection on the A15 motorway and the Sluiskil tunnel. Another key project, being carried out in conjunction with Wolter & Dros and Mobilis, is the new Central Station in Rotterdam, for which Croon is supplying all the electrical plant, including specially designed solar panels incorporated in the platform roofs for the generation of electricity.

One unique initiative was the development of a water purification plant for NieuWater, a joint venture between the Drenthe water company and the Velt en Vecht water board. This waste water recycling plant brings together a number of high-grade technological innovations, cutting to a minimum the amount of chemicals that need to be used for purifying the waste water.

Wolter & Dros founded a subsidiary specifically for the housing market in the year under review: Comfort Partners, a network of installation contracting specialists featuring direct control and short lines of communication, enabling them to respond flexibly to developments in the housing market. Clients today want information on the entire life cycle of a building or installation. To facilitate this, Wolter & Dros is developing the Total Cost of Ownership concept, an initiative which incorporates integral construction, sustainability, maintenance and management.

Major projects were carried out in the year under review for the engineering consultancy DHV, the digital services provider UPC and Amsterdam Airport Schiphol. Sustainable and innovative techniques were used in the renovation of the DHV headquarters in Amersfoort, greatly reducing the energy consumption and CO<sub>2</sub> emissions. The new head office of UPC in Leeuwarden has achieved the second highest score for a sustainable building in Europe (BREEAM-NL Excellent); it is equipped among other things with a heat/cold source for heating and cooling, green roofs, 'climate ceilings' and atriums decked out in green, serving as the 'green lungs' of the building and providing both air and light.

The TransPort office building at Amsterdam Airport Schiphol meets the highest standards of sustainability in accordance with the internationally recognised Platina LEED certification system.

During the sustainable renovation of the Ministry of Defence building in The Hague, WTH incorporated its full range of innovations in the area of underfloor heating and cooling. WTH was also one of the installation contracting companies involved in the new head offices of postal services provider TNT in Hoofddorp, a project which serves as an example of sustainable construction. Maximum use of sustainable techniques was the aim for the water tower in Bussum; the building has been hailed the most energy-efficient structure in the Netherlands.

WTH developed the Blue Caso sustainable energy building in partnership with Comfort Partners, a project commissioned by the buildings materials supplier CRH Group in Lelystad.

Eekels, which is active in the industrial and maritime markets, broadened its expertise in multidisciplinary projects and maintenance in 2010 through the acquisition of the activities of Vos Mechanical Schoonebeek. In addition, Eekels has pooled its strengths with Croon to address the industrial market. These steps have considerably strengthened Eekels' market position of, especially in the northeast of the Netherlands.

HVL has opened up its expertise in industrial automation and ICT through the initiative HVL On Site. This makes the strengths of the entire HVL organisation available. HVL gained a great deal of experience with sustainability and corporate social responsibility through the De Autarc project in Amsterdam and the Avantis project in Heerlen.

The aim in both projects was to maximise the synergy between the various technical disciplines, in combination with the use of sustainable materials, low energy consumption and minimum maintenance.

As well as carrying out projects for Cofely and Microsoft, among others, Acto implemented entire software systems at several TBI companies. The project at HVL entailed the integration of the digital timesheet system with the black box systems installed in the company vehicles. The work at Croon and MDB involved installation of the ActoProtect integrated ERP system. Within the TBI techniek cluster, Acto harmonised the service and customer relationship management systems.

Alfen won a share of 85 percent in a European tender for compact transformer substations for the Alliander energy company. This major project guarantees the supply of substations for between five and seven years. Alfen offers a complete product portfolio of charging points for electric vehicles; this highly innovative new product group is expected to develop into a second main activity for Alfen. Alfen also specialises in the development of networks for horticultural glasshouses within and beyond Europe.

Baas has a new organisational structure and new management, enabling the necessary steps to be taken to make the business operation healthy and profitable. Together with Alfen, Baas won an order tendered by the Port of Rotterdam Authority for the updating of the medium-voltage infrastructure on the RDM site in Rotterdam, where the production hall is being converted to accommodation for schools and businesses.

Baas was commissioned by Combinatie Crommelijm V.O.F. to replace and re-route cables and pipelines in the Spoorzone Delft railway project.

The preferred supplier contracts held by Fri-Jado in partnership with Wal-Mart in North America for the supply of grilling equipment and warming cabinets were extended for a further two years in the year under review. In addition, Fri-Jado was involved in the conversion of the refrigeration units in the transformation of 175 Super de Boer supermarkets in the Netherlands to the Jumbo formula.

In a further project, the catering facilities were renewed at Ahoy in Rotterdam. Fri-Jado supplied and installed the computer equipment and bars, as well as supplying a central CO<sub>2</sub> unit for the refrigeration system, making this a major project for Fri-Jado.

The Wolter & Dros Belevingscentrum innovation centre in Amersfoort offers an inspiring environment where clients can experience how the physical environment influences people's well-being. Visitors have an opportunity to learn about the latest technological advances and how they can improve comfort and convenience.

The Sustainable Energy Technologies Information Centre (IDET) provides information on the use of energy-saving and sustainable energy systems in both non-residential and residential buildings. The Information Centre has a demonstration unit, where low-energy equipment is set up which can be shown 'in operation'. The Centre, which is located in Amersfoort, can be visited by appointment.

Board of Management

E.H.M. van den Assem, chairman  
P.L. Broekhuijsen  
D.A. Sperling

Rotterdam, 10 March 2011

# Droomweide Bodegraven



Droomweide is a new residential development in the town of Bodegraven which is characterised by its green and village-like atmosphere. During the preparations, residents of Bodegraven were invited at various times to indicate what they considered important. A photographic and ideas competition was organised, an extensive home test exercise was carried out and there were a number of group discussions. Drop-in evenings were also organised to enable residents to comment on the plans. The plan developed by Synchron meets the social housing needs of the Bodegraven population: half the 240 homes will be offered in a very affordable price category. In addition, all the homes are being developed in a consumer-centric way, which means that the future occupants have a great deal of say in how their home is designed. More than 20% of the homes will be built on the basis of private commissioning, in which the occupant is given the opportunity to come up with their own design using their own architect.

**Synchron**  
**ERA Contour**

## Ultra Puur Water treatment plant



The Ultra Puur treatment plant, constructed adjacent to the wastewater treatment plant in Emmen, is designed to purify the treated waste water further to produce ultra-pure water. Even minerals are stripped out, making it 'cleaner' than drinking water. The Dutch natural gas and oil producer NAM will use this exceptionally clean water to help its resumption of oil extraction from the Schoonebeekerveld oilfield, generating steam which will be injected into the earth beneath the oilfield as part of the extraction process.

Croon and Eekels pooled their strengths to provide the electrical plant for this innovative customised project. Their close collaboration made it possible to anticipate developments during the project and to work together to deliver an adequate response.

**Croon  
Eekels**

## The CO<sub>2</sub>-neutral home Almere



A 'CO<sub>2</sub>-neutral' home was developed and built in the year under review in the De Verwondering new-build housing development. All the energy needed for everyday use, for example for heating, cooking and lighting, is generated by the home itself through the use of solar panels, a heat pump boiler with solar collectors and two wind turbines.

All of these innovations have been integrated into the design of the home, helping to make the dwelling CO<sub>2</sub>-neutral and more than energy-neutral. As a result, the home virtually meets the standards of the Passive House Planning Package (PHPP) concept.

**Koopmans Bouwgroep  
Comfort Partners**



# Eneco Rotterdam



The new headquarters of the Eneco energy company in Rotterdam consist of three curved wings of varying heights, erected on a raised ground-level substructure which incorporates above-ground and underground parking. The three wings of the building are linked up to and including the fifth storey, and from the sixth to the eighth storeys the complex reduces to two wings. The buildings have been constructed around a large atrium. The central facilities, such as staircases, lifts, shafts and sanitary facilities are situated where the different sections of the building meet.

The building covers a total gross floor area of 44,500 square metres, comprising 30,300 square metres of office space and car parking covering 14,200 square metres.

The building has been awarded an A+ energy label; it is a very low-energy structure and emphasises its green credentials with planting covering one wall to a height of three storeys, planting on the raised ground-level substructure, a sloping moss/sedum roof on the pavilion and roof gardens on the two lower wings. The building incorporates innovative technological and sustainable solutions in the areas of solar energy, wind energy and air circulation. The spatial elevation of the building is oriented towards the sun.

