



Annual Report 2011

Talent in action



Key figures¹

	2011	2010	2009	2008	2007
Consolidated figures²					
Operating income	2,172	2,024	2,137	2,404	2,284
EBITDA ³	59.4	45.3	47.3	85.3	81.0
Operating result ³	33.3	18.0	22.3	61.5	56.5
Net result	24.2	-33.6	15.5	47.8	89.3
Total assets	793.9	738.3	785.5	868.0	830.6
Shareholders' equity	263.3	239.4	277.5	276.3	273.8
Interest-bearing long-term liabilities	-	-	12.5	29.3	43.9
Net working capital	-74.6	-99.3	-55.9	40.2	75.2
Cash at bank and in hand	216.1	237.4	246.0	167.0	132.0
Orders received	1,940	2,140	2,066	2,956	2,393
Order book	2,394	2,796	2,573	2,885	2,992
Net investments in tangible assets	24.2	21.0	16.1	18.7	19.3
Depreciation of tangible assets	25.2	26.6	24.5	23.4	24.2
Amortisation of intangible assets	0.8	0.7	0.5	0.4	0.3
Cash flow	50.2	50.6	40.5	71.6	113.8
Average number of employees	8,498	8,736	8,930	9,146	8,859
Number of employees at year end	8,253	8,742	9,000	9,254	9,413
Ratios					
Operating result as % of operating income ³	1.5	0.9	1.0	2.6	2.5
Net result as % of					
- operating income	1.1	-1.7	0.7	2.0	3.9
- shareholders' equity	9.2	-14.0	5.6	17.3	32.6
Capital ratio (%)	33.2	32.4	35.3	31.8	33.0
Current ratio	1.26	1.22	1.32	1.31	1.35

¹ Adjusted for comparison purposes

² Amounts x EUR 1 million

³ Excluding impairment

Annual report 2011

Talent in action



Talent in action

Henk van der Spek
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Nieuw Crooswijk development, Rotterdam



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Talent in action

All amounts are in euros, unless stated otherwise

Placing 'entrepreneurship low down in the organisation' is a core value of TBI. This entrepreneurship, coupled with professional expertise, enables our people to offer our clients an optimum service time and again. It is an approach which has proved successful, including in times of economic difficulty.

The theme of this annual report is Talent in action. Our diverse and sustainable projects are realised by versatile staff who perform their tasks with passion. In this report we present a selection of projects and the people who develop or carry them out: people who, together with many others, are responsible for delivering our products and services day in, day out with thoroughness and responsibility.

Improvement in operating income and results

In a year of challenging market conditions, TBI succeeded in posting excellent results. Our operating income improved by around 150 million compared with the previous financial year (an increase of 7 percent) to almost 2.2 billion. The operating result rose by no less than 85 percent, from 18 million to 33.3 million. Last year's net result was transformed into a profit of 24.2 million.

Measures proving effective

The improved figures are the result of a number of factors. Entrepreneurship plays an important role, but TBI also pays continual attention to cost control, process and product optimisation and reducing failure costs. In 2010 we also began restructuring operations at a number of (loss-making) activities and took the initiative of selling businesses which had little or no synergy with TBI's core activities.

The details of a radical reorganisation of our project development activities and the restructuring of our project development portfolio took shape in late 2010 and early 2011. Synchron is a project developer specialising in the housing and commercial real estate segments. Thanks to the measures taken in 2011, Synchron recorded a positive operating result of 1.1 million, a considerable improvement compared with the negative operating result of 15.6 million in 2010.

In addition, the activities of Baas were sold in October 2011 through a management buy-out. Baas, a contractor specialising in underground infrastructure, generated insufficient synergy with the other core activities of TBI.

Up to and including September 2011, Baas made a negative contribution to the operating result of 5.9 million (full-year 2010: 5.3 million negative). The positive impact of this sale will be reflected in our results for 2012.

We also sold Veldhoen + Company in a management buy-out in 2011; here again, the activities offered too little synergy with the rest of the group.

In addition to these measures, the activities of Voorbij Prefab Beton, our Amsterdam-based concrete production plant, were integrated with the activities of TBI Infra in 2011.