Eneco's new headquarters will house 1,400 staff. The combination of open spaces and supplementary facilities has reduced the amount of office space required, saving costs and avoiding unnecessary use of energy for empty rooms.

**Heijmerink Bouw**  
**Vorbij Prefab Beton**



# perseverance

Pooling strengths



# Financial statements 2010

## Accounting policies

### Presentation of financial statements

The financial statements 2010 have been prepared in accordance with generally accepted accounting policies in the Netherlands.

The financial statements are presented in euros, the functional currency for the Company. Unless stated otherwise, all financial information is stated in thousands of euros.

Pursuant to Section 402 of Part 9, Book 2 of the Netherlands Civil Code, the company profit and loss account is presented in simplified format.

In drawing up the financial statements, it is necessary for the management to make estimates and assumptions which influence the application of the accounting policies and the reported values of assets and liabilities, income and expenditure. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are continually assessed. Revisions to estimates are included in the period in which the estimate concerned was revised and in future periods for which the revision has consequences.

### Consolidation

The consolidated financial statements contain the financial particulars of TBI Holdings B.V., the group companies in which TBI Holdings B.V. holds more than half the capital with a voting entitlement or in which TBI Holdings B.V. has a decisive say in the management and financial policy on the grounds of supplementary rules, and other legal entities in which TBI Holdings B.V. has a controlling interest or conducts the central management. In general these are participating interests in which TBI Holdings B.V. has a stake of more than 50 percent. The assets, liabilities and results of these companies are fully consolidated. Minority interests in group equity and group results are stated separately.

Participations in consortia – participating interests in which control is exercised jointly with third parties on the basis of a cooperation agreement – are consolidated on a pro rata basis. The duration and legal form of the consortia are not important here. If contracting consortia take the form of a partnership firm, allowance is made for joint and several liability if and in so far as there are grounds for doing so on the basis of the financial position of the consortium and/or one or more of the partners therein.

Results of acquired participating interests are consolidated from the effective date of acquisition.

Results of participating interests sold during the year under review are consolidated until the moment of divestment.

Pursuant to Sections 379 and 414 of Part 9, Book 2 of the Netherlands Civil Code, a list of participating interests has been filed for inspection with the Trade Register in Rotterdam. A declaration as referred to in Section 403 of Book 2 of the Netherlands Civil Code has been issued in respect of one Dutch consolidated company.

### Foreign currency

The financial statements of group companies and participating interests which have been drawn up in foreign currencies are translated into euros at the exchange rates prevailing on the balance sheet date. Gains or losses ensuing from this translation are taken to the translation differences reserve. Receivables and liabilities in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. Any gains or losses on exchange are added or charged to the operating result.

TBI makes use of financial instruments to manage currency risks ensuing from ordinary business activities. Any gains or losses on exchange are added or charged to the operating result.

### Valuation

Unless stated otherwise, assets and liabilities are stated at nominal value.

Intangible assets are stated at historical cost or present value, whichever is the lower. Straight-line amortisation is applied to intangible assets over the estimated economic life of the asset, up to a maximum of five years.

Tangible assets are stated at historical cost or present value, whichever is the lower. Depreciation is applied on the basis of the estimated economic life of the asset.

Participating interests in which the Company exercises a material influence over the commercial and financial policy are stated at net asset value in accordance with the accounting policies applying for these financial statements. Impairments occurring on the balance sheet date are taken into account.

Goodwill is defined as the positive difference between the acquisition cost and net asset value of the participating interests acquired, which is charged to Other reserves. The acquisition cost consists of the

purchase price paid for the acquisition plus any directly attributable costs. The net asset value of the participating interest is determined by valuing the assets, provisions and liabilities of the participating interest and calculating its result using the same accounting policies as those which apply for TBI Holdings B.V.

Long-term receivables are stated at nominal value, where necessary less a provision for bad debt.

Works in progress for third parties are stated at direct project cost – chiefly materials, third-party services and subcontracting, wages and social insurance premiums – plus a mark-up to cover project costs. The projected profit on projects is calculated in proportion to the completed or executed portion of the project. In calculating the progress of projects consideration is given among other things to the quotient of the costs incurred up to the balance sheet date for activities already carried out and the estimated total costs. Profit is not recognised as long as no reliable estimate can be made of the project result. Provisions for losses are deducted from the valuation. Profit on the large number of smaller projects generally having a term of less than one year is recognised on completion of the project. This method will not have a material influence on equity or result.

Land owned by the Company is valued at acquisition cost plus the costs of infrastructural development and other costs arising from the ownership of the land, less any provisions deemed necessary for development risks, as soon as these can be foreseen.

Projects under development by the Company are stated at direct project cost plus a mark-up to cover general costs. Profit is attributed to projects on the basis of the progress of production and the realised sales. Provisions for losses are deducted from the valuation, as is project finance on the basis of non- or limited recourse.

In principle, no interest is added to land owned by the Company or to projects under development by the Company, except in the case of project-based finance on the basis of limited recourse carried out in partnership with third parties.

Stocks are stated at historical cost or market value, whichever is the lower, allowing for a provision for obsolescence, using the FIFO (first in, first out) method.

Short-term receivables are stated at nominal value less a provision for bad debt.

Securities are stated at historical cost or market value, whichever is the lower.

The provision for jubilee payments relates to the cash value of payments made to employees in respect of long-service anniversaries. In calculating the provision, allowance is made for the likelihood of employees leaving the Company.

The provision for deferred tax liabilities serves to cover discrepancies between the fiscal and commercial valuation of assets and liabilities. The liabilities are calculated on the basis of the prevailing rate of corporation tax. Deferred tax assets are valued if it can reasonably be assumed that they can be realised within the periods set by the tax authorities.

Liabilities are stated at nominal value. Repayment obligations falling due within one year on long-term liabilities are disclosed under Current liabilities: credit institutions, etc.

### **Determination of the result**

Income and expenditure are attributed to the period to which they relate. Operating income and result are determined on the basis of historical cost. Operating income includes net turnover, movements in work in hand (including profit mark-up and/or provisions formed to cover losses) and other operating income. Net turnover comprises the realisable value recognised in the reporting period of completed works and goods and services supplied (excluding turnover tax).

Profit on works carried out for third parties and on works under own development is recognised up to the amount of the expected profit which corresponds with the completed portion of the work. The status of sales is also taken into account in calculating the profit to be taken on works under own development.

Operating costs are stated at historical cost. The FIFO method is generally used to determine the costs of raw materials and consumables. Intragroup supplies are reconciled at market prices.

Expenses incurred for development are capitalised only if the prescribed capitalisation criteria have been satisfied. Costs of research are not capitalised.

Costs arising from staff remuneration such as wages, salaries and social security charges are taken to the

profit and loss account in accordance with the terms of employment, in so far as they are payable to employees. Other staff remunerations, with the exception of jubilee payments, are charged to the result for the year in which they are paid. The costs ensuing from pension schemes are in principle equal to the pension contributions payable to pension funds and insurance companies over that period. In so far as contributions payable have not yet been made as at the balance sheet date, a commitment is recognised for this. If contributions already paid as at the balance sheet date exceed the contributions payable, an accrual is recognised in so far as there will be a future repayment by the pension funds and/or insurance companies concerned or set-off against contributions payable in the future.

A provision is also formed as at the balance sheet for existing additional commitments vis-à-vis pension funds, insurance companies and employees, if it is likely that the settlement of commitments will lead to an outflow of funds and if the extent of the commitments can be reliably estimated. Whether or not such additional commitments exist will be assessed on the basis of the pension management agreement with the pension funds and/or insurance companies, the pension agreement with employees and other (explicit or implicit) undertakings to employees. The provision is valued at the best estimate of the amounts needed to settle the commitments as at the balance sheet date.

Interest income and charges relate to interest that can be attributed to the year under review.

The results from non-consolidated participating interests are calculated based on the portion of the results corresponding with the participating interest held by TBI during the year under review, after deduction of the relevant taxes.

Tax on the profit is calculated on the basis of the result from ordinary activities taking into account any available tax facilities such as tax loss carry-over and substantial holding exemption. Income from tax loss carry-over is recognised once it can be foreseen.