Challenging market conditions

Current developments in Dutch society are leading to the complete disappearance of a number of traditional certainties in our world of real estate, construction and engineering. Population growth, which has been a natural driver of the construction industry since the 1950s, is coming to a halt, and in some regions of the Netherlands the population is actually shrinking. The non-residential construction market, traditionally driven by the growing

The theme of this annual report is 'Talent in action'. Our projects are realised thanks to the talents of our staff.

economy, is also stagnating in the wake of the emergence of more efficient working processes, new working practices, mobile communications and Internet technology. As a result, the way in which people live, work and travel in the Netherlands is changing radically, and some market mechanisms which are favourable for the construction industry will not return. As an example, it is a reality that fewer new homes and offices will be needed in the future. As a group, it is important that we respond to these developments, and a strategic reorientation was accordingly initiated in 2011 which will take effect from 2012 onwards.

Revamping our strategy

TBI's strategic objective is and continues to be to develop a strong, solvent position in its relevant market segments, namely Engineering, Construction & Development and Infrastructure. Against the backdrop of the challenging and changing market conditions, it was decided in the year under review to update the Strategic Plan 2008 – 2013. To this end, we conducted a detailed market survey and portfolio analysis in 2011, looking primarily at sustainability, energy-efficiency, the importance of total cost of ownership and offering total solutions.

Based on numerous studies and analyses, we concluded that there is scope within TBI, with its portfolio of autonomous companies active in overlapping markets, to improve the financial performance, whilst at the same time enabling better use to be made of the benefits inherent in the portfolio of activities. This conclusion led to the following actions being taken before the end of the year under review:

- Installation of an Executive Board, one tier below the Board of Management. The Executive Board will reinforce the multidisciplinary cooperation between the Engineering, Construction & Development and Infrastructure segments in the light of the strategic choices made by TBI. The Executive Board has advisory authority vis-à-vis the Board of Management.
- Changes to the internal control of our activities. With effect from 2012, TBI's activities will be divided into the following segments: Engineering, Construction & Development and Infrastructure: The existing division into real estate, construction and engineering has therefore been abandoned with effect from 1 January 2012.
- Repositioning and profiling of Aanneming Maatschappij J.P. van Eesteren B.V. and Heijmerink Bouw B.V. These two companies were merged on 1 February 2012 under the name J.P. van Eesteren B.V., thereby strengthening the position in the non-residential construction market.
- Repositioning and profiling of ERA Contour B.V. and Kanters Bouw en Vastgoed B.V.. This repositioning led to ERA Contour B.V. becoming the direct shareholder of Kanters Bouw en Vastgoed B.V. with effect from 2 February 2012. The aim of this move is to strengthen the position in the residential construction market in the west of the Netherlands.

From our position of strength, we are opting to pursue a course which comes down to a stronger focus on the market and the customer, more pooling of knowledge and strengths and more joint presentation of our strong products.

The strategic reorientation will be developed further in 2012, culminating in a Strategic Plan 2013 – 2015. This will enable TBI to continue operating at the top of the Engineering, Construction & Development and Infrastructure segments in the years ahead.

In a year of challenging and changing market conditions, TBI succeeded in posting excellent results.

- Operating income up by 150 million to 2.2 billion
- Operating result 33.3 million
- Net profit 24.2 million

Strong financial position and secure funding

TBI enjoys a strong financial position, with a capital ratio of over 33 percent at the end of 2011. The liquidity position stands at over 216 million, and TBI has no long-term debt.

In 2011 we decided to enter into early negotiations with the banks in order to extend the existing credit facility of 100 million due to expire in July 2012. On 9 December 2011 we signed a new revolving facility agreement with four banks. The facility amounts to 100 million, with the option of raising it by 50 million, and has a term of five years, expiring at the end of 2016.

In this period of economic uncertainty, our financial position offers our stakeholders stability and certainty about the continuity of TBI and its businesses in both the short and long term.

Continual focus on sustainability

The staff of TBI work together to create a profitable and sustainable business. As part of this endeavour, we seek to strike an optimum balance between social responsibility, economic progress, personal development and sustainable enterprise. The society in which we operate increasingly demands that we do business in a sustainable way. At TBI we do not seek to avoid this responsibility, but on the contrary regard sustainability as the core theme of our strategy.

In 2011 we decided to embed these initiatives and our ambitions in relation to sustainability in the group strategy which serves as a guiding principle for all our companies.

A sustainability report will be published in June 2012, drawn up in accordance with the guidelines of the Global Reporting Initiative. Our ambition is to integrate our performance in the area of sustainable enterprise into our regular annual report starting with the annual report for the financial year 2012.

The 2011 sustainability report will describe our sustainability performance and our ambitions for the future.

There are two achievements which are worthy of mention now in this regard:

- TBI switched to using wind power in 2011. Buying electricity generated through wind power contributes to responsible use of energy on construction sites and in our offices, and reduces our carbon emissions by 15,000 tonnes on an annual basis. That is equivalent to the annual CO₂ emissions of around 8,000 households.
- All TBI companies were accredited to at least level 3 on the CO₂ performance ladder in 2011. The CO₂ performance ladder is a tool designed to encourage companies which participate in tenders to try to reduce CO₂ emissions in their own business operations and when carrying out projects. The focus is mainly on energy conservation, efficient use of materials and use of sustainable energy. A number of our companies, including TBI Infra, Voorbij Groep, HVL and WTH, secured accreditation at level 5, the highest attainable level, in 2011. Our ambition is to achieve accreditation at level 5 across the whole of TBI.

TBI switched to using wind power. Buying electricity generated through wind power contributes to responsible use of energy.

All TBI companies are accredited to at least level 3 on the CO₂ performance ladder.

Realisation of projects

TBI's activities are carried out on a project basis. Our group companies work in collaboration either with each other or with others on a range of small and large projects. Section 3.7 of this annual report describes developments at individual TBI companies. Some of the highlights in 2011 were as follows:

- The new administrative centre of Rabobank in Utrecht was completed as part of a consortium.
- Europol, the European Union's law enforcement agency, was able to move into its new head office in The Hague, with a gross floor area of 32,000 square metres. The building is equipped with very advanced technology and a finely balanced energy concept based on sustainable underground heat and cold storage was completed by J.P. van Eesteren.
- Heijmerink delivered the new head office for the energy producer Eneco in 2011. This building was hailed as the greenest office building in the Netherlands.
- The remodelling and new-build work on the provincial government headquarters (Provinciehuis) in Leeuwarden was completed in partnership with others.
- Mobilis completed the new Rotterdam Centraal Metro station; this was a major project which was carried out amidst the thousands of commuters who use this transport hub on a daily basis;
- Up to and including 2011, Alfen had installed more than 1,500 charging points for electric vehicles. Alfen is now one of the leading market players in Europe in this field.
- Fri-Jado is one of the initiators of the collaborative venture The Green Retailer, in which partners work together to develop concepts that are sustainable, low-energy and energy-producing, for use in the ultra-low-energy supermarkets of the future;
- The building of the new Kromhout Kazerne barracks in Utrecht for the Royal Netherlands Army Command was completed; this was an installation contracting project carried out by Wolter & Dros and HVL;
- The renovation of the National Maritime Museum (Scheepvaartmuseum) in Amsterdam, in which Wolter & Dros was responsible for the mechanical plant, and the Drents Museum in Assen, where Croon and Wolter & Dros, supplied and installed the technical plant, were both completed.

Thanks to all staff

TBI demonstrated yet again in 2011 that it is a powerful concern which is set to become even stronger in the coming years. We are changing because the environment in which we operate is changing, with the aim of strengthening our business further. Thanks to the committed talents of our more than 8,200 staff, we are investing a great deal of passion in the continual effort to ensure that TBI continues to develop into a competitive, customer-focused and responsible business.

The managements and staff of TBI worked hard to achieve the financial and other objectives of TBI and the TBI companies in 2011. On behalf of the Board of Management, I should like to express my heartfelt thanks and appreciation for this.