### **Cash flow statement**

The cash flow statement is drawn up using the indirect method. Under this method, the net profit is adjusted for profit and loss account items which have no influence on revenue and expenditure in the year under review, movements in balance sheet items and profit and loss account items in respect of which

revenue and expenditure are not regarded as forming part of the operational activities.

The cash position in the cash flow statement comprises cash at bank and in hand as well as listed securities. Price gains or losses are taken directly to the items concerned. The acquisition price of acquisitions is stated under Cash flow from investment activities.

## Consolidated balance sheet as at 31 December 2010

(before appropriation of profit)

	<u>31 December 2010</u>	<u>31 December 2009</u>
<b>Non-current assets</b>		
Intangible assets [1]	2,558	2,330
Tangible assets [2]	138,068	144,953
Financial assets [3]	<u>579</u>	<u>171</u>
	<b>141,205</b>	<b>147,454</b>
<b>Current assets</b>		
Work in progress [4]		
– works for third parties	-211,904	-257,849
– land positions, etc.	210,220	255,920
– own development	<u>18,453</u>	<u>13,690</u>
	16,769	11,761
Stocks [5]	22,863	27,488
Receivables [6]	319,830	352,630
Securities [7]	187	175
Cash at bank and in hand [8]	<u>237,450</u>	<u>245,958</u>
	<b>597,099</b>	<b>638,012</b>
<b>Current liabilities</b>		
Credit institutions, etc. [9]	30,046	35,958
Other liabilities [10]	<u>458,788</u>	<u>447,803</u>
	<b>488,834</b>	<b>483,761</b>
Balance of current assets/current liabilities	<u><b>108,265</b></u>	<u><b>154,251</b></u>
	<b>249,470</b>	<b>301,705</b>
<b>Long-term liabilities [11]</b>	—	12,526
<b>Provisions [12]</b>	<b>9,733</b>	11,241
<b>Group equity</b>		
Shareholders' equity [13]	239,382	277,507
Minority interests	<u>355</u>	<u>431</u>
	<u><b>239,737</b></u>	<u><b>277,938</b></u>
	<b>249,470</b>	<b>301,705</b>



## Consolidated profit and loss account for the year 2010

	<u>2010</u>	<u>2009</u>
<b>Operating income [14]</b>	<b>2,023,851</b>	2,136,827
<b>Operating costs</b>		
Raw materials and consumables	-1,181,966	-1,248,679
Contracted-out work and other external costs	-94,128	-92,446
Wages and salaries	-401,826	-413,384
Social security charges	-72,427	-72,654
Pension charges	-30,881	-30,695
Depreciation of tangible assets [15]	-26,626	-24,448
Amortisation of intangible assets [16]	-659	-538
Other operating costs	-197,293	-231,693
	<u>-2,005,806</u>	<u>-2,114,537</u>
<b>Operating result before impairment</b>	<b>18,045</b>	22,290
Impairment [4]	-56,916	—
<b>Operating result after impairment</b>	<b>-38,871</b>	22,290
Interest income/charges [17]	-2,814	-1,733
Result from participating interests	-2,986	-60
	<u>-5,800</u>	<u>-1,793</u>
<b>Result from ordinary operations before tax</b>	<b>-44,671</b>	20,497
Taxation [18]	11,092	-4,957
<b>Result from ordinary operations after tax</b>	<b>-33,579</b>	15,540
Minority interest in result of group companies	-32	-43
<b>Net result</b>	<b><u>-33,611</u></b>	<b><u>15,497</u></b>

## Consolidated cash flow statement 2010

	<u>2010</u>	<u>2009</u>
Net result for year	-33,611	15,497
Adjustment for impairment (net)	42,402	—
Amortisation of intangible assets	659	538
Depreciation of tangible assets	26,626	24,448
Reduction in provisions due to deconsolidation	—	-83
Other movements in provisions	-1,508	-5,817
Movements in working capital excluding cash	<u>1,000</u>	<u>96,074</u>
<b>Net cash flow from operating activities</b>	<b>35,568</b>	<b>130,657</b>
Investments in intangible assets	-517	-1,208
Investments in tangible assets deriving	-22,749	-21,586
Disposals of tangible assets	1,748	5,501
Investments in tangible assets deriving from acquisitions	-396	-1,223
Disposals of tangible assets as a result of deconsolidation	1,656	729
Investments in intangible assets from acquisitions	-370	—
Movements in financial assets	<u>-408</u>	<u>85</u>
<b>Net cash flow from investment activities</b>	<b>-21,036</b>	<b>-17,702</b>
Repayment of long-term liabilities	-8,000	-14,000
Other movements in long-term liabilities	-4,526	-2,755
Exchange differences	135	43
Movements in credit institutions	-5,912	-3,001
Movements in minority interests	-76	39
Dividend	<u>-4,649</u>	<u>-14,286</u>
<b>Net cash flow from financing activities</b>	<b>-23,028</b>	<b>-33,960</b>
<b>Net cash flow for year</b>	<b><u>-8,496</u></b>	<b><u>78,995</u></b>
Opening cash and securities balance	246,133	167,138
Decrease/increase	<u>-8,496</u>	<u>78,995</u>
<b>Closing cash and securities balance</b>	<b><u>237,637</u></b>	<b><u>246,133</u></b>
Of which movements in year in construction consortia and other strategic alliances	<u>8,721</u>	<u>3,498</u>

## Overview of movements in shareholders' equity

### Shareholders' equity

	Issued capital	Share premium reserve	Other reserves	Non- distributed profit	Total
<b>Position as at 1 January 2009</b>	<b>45,378</b>	<b>7,683</b>	<b>175,385</b>	<b>47,807</b>	<b>276,253</b>
Addition to reserves	—	—	33,521	-33,521	—
Exchange differences	—	—	43	—	43
Dividend 2008	—	—	—	-14,286	-14,286
Result 2009	—	—	—	15,497	15,497
<b>Position as at 31 December 2009</b>	<b>45,378</b>	<b>7,683</b>	<b>208,949</b>	<b>15,497</b>	<b>277,507</b>
Addition to reserves	—	—	10,848	-10,848	—
Exchange differences	—	—	135	—	135
Dividend 2009	—	—	—	-4,649	-4,649
Result 2010	—	—	—	-33,611	-33,611
<b>Position as at 31 December 2010</b>	<b>45,378</b>	<b>7,683</b>	<b>219,932</b>	<b>-33,611</b>	<b>239,382</b>

## Notes to the consolidated balance sheet

### [1] Intangible assets

	Concessions	Development	Total
<b>Position as at 1 January 2010</b>			
Cost of acquisition	1,591	2,402	3,993
Cumulative amortisation	-732	-931	-1,663
<b>Book value</b>	<b>859</b>	<b>1,471</b>	<b>2,330</b>
<b>Movements in book value</b>			
Investments	5	512	517
Amortisation	-321	-338	-659
Consolidations, deconsolidations, etc.	—	370	370
<b>Balance</b>	<b>-316</b>	<b>544</b>	<b>228</b>
<b>Position as at 31 December 2010</b>			
Cost of acquisition	1,596	3,246	4,842
Cumulative depreciation	-1,053	-1,231	-2,284
<b>Book value</b>	<b>543</b>	<b>2,015</b>	<b>2,558</b>

## [2] Tangible assets

	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Other non- current assets</u>	<u>Assets on order, etc.</u>	<u>Total</u>
<b>Position as at 1 January 2010</b>					
Cost of acquisition	116,805	112,612	138,024	4,415	371,856
Cumulative depreciation	<u>-44,256</u>	<u>-81,175</u>	<u>-101,435</u>	<u>-37</u>	<u>-226,903</u>
<b>Book value</b>	<b><u>72,549</u></b>	<b><u>31,437</u></b>	<b><u>36,589</u></b>	<b><u>4,378</u></b>	<b><u>144,953</u></b>
<b>Movements in book value</b>					
Investments	1,871	8,465	11,823	590	22,749
Disposals	-140	-1,157	-451	—	-1,748
Depreciation	-4,528	-7,196	-14,900	-2	-26,626
Consolidations, deconsolidations, etc.	-1,822	58	504	—	-1,260
Reclassifications	<u>—</u>	<u>—</u>	<u>4,230</u>	<u>-4,230</u>	<u>—</u>
<b>Balance</b>	<b><u>-4,619</u></b>	<b><u>170</u></b>	<b><u>1,206</u></b>	<b><u>-3,642</u></b>	<b><u>-6,885</u></b>
<b>Position as at 31 December 2010</b>					
Cost of acquisition	116,205	109,462	151,673	774	378,114
Cumulative depreciation	<u>-48,275</u>	<u>-77,855</u>	<u>-113,878</u>	<u>-38</u>	<u>-240,046</u>
<b>Book value</b>	<b><u>67,930</u></b>	<b><u>31,607</u></b>	<b><u>37,795</u></b>	<b><u>736</u></b>	<b><u>138,068</u></b>

Depreciation is applied at the following annual rates:

Buildings	2½ – 33⅓ percent
Plant, equipment and machinery	20 percent
Other non-current assets (cars, dwellings)	10 – 20 percent

## [3] Financial assets

The movements in financial assets are as follows:

	<u>Non-consolidated participating interests</u>
<b>Position as at 1 January 2010</b>	
<b>Book value</b>	<b><u>171</u></b>
<b>Movements in book value</b>	
Balance of acquisitions and disposals	3,517
Profit distributions and dividends received	-101
Share in result for year	<u>-3,008</u>
<b>Balance</b>	<b><u>408</u></b>
<b>Position as at 31 December 2010</b>	
<b>Book value</b>	<b><u>579</u></b>

## [4] Work in progress

	<u>31 December 2010</u>	<u>31 December 2009</u>
The work in progress as at 31 December can be analysed as follows:		
<b>Works for third parties</b>		
Costs including profits recognised pro rata the progress, less provisions for losses	1,949,181	1,798,649
Less: Invoiced instalments	<u>-2,161,085</u>	<u>-2,056,498</u>
	<b>-211,904</b>	<b>-257,849</b>
<b>Land positions, building rights, unsold dwellings, etc.</b>		
Costs, less provisions for losses	220,805	259,227
Less: Invoiced instalments and project finance	<u>-10,585</u>	<u>-3,307</u>
	<b>210,220</b>	<b>255,920</b>
<b>Own development</b>		
Costs including profit recognised pro rata the progress, less provisions for losses	159,107	356,953
Less: Invoiced instalments and project finance	<u>-140,654</u>	<u>-343,263</u>
	<b>18,453</b>	<b>13,690</b>
	<b>16,769</b>	<b>11,761</b>
Made up as follows:		
Balance of works in progress greater than invoiced instalments	329,921	415,700
Balance of works in progress smaller than invoiced instalments	<u>-313,152</u>	<u>-403,939</u>
	<b>16,769</b>	<b>11,761</b>

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

The item Land positions, building rights and unsold dwellings relates mainly to land positions acquired in the Netherlands for development as construction sites in the near future. A substantial proportion of these positions are expected to be developed within three years. This item also includes the stock of physically completed but unsold homes, with a value of 19.3 million (31 December 2009: 29.1 million). In the light of the weak market conditions and outlook and the absence of a structural recovery in the near term, TBI performed analyses of its real estate positions in 2010. These analyses focused on the positions carrying the highest risk, predominantly positions in land and associated plan development costs. On the basis of these analyses, TBI concluded that the anticipated (future) realisable values of a number of positions needed to be permanently written down. An impairment charge was accordingly applied amounting to 56.9 million in 2010.

The item Own development includes the capitalised costs of unsold homes under construction of 38.8 million (31 December 2009: 59.9 million). No profit was taken on these dwellings.

## [5] Stocks

	<u>31 December 2010</u>	<u>31 December 2009</u>
Raw materials and consumables	13,239	17,371
Goods in production and semi-manufactures	807	872
Finished product and goods for resale	<u>8,817</u>	<u>9,245</u>
	<b>22,863</b>	<b>27,488</b>

## [6] Receivables

	<u>31 December 2010</u>	<u>31 December 2009</u>
Accounts receivable	232,246	289,293
Tax credits	18,399	7,233
Other receivables	58,816	49,518
Prepayments and accrued income	<u>10,369</u>	<u>6,586</u>
	<b><u>319,830</u></b>	<b><u>352,630</u></b>

The majority of the receivables have a term of less than one year.

The tax credits include deferred tax credits of 6.6 million, which consist largely of tax credits in relation to offsettable differences between the commercial and fiscal book value of assets and liabilities, as well as available tax relief for carry-forward losses.

## [7] Securities

The item Securities relates almost exclusively to listed debentures.

## [8] Cash at bank and in hand

	<u>31 December 2010</u>	<u>31 December 2009</u>
Banks	234,396	220,236
Deposits	2,880	25,552
Cash	<u>174</u>	<u>170</u>
	<b><u>237,450</u></b>	<b><u>245,958</u></b>

The cash at bank and in hand is at the free disposal of the group, with the exception of an amount of approximately 34.9 million (31 December 2009: 26.2 million) held in partnership firms and proportionally consolidated other participating interests. The Dutch bank balances also include the balances of frozen 'G'-type bank accounts to an amount of approximately 7.3 million (31 December 2009: 8.3 million).

## [9] Credit institutions, etc.

Amounts owed to credit institutions include repayment obligations in respect of long-term liabilities amounting to 8 million (31 December 2009: 14 million).

## [10] Other liabilities

Other current liabilities can be analysed as follows:

	<u>31 December 2010</u>	<u>31 December 2009</u>
Trade payables	210,356	213,011
Tax and social insurance premiums	42,641	50,070
Other participating interests	373	421
Pension contributions	4,296	5,884
Other liabilities	182,011	164,605
Accruals and deferrals	<u>19,111</u>	<u>13,812</u>
	<b><u>458,788</u></b>	<b><u>447,803</u></b>

## [11] Long-term liabilities

	<u>31 December 2010</u>	<u>31 December 2009</u>
Bank loans	—	12,387
Other loans	—	139
	<u>—</u>	<u>12,526</u>

The rate of interest on the loans is 4.0 percent. The maximum term remaining on these loans does not exceed five years. Repayment commitments falling due within one year are included under Current liabilities. An interest-rate swap has been taken out with a maximum interest rate of 3.965 percent (excluding mark-up) on a loan totalling 8 million in order to hedge interest-rate risks. The loan carries an interest-rate risk if the variable interest rate is lower than the fixed interest rate.

## [12] Provisions

	<u>Staff-related commitments</u>	<u>Re-structuring</u>	<u>Other</u>	<u>Total</u>
<b>Position as at 31 December 2009</b>	<b>4,568</b>	<b>3,321</b>	<b>3,352</b>	<b>11,241</b>
<b>Movements in 2010</b>				
Additions	541	1,075	468	2,084
Withdrawals	-317	-2,002	-643	-2,962
Amounts released	-365	-190	-75	-630
<b>Balance</b>	<b>-141</b>	<b>-1,117</b>	<b>-250</b>	<b>-1,508</b>
<b>Position as at 31 December 2010</b>	<b>4,427</b>	<b>2,204</b>	<b>3,102</b>	<b>9,733</b>

The majority of the provisions have a term of more than one year.

The provision for staff-related commitments relates to:

- Pension commitments
- Commitments in respect of early retirement of employees
- Commitments in respect of jubilee payments (staff anniversaries)

The provision for pension commitments relates mainly to self-administered pension schemes and is of negligible size.

The commitments in respect of jubilee payments are calculated on the basis of an actuarial interest rate of 4.0 percent (2009: 4.0 percent).

The pension schemes applying for employees of TBI and its group companies are placed with the following entities, depending on the relevant Collective Labour Agreement and/or employment contract:

- Pension fund for the Construction industry (Bedrijfstakpensioenfondsvoor de Bouwnijverheid)
- Pension fund for the Metalworking and Mechanical Engineering industry (Bedrijfstakpensioenfondsvoor Metaal en Techniek)
- Pension fund for the Mechanical and Electrical Engineering industry (Bedrijfstakpensioenfondsvoor Metalelektro)
- Insured 'dispensation' schemes:
  - Construction industry scheme (Gedispenseerde bedrijfstakregeling Bouw)
  - Mechanical and Electrical Engineering scheme/company pension schemes (Gedispenseerde bedrijfstakregeling Metalelektro)
  - Company pension schemes (Ondernemingspensioenregelingen)
- Stichting Pensioenfondsvoor TBI pension fund

The first three pension schemes above are operated by sector pension funds. In all cases where the pension scheme is placed with a sector pension fund, TBI group companies have no obligation in the event of a shortfall to make additional contributions other than the future contributions payable. Similarly, TBI group companies cannot make any claim on any surpluses in the funds. The foregoing also applies for the insured 'dispensation' schemes, the schemes administered by the Stichting Pensioenfondsvoor TBI pension fund and the company pension schemes placed with insurance companies. Based on the foregoing characteristics, the principle is that the pension charge to be recognised in the reporting period is equal to the pension contributions payable over that period to the pension funds or insurance companies, respectively.