Rotterdam, 14 March 2012

On behalf of the Board of Management of TBI Holdings B.V.
E.H.M. van den Assem (chairman)

Thanks to the committed talents of our staff, we are building TBI into a competitive, customer-focused and responsible business.

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Profile, strategy and ambitions

Profile, strategy and ambitions

All amounts are in euros, unless stated otherwise

1.1 Profile

General

With an average of 8,500 employees, TBI Holdings B.V. (TBI) generated operating income of 2.2 billion in 2011 and an operating result of 33.3 million. Measured by operating income, TBI is the second largest engineering and fourth largest construction group in the Netherlands.

The TBI group is made up of a network of companies active in the segments Engineering, Construction & Development and Infrastructure. The TBI companies operate both independently and in partnership, primarily in the Dutch home market.

The TBI companies share knowledge, deploy their capacity to best advantage and focus on the integral design, development and construction of a sustainable residential, working and living environment. The individual companies each focus strongly on specific market segments, in their own respective regions or elsewhere. Through multidisciplinary cooperation, TBI is able to create added value for its stakeholders: its customers, staff, shareholder, suppliers and society in a broad sense. TBI 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 shareholder structure, in which the sole (indirect) shareholder is an independent foundation, Stichting TBI.

TBI is characterised by a decentralised group structure, in which entrepreneurship is embedded as low down in the organisation as possible, within the individual TBI companies themselves. This structure

ensures that each TBI company is able to develop independent entrepreneurship. Unity is reflected in the pursuit of a common course, in the embracing of shared core values and in the code of conduct applied by TBI and its companies. Part of this philosophy involves providing an inspiring working environment and adopting the principles of sustainable enterprise.

Vision

Housing, work, care, mobility and energy management 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 energy and 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 improving quality of life. TBI's vision is driven by a desire to think and act from the basis of sustainability, both now and in the future. Together with its group companies, TBI creates frameworks for sustainable development and construction, for innovative, technically advanced solutions and for issues relating among other things to (waste) water treatment, sustainable energy, energy conservation and mobility. TBI's aim is that this should contribute to the sustainable development of our modern society.

¹ With effect from 1 January 2012, TBI has divided its activities across three segments: Engineering, Construction & Development and Infrastructure. Unless stated otherwise, this annual report continues to use the old division into real estate, construction and engineering.

Measured by operating income, TBI is the second largest engineering and fourth largest construction group in the Netherlands.

Mission

The staff of TBI work together to create a profitable, sustainable business active in the segments Engineering, Construction & Development and Infrastructure. To this end, TBI creates an optimum balance between social commitment, economic progress, personal development, sustainable entrepreneurship and corporate social responsibility. 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 sustainable development of our society.

1.2 Strategy and ambitions

TBI has set itself the target of remaining in the top group of companies for its stakeholders in the segments Engineering, Construction & Development and Infrastructure. TBI seeks to achieve this by:

- placing entrepreneurship as low down in the organisation as possible. Within the TBI network, the individual TBI companies operate independently in the market and/or their own geographical regions. Each TBI company is responsible for its own results, thus ensuring that an adequate response can be delivered to the wishes and needs of clients at every level;
- encouraging cooperation between the TBI companies. TBI sets itself apart in the market by forming consortia which are able to provide complete solutions for projects in the construction, infrastructure and engineering segments;
- ensuring that it has a workforce of highly trained and motivated staff, who understand their discipline and who are able to operate in a safe working environment;
- seeking to achieve and maintain financial stability for TBI and its group companies. Financial stability gives our stakeholders certainty about the continuity of our businesses in the short and long term. TBI seeks to combine solid ratios (return on equity, capital ratio and liquidity) with the certainty of a long-term banking facility;
- seeking to achieve a return on equity which is in line with the market and with the risk profile of the portfolio, and only carrying out projects which match the available knowledge and skills. Projects must be carried out in a cost-effective, sustainable and safe way.

In the light of the changing market conditions, TBI decided to sharpen the focus of its strategy further in 2011. See section 3.2 for further details.