The provision for restructuring serves to cover the costs associated with reorganisation, cessation of activities and environmental risks.

Other provisions relate among other things to foreseeable commitments and potential losses arising from disputes and legal proceedings, maintenance and rent guarantees in respect of development projects.

### [13] Shareholders' equity

	<u>31 December 2010</u>	<u>31 December 2009</u>
Issued capital	45,378	45,378
Reserves	227,615	216,632
Non-distributed profit	<u>-33,611</u>	<u>15,497</u>
	<u><b>239,382</b></u>	<u><b>277,507</b></u>

The authorised capital consists of 2,250,000 ordinary shares each having a nominal value of 100. 453,780 of these shares have been issued and fully paid up. The share premium reserve created on payment for shares is not distributable on a tax-free basis.

### Off-balance sheet commitments

	<u>31 December 2010</u>	<u>31 December 2009</u>
<b>Bank guarantees and suretyships</b>		
Guarantees in connection with letters of intent	24,304	22,942
Guarantees in connection with execution of works	182,462	200,274
Guarantees in connection with prepayments received	55,364	46,108
Other	<u>32,985</u>	<u>33,301</u>
	<u><b>295,115</b></u>	<u><b>302,625</b></u>

	<u>31 December 2010</u>			<u>31 December 2009</u>		
<b>Other</b>	<b>&lt; 1 year</b>	<b>1 – 5 yrs</b>	<b>5 years</b>	<b>&lt; 1 year</b>	<b>1 – 5 yrs</b>	<b>5 years</b>
Lease contracts	21,468	33,479	68	22,962	39,146	660
Rental contracts	13,968	43,457	22,076	13,164	39,500	24,948
Land purchase commitments	47,777	64,532	—	92,070	76,116	—

The commitments in respect of lease contracts relate mainly to the vehicle fleet. The commitments in respect of rental contracts relate mainly to property. The commitments in respect of operational lease and rent are in nominal amounts.

The commitments entered into in relation to land purchases are partially subject to planning changes and/or the issuing of (building) permits.

If contracting consortia take the form of a partnership firm, allowance is made for joint and several liability if and in so far as there are grounds for doing so on the basis of the financial position of the consortium and/or one or more of the partners therein.

TBI Holdings B.V. and its group companies are involved from time to time in legal disputes, all of which are contested. Based partly on legal advice, the Company management believes that the outcome of current proceedings will not exert a material influence on the consolidated position of TBI Holdings B.V.



## Notes to the consolidated profit and loss account

### Segmented information by area of activity

(x EUR 1 million)

	TBI vastgoed		TBI bouw		TBI techniek		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>Operating income</b>								
External	149.4	210.8	976.0	993.6	903.4	933.4	2,023.9	2,136.8
Internal	—	—	5.6	13.1	5.1	14.6	—	—
<b>Total</b>	<b>149.4</b>	<b>210.8</b>	<b>981.6</b>	<b>1,006.7</b>	<b>908.5</b>	<b>948.0</b>	<b>2,023.9</b>	<b>2,136.8</b>
<b>Operating result</b>	-9.8	-10.3	27.7	29.9	14.7	12.6	18.0	22.3
<b>Ratio</b>								
Operating result / operating income	-6.6%	-4.9%	2.8%	3.0%	1.6%	1.3%	0.9%	1.0%
<b>Total assets</b>								
Allocated	223.0	265.7	457.2	436.7	352.7	350.8	1,032.9	1,053.2
Not allocated							-294.6	-267.7
<b>Total</b>							<b>738.3</b>	<b>785.5</b>
<b>Commitments</b>								
Allocated	88.1	142.7	303.1	282.9	240.1	237.8	631.3	663.4
Not allocated							107.0	122.1
<b>Total</b>							<b>738.3</b>	<b>785.5</b>
<b>Investments in tangible assets</b>	1.5	0.7	10.2	6.7	10.7	13.7	22.7	21.6
<b>Depreciation of fixed assets</b>	3.2	0.8	9.6	10.8	13.5	12.5	26.6	24.5
<b>Amortisation of intangible assets</b>	0.2	—	—	—	0.4	0.5	0.7	0.5
<b>Order book</b>								
Written orders	175.4	261.8	1,370.5	1,306.6	766.3	663.4	2,312.2	2,231.8
Pipeline orders	—	—	209.0	293.7	274.9	47.3	483.9	341.1

### [14] Operating income

	2010	2009
Net turnover	2,075,135	1,982,424
Change in balance sheet value of work in progress and capitalised own production	-51,284	154,403
	<b>2,023,851</b>	<b>2,136,827</b>
<b>Geographical distribution of net turnover</b>		
Netherlands	2,024,749	1,933,003
Other EU countries	18,185	22,729
Rest of Europe	5,326	5,311
Outside Europe	26,875	21,381
	<b>2,075,135</b>	<b>1,982,424</b>

	<u>2010</u>	<u>2009</u>
<b>Employees</b>		
The average number of employees can be analysed by activity as follows:		
TBI vastgoed	167	202
TBI bouw	2,345	2,421
TBI techniek	6,194	6,279
Other	<u>30</u>	<u>28</u>
	<u><b>8,736</b></u>	<u><b>8,930</b></u>

### [15] Depreciation of tangible assets

Land and buildings	4,528	4,824
Plant and machinery	7,196	8,115
Other assets	14,900	11,508
Other	<u>2</u>	<u>1</u>
	<u><b>26,626</b></u>	<u><b>24,448</b></u>

### [16] Amortisation of intangible assets

Concessions	321	312
Development	<u>338</u>	<u>226</u>
	<u><b>659</b></u>	<u><b>538</b></u>

### [17] Interest income and charges

Other interest income	1,817	3,069
Interest charges	<u>-4,631</u>	<u>-4,802</u>
	<u><b>-2,814</b></u>	<u><b>-1,733</b></u>

### [18] Taxation

This relates to the tax payable on the results obtained in the Netherlands and elsewhere, taking into account the movement in the provision for deferred corporation tax liabilities. The tax payable is calculated at the applicable rates, taking into account tax-exempt profit components, permanent discrepancies and non-deductible costs.

The effective tax rate for the year amounts to 26.6 percent (2009: 24.1 percent). The relationship between the average effective tax rate and the statutory corporation tax rate is as follows:

	<u>2010</u>	<u>2009</u>
	%	%
Corporation tax rate	25.5	25.5
Liquidation loss and carry-forward losses	2.6	-3.1
Non-deductible costs	-1.0	2.0
Other	<u>-0.5</u>	<u>-0.3</u>
Effective tax rate	<u><b>26.6</b></u>	<u><b>24.1</b></u>

### Remuneration of Board of Management and Supervisory Board members

A total of 1,925 was charged to the Company in 2010 (2009: 2,658) for the remuneration of current and former members of the Board of Management. This amount includes past-service commitments and other pension charges. A total of 249 was charged to the Company in 2010 (2009: 273) for the remuneration of the members of the Supervisory Board.

## Company balance sheet as at 31 December 2010

(before appropriation of profit)

	<u>31 December 2010</u>	<u>31 December 2009</u>
<b>Non-current assets</b>		
Tangible assets [1]	1,015	1,188
Financial assets [2]	<u>292,116</u>	<u>309,773</u>
	<b>293,131</b>	<b>310,961</b>
<b>Current assets</b>		
Receivables [3]	2,905	1,490
Securities	105	105
Cash at bank and in hand [4]	<u>159,745</u>	<u>180,826</u>
	<b>162,755</b>	<b>182,421</b>
<b>Current liabilities [5]</b>	<u>215,888</u>	<u>207,419</u>
Balance of current assets/current liabilities	<u>-53,133</u>	<u>-24,998</u>
	<b>239,998</b>	<b>285,963</b>
<b>Long-term liabilities (6)</b>	—	8,000
<b>Provisions [7]</b>	<b>616</b>	456
<b>Shareholders' equity [8]</b>		
Issued capital	45,378	45,378
Share premium reserve	7,683	7,683
Other reserves	219,932	208,949
Result for year	<u>-33,611</u>	<u>15,497</u>
	<b>239,382</b>	<b>277,507</b>
	<b>239,998</b>	<b>285,963</b>

## Company profit and loss account for the year 2010

	<u>2010</u>	<u>2009</u>
Result from participating interests after tax	-13,883	26,129
Other income and expenditure after tax [9]	<u>-19,728</u>	<u>-10,632</u>
	<b>-33,611</b>	<b>15,497</b>

## Notes to the company financial statements 2010

### General

The financial statements of TBI are incorporated in the consolidated financial statements. The accounting policies used for the Company financial statements are the same as those used in drawing up the consolidated financial statements. Consolidated group companies and other legal entities are stated at net asset value in accordance with TBI accounting policies.