The staff of TBI work together to create a profitable, sustainable business active in the Engineering, Construction & Development and Infrastructure segments.

IJburg College Amsterdam



IJburg College is not just an education establishment, but also a sports centre and a place to live. The college provides teaching for 1,300 students at pre-vocational secondary, senior general secondary and pre-university levels. The sports hall, which is managed by the municipality of Amsterdam and is housed on the third and fourth floors of the building, complies with Olympic and national sporting standards as set by the Netherlands Olympic Committee* Netherlands Sports Federation (NOC*NSF). In the grounds of the college is an underground car park which is used by college staff, sports hall users and residents. The initial plan involved building only the school and sports hall, covering a total gross floor area of 15,000 sq. m. However, the urban planning regulations did not permit the high-rise building that was projected for this. Led by Hevo, a new plan was developed which added a housing

function to the building, with dwellings on the upper storeys. The Ymere housing association was brought in as a partner in the development.

The complex incorporates 23 private sector rented dwellings. Architecturally, the building forms a striking landmark in the surrounding IJburg housing landscape, with its anthracite-coloured steel cladding giving it a robust presence. The dwellings have been incorporated in the building almost seamlessly; only the balconies betray the fact that these are not places for learning, working or playing sport, but places to live. Hevo was responsible for the development of the plan and the integral project management, a form of building management in which Hevo specialises.

Hevo

Rabobank Nederland Utrecht



The new office complex for Rabobank Nederland in Utrecht is an extension of the old building involving the addition of a new high-rise block. It provides new offices for Rabobank Nederland, a place where people can work, meet each other and relax in a pleasurable environment. Rabobank has brought staff together here who previously were based at separate locations in Utrecht and Zeist. Altogether, the complex houses 6,500 employees, 3,300 of them in the new building.

Rabobank applies new working principles in the new building, under the name Rabo Unplugged. It is an activity-related working style, independent of time and place, based on use of the most modern techniques. As a result, each employee in the new building requires a gross floor area of only 17 square metres, instead of the traditional 25 sq.m.

The new building comprises a transparent, 27-storey tower wreathed in a glass 'voile' and rising to a height of 105 metres.

Numerous sustainable techniques and materials have been used in the building, such as environmentally friendly insulation, segmented control of the exterior window blinds and the use of sustainably produced timber. The building has its own power plant employing heat and cold storage in combination with heat pumps.

Several TBI companies had a hand in this major project, which began in 2006, with J.P. van Eesteren as one of the construction partners and Croon and Wolter & Dros as installation contracting partners. Mobilis was involved in the creation of the four-storey underground car park.

Croon
J.P. van Eesteren
Mobilis
Wolter & Dros

Castellum Houten



Castellum is a combined residential and shopping complex in Houten with a retail area of 9,000 square metres. The new shopping centre meets the need for more shops and facilities in the Houten Zuid district following the growth in the number of residents in this part of the municipality. In addition to a range of shops catering to day-to-day needs, the shopping centre also houses speciality shops and restaurant facilities. There is a large underground car park beneath the shopping centre, and the train station is within walking distance. The shopping centre was developed by Synchroon together with a number of partners, including Bouwfonds, Trebbe and Syntrus Achmea Vastgoed.

Synchroon

Electric vehicle charging points



The rapid rise in the popularity of electric vehicles is leading to an equally sharp rise in the need for charging points. Alfen is one of the Dutch pioneers and developers in this field and is part of a network of companies in this new sector of industry, including research institutions, knowledge centres, network managers, automotive manufacturers and car dealers. The development, manufacture and installation of charging points for electric vehicles has become a core activity of Alfen, which markets a range of different types of charging points under the name Integrated Charging Unit (ICU). To date, more than 1,500 charging points have been installed, over 1,000 of them in the Netherlands. In addition, Alfen enjoyed further growth in 2011 as a player on the international field. The company is now one of the market leaders in Europe, a trendsetter in technology and its application.

Alfen



Talent in action

Erik van Weesep

Mobilis operative

Waalbrug Bridge, Ewijk



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Report of the Supervisory Board

Members of the Supervisory Board

as at 14 March 2012

J.C. ten Cate (65), 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 Supervisory Board of Gilde; member of the Investment Committee of Project Holland Fonds.