### Balance sheet

#### [1] Tangible assets

The tangible assets relate to Other non-current assets.

#### [2] Financial assets

	<u>31 December 2010</u>	<u>31 December 2009</u>
Share in group companies	<u>292,116</u>	<u>309,773</u>

The movements in financial assets are as follows:

	<u>Share in group companies</u>
<b>Position as at 1 January 2010</b>	
<b>Book value</b>	<u>309,773</u>
<b>Movements in book value</b>	
Net result for 2010	-13,883
Dividends received	-39,919
Investments less provisions	36,010
Other	<u>135</u>
<b>Balance</b>	<u>-17,657</u>
<b>Position as at 31 December 2010</b>	
<b>Book value</b>	<u>292,116</u>

#### [3] Receivables

The receivables relate to other receivables and prepayments and accrued income. A substantial proportion of the receivables have a term of less than one year.

**[4] Cash at bank and in hand**

	<u>31 December 2010</u>	<u>31 December 2009</u>
Deposits	—	20,000
Cash	2	2
Banks	<u>159,743</u>	<u>160,824</u>
	<b><u>159,745</u></b>	<b><u>180,826</u></b>

**[5] Current liabilities**

Amounts owed to group companies	198,311	183,427
Credit institutions	8,000	14,000
Other liabilities, accruals and deferrals	<u>9,577</u>	<u>9,992</u>
	<b><u>215,888</u></b>	<b><u>207,419</u></b>

TBI acts as a banker for its subsidiaries. Under this arrangement the funds of these subsidiaries which are not required for the day-to-day running of the business can be deposited in an interest-bearing 'financing account' operated by the parent company. These amounts are payable daily on demand. The interest paid on these current accounts is based on the base rate set by the commercial banks, plus a mark-up. The average rate of interest in 2010 was 4.8 percent (2009: 5.2 percent).

**[6] Long-term liabilities**

This item relates to a bank loan. An interest-rate swap with a maximum interest rate of 3.965 percent (excluding mark-up) has been effected to hedge the interest-rate risks associated with this loan. The remaining term is 1.5 years. Repayment takes place in three equal six-monthly instalments of 7 million plus a final instalment of 1 million. The loan carries an interest-rate risk if the variable interest rate is lower than the fixed interest rate.

**[7] Provisions**

	<u>31 December 2010</u>	<u>31 December 2009</u>
Restructuring	521	400
Other	<u>95</u>	<u>56</u>
	<b><u>616</u></b>	<b><u>456</u></b>

## [8] Shareholders' equity

	Issued capital	Share premium reserve	Other reserves	Result for year	Total
<b>Position as at 31 December 2009</b>	<b>45,378</b>	<b>7,683</b>	<b>208,949</b>	<b>15,497</b>	<b>277,507</b>
<b>Movements in 2010</b>					
Payment of dividend for 2009	—	—	—	-4,649	-4,649
Addition to Other reserves	—	—	10,848	-10,848	—
Exchange differences	—	—	135	—	135
Result for current year	—	—	—	-33,611	-33,611
<b>Net movements</b>	<b>—</b>	<b>—</b>	<b>10,983</b>	<b>-49,108</b>	<b>-38,125</b>
<b>Position as at 31 December 2010</b>	<b>45,378</b>	<b>7,683</b>	<b>219,932</b>	<b>-33,611</b>	<b>239,382</b>

## Off-balance sheet commitments

The Company has undertaken joint and several liability in respect of liabilities of a number of group companies based in the Netherlands ensuing from legal acts.

The Company has issued corporate guarantees, mainly to project principals, in place of bank guarantees. At year-end 2010 these guarantees amounted to 54.1 million (year-end 2009: 59.7 million).

Together with its shareholder and a number of subsidiaries located in the Netherlands, the Company forms a fiscal entity for the purposes of turnover taxes and/or corporation tax. Pursuant to statutory provisions, all members of a fiscal entity are jointly and severally liable for the tax liabilities of the fiscal entity.

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

## Profit and loss account

In drawing up an abridged profit and loss account, use has been made of the facility provided by Section 402 of Book 2 of the Netherlands Civil Code.

## [9] Other income and expenditure after tax

In the year under review audit fees totalling 111,000 were paid in connection with the auditing of the financial statements by audit organisations, as referred to in Section 1, subsection 1 of the Dutch Audit Firms (Supervision) Act (Wta).

Rotterdam, 10 March 2011

Supervisory Board  
J.C. ten Cate  
P.A.M. Berdowski  
I.P. Asscher-Vonk  
J.B. van Dongen RA  
J.E. de Vries

Board of Management  
E.H.M. van den Assem  
P.L. Broekhuijsen  
D.A. Sperleng

## Markthal Rotterdam



The multifunctional Markthal market hall building in Rotterdam is based on a Southern European design and will be situated in the heart of Rotterdam, surrounded by modern residential and office buildings and adjacent to the most important shopping centres in the city, such as Koopgoot and Hoogstraat. The Markthal will be right next to Blaak station in the heart of the Laurenskwartier district, the nascent new gateway to the centre of Rotterdam. In addition to a covered fresh produce market, the building will house a variety of hospitality outlets. Underneath the building will be a supermarket and a four-storey underground car park with 1,200 spaces. The arch above the market hall will contain 228 apartments.

The Martens Van Oord Mobilis consortium is building the sub-structure, involving an excavation to a depth of 14 metres below ground level and featuring the use underwater concrete, combi-walls, tubular sheet piling, concrete gallow frames and horizontal anchoring. A total of 2,270 vibro-combipiles will be used. Completion of the Markthal Rotterdam is scheduled for mid-2014.

**Mobilis**  
**Voorbij Funderingstechniek**

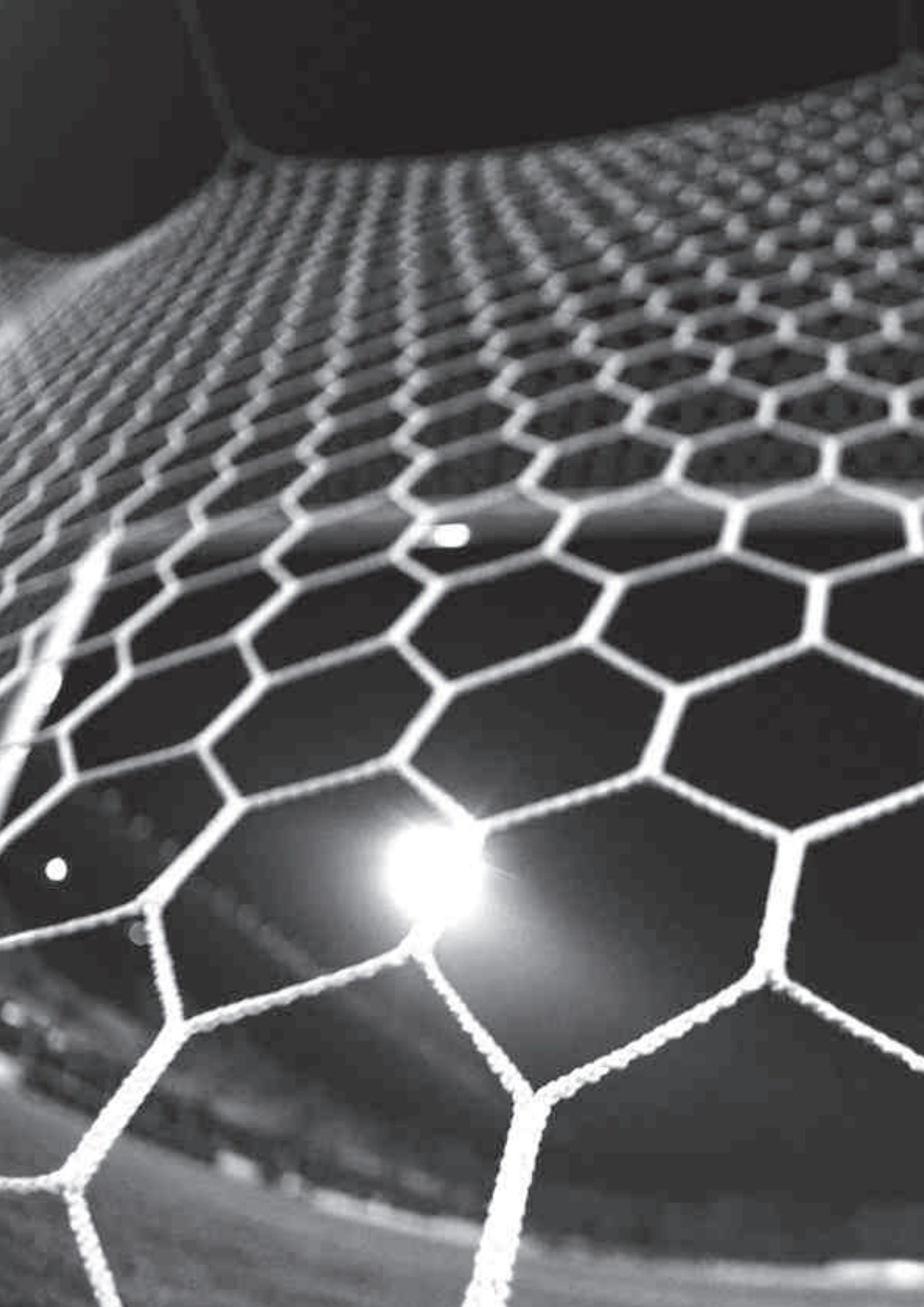
## De Oriënt The Hague



The De Oriënt new-build project in The Hague makes a key contribution to enhancing and strengthening the Transvaal district. Given the economically straitened times, however, it was not a simple matter to get a project like this off the ground. Nonetheless, several parties believed in the strength of De Oriënt and its importance for the district and decided to join forces. The Hague city council, the Ministry of Infrastructure and the Environment, Staedion, Syntrus Achmea Vastgoed and Dexa Groep accordingly pooled their strengths to help make the start of construction possible.

The inspiration for the De Oriënt development is drawn from the Transvaal district itself and the many Oriental cultures which enrich its neighbourhoods. This is reflected mainly in the striking architecture, with its richly coloured gables, Oriental ornamentation and silhouettes.

**ERA Contour**





A black and white photograph of a soccer goal net. The net is made of a hexagonal mesh and is illuminated from behind, creating a bright, glowing effect. The background is dark, and there are some blurred lights visible through the net. The overall mood is dramatic and focused.

# objective

Pooling strengths

# Other information

### **Provisions of the Articles of Association concerning profit appropriation**

#### **Article 24**

Reserves charged to the profit shall be formed as determined by the Board of Management with the approval of the Supervisory Board. The amount remaining thereafter shall be at the disposal of the General Meeting of Shareholders.

#### **Appropriation of profit for 2009**

Pursuant to the stipulations of the Articles of Association, out of the profit of 15.5 million an amount of 10.9 million was added to the Other reserves. The remainder, totalling 4.6 million, was distributed to shareholders in the form of cash dividend.

#### **Proposed appropriation of result for 2010**

The net loss for 2010 amounts to 33.6 million. The company proposes to charge the loss to the Other reserves. In addition, the General Meeting of Shareholders will be asked to approve the distribution of an amount totalling 4.6 million, charged to the Other reserves.

# Auditor's Report

## Declaration concerning the financial statements

We have audited the financial statements for the year 2010 of TBI Holdings B.V., Rotterdam, as set out on pages 57 to 74 inclusive of this annual report, consisting of the consolidated and company balance sheet as at 31 December 2010 and the consolidated and company profit and loss account for the year 2010 together with the notes thereto, including a summary of the accounting policies used as well as other notes.

## Responsibility of the Board of Management

The Board of Management of the company is responsible for preparing the financial statements, which must present a true and fair picture of the financial position and result, as well as for drawing up the annual report, both in accordance with Part 9, Book 2 of the Netherlands Civil Code. The Board of Management is also responsible for maintaining an internal control system that it deems appropriate for preparing the financial statements in such a way that they contain no material misstatements as a result of fraud or errors.

## Responsibility of the auditor

Our responsibility is to issue an opinion on the financial statements based on our audit. We performed our audit in accordance with Netherlands law, including audit standards applying in the Netherlands. This requires us to comply with prevailing ethical codes and to plan and conduct our audit in such a way as to obtain reasonable assurance that the financial statements contain no material misstatement.

An audit includes performing activities to obtain audit information on the amounts and notes contained in the financial statements. Selection of the activities to be performed depends on the professional opinion of the auditor, including an assessment of the risks that the financial statements contain material misstatements as a result of fraud or errors.

In making this assessment, the auditor takes into account the internal control measures that are relevant for the compilation of the financial statements and the accurate presentation of the financial position and result of the company therein, in order to be able to select audit activities which are appropriate under the circumstances. This assessment is not intended to provide an opinion on the effectiveness of the internal control system of the company. An audit also includes assessing the suitability of the accounting principles used and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the information obtained from our audit provides a reasonable basis for our opinion.

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of TBI Holdings B.V. as at 31 December 2010 and of the result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

## Declaration concerning other statutory or regulatory requirements

Pursuant to Section 393, subsection 5(e) and (f) of Book 2 of the Netherlands Civil Code, we declare that, as far as we have been able to ascertain, no shortcomings have emerged as a result of our audit as to whether the annual report has been drawn up in accordance with the provisions of Part 9 of Book 2 of the Netherlands Civil Code, and whether the information required pursuant to Section 392, subsection 1(b) to (h) inclusive of Book 2 of the Netherlands Civil Code has been added. We have also to the extent of our competence established that the annual report is consistent with the company financial statements as required by Section 391, subsection 4 of Book 2 of the Netherlands Civil Code.

Rotterdam, 10 March 2011

PricewaterhouseCoopers Accountants N.V.  
P. Tieleman

## Definitions

### **Capital ratio**

The capital ratio is based on shareholders' equity as a percentage of total assets.

### **COSO framework**

A generally accepted framework for internal risk management. This Enterprise Risk Management Framework originates from the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

### **Current ratio**

The current ratio is calculated as the ratio of the current assets to the current liabilities.

### **Debt / EBITDA ratio**

The consolidated interest-bearing debt as a proportion of the consolidated operating result before financial income and charges, depreciation, amortisation, taxes and extraordinary income and expenditure (EBITDA).

### **EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation)**

The operating result before allowing for financial incumbent charges, taxation, depreciation of tangible assets and amortisation of intangible assets. EBITDA is used as a measure of the ability of the business to generate cash and forms part of the financial covenants of the syndicate.

### **Interest Coverage Ratio**

(Consolidated) operating result before financial income and charges, taxes and extra ordinary income and expenditure (EBIT) is a proportion of the (consolidated) interest paid.

### **Invested capital**

The invested capital includes non-current assets, intangible assets, net working capital and tied cash.

The average invested capital is calculated on the basis of the invested capital at the start of the reporting period, at the start of the intervening quarters and at the end of the reporting period.

### **Operating income**

Operating income broadly comprises the value of production carried out in return for income. Operating income includes net turnover, movements in work in hand (including profit mark-up and/or provisions formed to cover losses) and other operating income. Net turnover comprises the realisable value recognised in the reporting period of completed works and goods and services supplied (excluding turnover tax).

### **Order book**

The order book comprises the portion not yet implemented of the value of work in hand or work and/or projects still to be implemented as at the balance sheet date, as well as the 'pipeline', i.e. the total orders to be received for projects on which price agreement has been reached (construction teams) or with the lowest tender (tender contracts).

### **Result from ordinary operations**

The result from ordinary operations encompasses the operating result, interest and the result from non-consolidated participating interests.