P.A.M. Berdowski (54), vice-chairman

Appointed in April 2007; most recent reappointment: 2011; 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 (67)

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

- Member of the Remuneration Committee.

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 (68)

Appointed in April 2003; most recent reappointment: 2011; retires in 2015; Dutch nationality.

- Chairman of the Audit Committee.
- Chairman of the Remuneration Committee.

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

Principal other positions or offices held: Chairman of the Supervisory Board of Remia B.V..

J.E. de Vries (55)

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 Itho-Daalderop B.V.; Dekker Hout Groep, Oosterhof Holman Infra en Milieu, N.V. NOM investerings- en ontwikkelingsmaatschappij Noord-Nederland.

2.1 Annual report 2011 and proposed appropriation of result

Pursuant to Article 22, paragraph 4 of the Articles of Association of TBI Holdings B.V., we have pleasure in presenting the annual report for 2011 and the Report of the Supervisory Board to the General Meeting of Shareholders. The annual report, incorporating the Report of the Board of Management and the financial statements for the financial year 2011, has been prepared by the Board of Management. An unqualified report has been issued in respect of the financial statements by the external auditor, PricewaterhouseCoopers (PwC), and may be found on page 88 of this report.

We invite the General Meeting of Shareholders to:

- adopt the financial statements 2011, including the proposed appropriation of the result;
- discharge the members of the Board of Management from liability in respect of the policy pursued in the financial year 2011;
- discharge the members of the Supervisory Board from liability in respect of their supervision of the policy pursued in the financial year 2011.

The financial statements and annual report 2011 were discussed at length with the external auditor by the Audit Committee in the presence of the Board of Management. The financial statements were also discussed in a meeting of the full Supervisory Board with the Board of Management, in the presence of the external auditor. The quality of the internal risk management and control systems was also discussed at this meeting.

TBI recorded a net result of 24.2 million in 2011. Our Board has approved the appropriation of the result as proposed by the Board of Management. It is proposed that, from the net result of 24.2 million, an amount of 7.3 million be distributed in the form of a cash dividend to the shareholder and that the remaining 16.9 million be added to the general reserves.

2.2 Composition and functioning of the Board of Management

At the start of the year under review, the Board of Management consisted of three members. Mr P.L. Broekhuijsen stepped down from the Board on 28 February 2011 by mutual agreement. The Supervisory Board is grateful to Mr Broekhuijsen for his dedication during his time on the Board. Mr Broekhuijsen's tasks were distributed among the remaining members of the Board of Management.

On 31 December 2011, the Board of Management comprised the following members:

- E.H.M. van den Assem (chairman)
- D.A. Sperling

In 2010 the Supervisory Board decided to strengthen the Board of Management by the addition of a member with responsibility for the Finance and ICT portfolios. At the nomination of the Selection and Appointments Committee, the Supervisory Board decided in December 2011 to appoint Mr A.A. Voogel to the Board of Management with effect from 1 February 2012. Mr Voogel will be chiefly responsible for the Finance and ICT portfolios.

During the financial year 2011, the Supervisory Board evaluated the functioning of the Board of Management and of its individual members. In the view of the Supervisory Board, the Board of Management, following the appointment of Mr A.A. Voogel, possesses the necessary competences and functions satisfactorily. This is also reflected in the positive contribution made by all sectors to the results of TBI.

Highlights in 2011

- **Good performance in difficult market conditions**
- **Strategic reorientation fleshed out further**
- **Recruitment and appointment of new member of Board of Management**

2.3 Composition and independence of the Supervisory Board

The composition of the Supervisory Board did not change during the year under review. The Articles of Association limit the term of office of Supervisory Board members to a maximum of 12 years. All members of the Supervisory Board were independent in 2011 within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code.

For the first time, the Supervisory Board evaluated its own functioning in 2011. This was an intensive process which required a considerable time investment. The chairman discussed the outcomes of the evaluation (questionnaire) of both the individual and collective functioning of the Board with the individual members of the Board.