# Overview of operational structure and managements of TBI companies

April 2011

## TBI vastgoed

### Hevo B.V.

management:  
E.R. van der Sluis MBA,  
W.J.Th.A. van Boekel  
www.hevo.nl

### Synchroon B.V.

management: A.J.H. van Breukelen,  
J.H.A. Vaags  
www.synchroon.nl

### TBI Vastgoed B.V.

management: TBI Holdings B.V.  
www.tbi.nl

### Blanxx B.V.

management: R. van Duuren  
www.blanxx.nl

## TBI bouw

### Aanneming Maatschappij

#### J.P. van Eesteren B.V.

management: P.J. Heijboer,  
Th.F.C. Jansen  
www.jpvaneesteren.nl

### NUbouw

management: M.H. Goudkade  
www.jpvaneesteren.nl

### ERA Contour B.V.

management: H. Homberg MBA,  
R.P. van den Bergh,  
J.P. van Zomeren  
www.eracontour.nl

### Hazenberg Bouw B.V.

management: B.N.W. de Bont,  
A.J.C.J. van de Loo, S.J.F. de Wit  
www.hazenbergbouw.nl

### Aannemingsbedrijf

#### Nico de Bont B.V.

management: B.N.W. de Bont  
www.nicodebont.nl

### B.V. Bouwbedrijf Hazenberg

management: A.J.C.J. van de Loo  
www.hazenberg.nl

### Korteweg Bouw B.V.

management: S.J.F. de Wit  
www.kortewegbouw.nl

### Heijmerink Bouw B.V.

management: H. van Keulen  
www.heijmerink.nl

### Kanters Bouw en Vastgoed B.V.

management: R. Honig  
www.kantersbouw.nl

### Koopmans Bouwgroep B.V.

management: H.C. Smit,  
E.J.C. Groothuis  
www.koopmans.nl

### MDB B.V.

management: J.H.S. Mulkens  
www.mdb.nl

### Voorbij Groep B.V.

management:  
D. van Wagenveld MBA  
www.voorbij-groep.nl

### Voorbij Prefab Beton B.V.

management:  
D. van Wagenveld MBA  
www.voorbij-prefabbeton.nl

### TBI Infra B.V.

management: ing. J. Luijten

### Mobilis B.V.

management: J. Luijten,  
M.O. Janknegt,  
J. de Jong  
www.mobilis.nl

### Voorbij Betonsystemen B.V.

management: J. Luijten  
www.voorbij-betonsystemen.nl

### Voorbij Funderingstechniek B.V.

management: J. Luijten  
www.voorbijfunderingstechniek.nl

### Voorbij Spantechniek B.V.

management: J. Luijten  
www.voorbij-spantechniek.nl

## TBI techniek

### Acto Informatisering B.V.

management: J.G. van Noort  
www.acto.nl

### Alfen B.V.

management: M. Roeleveld,  
A.J.F. Dalmeijer  
www.alfen.nl

### Baas Groep B.V.

management: T. Schra MBA,  
C. de Korver, F.O. Minnee RA  
www.baasgroep.nl

### Croon Elektrotechniek B.V.

management: C. Smit,  
L.B. Koek MBA  
www.croon.nl

### Eekels Elektrotechniek B.V.

management: H. de Haan,  
L.H.J.D. Brom  
www.eekels.com

### Fri-Jado B.V.

management: R.J. Goedhart,  
E.J. Bos  
www.frijado.nl

### HVL B.V.

management: J.M. Kuling,  
C.W. Padmos, W.G. Ram  
www.hvl.nl

### Ingenieursbureau

#### Wolter & Dros B.V.

management: J.M.H.R. Knubben,  
J.C. Kattemölle,  
www.wolterendros.nl

### TBI Direct B.V.

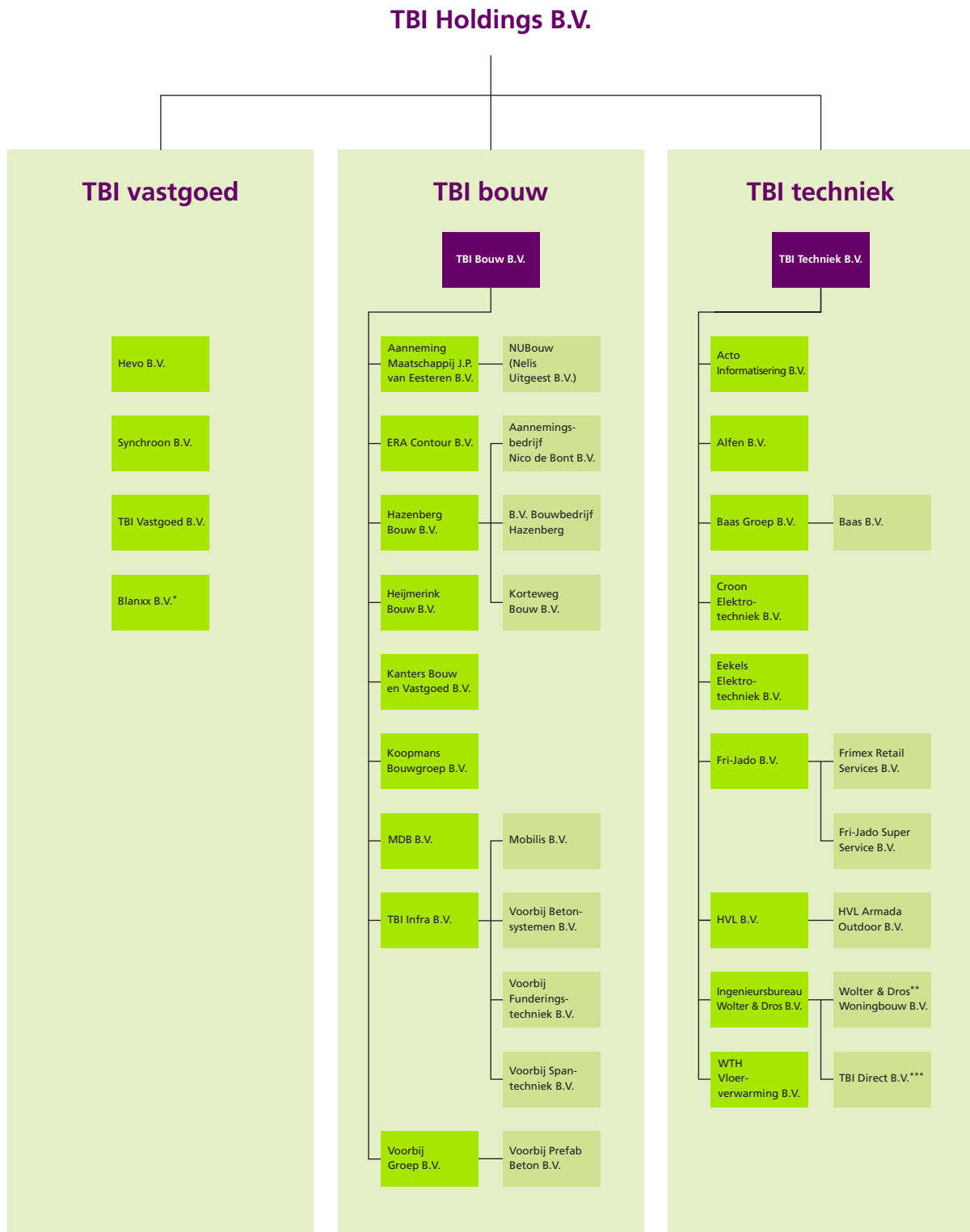
management: M. van der Graaf  
www.tbidirect.nl

### WTH Vloerverwarming B.V.

management: R.A. Heuperman,  
R. Bastinck  
www.wth.nl

# Organisational structure of TBI Holdings B.V.

April 2011



\* The partners in Blanxx B.V. are Croon, J.P. van Eesteren, Hevo, HVL and Wolter & Dros

\*\* Wolter & Dros Woningbouw B.V. trades under the name Comfort Partners

\*\*\* The partners in TBI Direct B.V. are Croon, HVL and Wolter & Dros

**Editorial and production**

TBI Secretariat & Communications, Rotterdam

**Copy and design**

Total Identity, The Hague

**Layout, printing and finishing**

Henk Grafimedia Center, Belfeld

**Photography**

Age fotostock (54)

Erik-Jan Geniets (26)

Hollandse Hoogte (1)

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Shutterstock (16)

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Levien Willemse (13)

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TBI Holdings B.V., Rotterdam

April 2011

This English-language report is  
a translation of the Dutch original.