The outcomes of these discussions and the questionnaire, in so far as they related to the Supervisory Board's collective functioning, were subsequently discussed by the full Supervisory Board. In 2012 for Supervisory Board will devote attention to the identified points for improvement.

2.4 Activities of the Supervisory Board

The Supervisory Board held scheduled meetings with the Board of Management on four occasions in 2011. These meetings were preceded as usual by a closed meeting of the Supervisory Board.

In addition to the regular meetings, the Supervisory Board held two separate meetings with the Board of Management in 2011 to discuss the progress of the strategic reorientation.

The chairman of the Supervisory Board held regular informal meetings with the chairman of the Board of Management to discuss the course of business. In addition, the chairman of the Supervisory Board held several meetings with the individual members of the Board of Management.

Safety

During the year under review, the Supervisory Board devoted attention together with the Board of Management to a number of safety incidents and accidents which had unfortunately taken place. This also prompted a number of specific discussions between the Supervisory Board and the Board of Management on the overall TBI safety policy. Please refer to section 3.3 of this annual report for more information on this topic.

Results

A large part of the regular meetings in March, June, September and December was devoted to the financial results of TBI. The Supervisory Board devoted a good deal of attention during these meetings to assessing the measures proposed and taken by the Board of Management to ensure an adequate response to the changing market conditions and the consequences for TBI. Specific attention was given to the importance of cost control. The Supervisory Board believes that cost control receives adequate and continual attention within the Board of Management, and its importance is sufficiently brought to the attention of the various parts of the group.

The meeting in March 2011 discussed the following topics:

- the Board of Management report on the fourth quarter of 2010;
- the draft annual report 2010 including the financial statements for 2010 and the interim report 2010 by the Board of Management;
- the auditor's report for the financial year 2010.

In anticipation of their discussion by the full Supervisory Board, the draft annual report, financial statements and auditor's report for the financial year 2010 were discussed at length in the Audit Committee. Following the discussions by the Supervisory Board, it was decided to adopt the annual report and financial statements for the financial year 2010 and to submit them to the General Meeting of Shareholders for approval.

The annual report and financial statements 2010 were adopted by the General Meeting of Shareholders on 14 April 2011. This adoption discharged the members of the Board of Management from liability in respect of the policy pursued during the financial year 2010 and the members of the Supervisory Board for their supervision of the management during the financial year 2010. Contrary to the proposed appropriation of the result for 2010, the General Meeting of Shareholders resolved not to distribute a dividend in 2011.

The Supervisory Board adopted the Operational Plan 2012 in December 2011.

Strategy

In the light of the changing market conditions, the Supervisory Board and Board of Management decided to embark on a strategic reorientation in 2011. The Supervisory Board devoted extensive attention to the progress of the Plan at two separate meetings.

The strategic reorientation will be developed further in 2012, culminating in a Strategic Plan 2013 – 2015. The Plan will enable TBI to continue operating at the top of the Engineering, Construction & Development and Infrastructure segments in the coming years.

Other topics

Based on the quarterly reports by the Board of Management, the Supervisory Board discussed the policy in relation to management development, safety, sustainability (including the CO₂ performance ladder), risk management, developments in relation to a number of major projects, developments on the tax front and funding aspects. This offered the Supervisory Board an opportunity for a thorough and substantive discussion with the Board of Management. The internal compliance measures were also discussed extensively; see section 3.9 of this annual report for details. The Supervisory Board is pleased that the funding for the coming years has been secured.

In its meetings with the Board of Management during the year under review, the Supervisory Board

discussed various investment and divestment opportunities.

Matters discussed at the meetings of the Supervisory Board which were not attended by the Board of Management included the functioning of the Board of Management as a collective and of its individual members. Other discussion topics included the remuneration of the members of the Board of Management and the proposed appointment of a new member.

2.5 Corporate governance

Application of the Dutch Corporate Governance Code (the Code) is not mandatory for non-listed companies. The corporate governance structure of TBI is described in section 3.8 of this annual report and a substantiated explanation is given of the approach taken to the application of the principles and best practice provisions 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.

The TBI Articles of Association are in line with the legislative framework that applies for statutory two-tier (dual board) companies in the Netherlands. In connection with this, pursuant to a notarial deed amending the Articles of Association dated 15 March 2005, the General Meeting of Shareholders acquired additional powers in respect of the appointment of Supervisory Board members. The Central Works Council has decided to waive its increased right of recommendation in the appointment of a maximum of one third of the Supervisory Board members.

2.6 Supervisory Board committees

The Supervisory Board has 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 2011. The topics discussed were the financial statements 2010, the related reports, the auditor's report and the Management Letter. The chairman of the Audit Committee held regular discussions with the Financial Director ad interim, where required in the presence of the external auditor.

Remuneration Committee

The Remuneration Committee discussed the remuneration of the members of the Board of Management several times in the year under review. The remuneration of the members of the Board of Management consists of a fixed and a variable component. It was decided in 2011 to revise the remuneration structure. Following this change, the amount of the variable remuneration is now dependent on the achievement of personal targets as well as the existing financial and general policy targets.

Selection and Appointments Committee

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

2.7 Central Works Council

Members of the Supervisory Board attended a number of meetings of the Central Works Council. The chairman of the Supervisory Board held discussions on several occasions during the year under review with the executive committee of the Central Works Council. In addition, an informal meeting was held on 6 September 2011 between the Supervisory Board and Board of Management and the Central Works Council, at which the topic under discussion was: 'The Generation Game: the match between organisation X and generation Y'.

2.8 Conclusion

The Supervisory Board observes that the Dutch construction, engineering and real estate sector has been affected by the consequences of the economic crisis in recent years but that, thanks to the measures taken in 2010 and 2011, the financial results of the group have improved markedly and the financial stability has been maintained. The process of strategic reorientation was taken up energetically in the year under review and will be developed further in 2012. The initial results of the measures inspire confidence and reinforce our conviction that TBI will become stronger in the future.

This strong financial position is attributable not only to the good position occupied by TBI in the markets in which it is active; above all it has been achieved 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, 14 March 2012

Supervisory Board

J.C. ten Cate (Chairman)
 P.A.M. Berdowski (Vice-chairman)
 I.P. Asscher-Vonk
 J.B. van Dongen
 J.E. de Vries

Inspection contract for Gasunie



Croon has signed a contract with the Dutch energy company Gasunie for carrying out inspections of all 1,700 Gasunie sites in the Netherlands. The contract runs for five years, with a fifth of the sites being inspected each year. The contract entails the provision of inspection and maintenance services for the low-voltage plant and the earthing and lightning protection facilities. Croon will also offer optional maintenance services, including replacements and modifications to the plant. Croon is responsible for the planning, implementation and reporting of all inspections. The project is being carried out by Croon, a specialist with a nationwide operation.

Croon

Waste water treatment plant Susteren



The waste water treatment plant in Susteren has been completely renovated by a consortium comprising HVL, GMB and Hollandia, with HVL acting as the coordinator. The majority of waste water treatment plants in the Netherlands were built in the 1970s and 80s. At that time, waste water was still discharged into the surface water. In the 1990s, many plants were modernised and expanded, including the facility in Susteren, where ten years ago the capacity was increased from 140,000 to 210,000 resident equivalents. This plant has now also been renovated, with the addition of a new sludge dewatering facility. The HVL consortium carried out the mechanical and electrical engineering activities, as well as the measurement and control activities.

HVL

The Green Retailer



Fri-Jado organised a symposium in September 2011 to mark the launch of a new initiative, The Green Retailer. This is a major collaborative project involving chain partners in the retail and supermarket sector as well as industrial and construction companies in the supply chain. The Green Retailer brings partners together across disciplines to work together on sustainable, low-energy and energy-generating concepts for the low-energy supermarkets of the future. The Dutch supermarket sector has already invested a great deal in low-energy plant and equipment in recent years, and has achieved major energy savings as a result. Saving even more energy requires an integrated approach to the entire climate in the supermarket. This in turn requires multidisciplinary collaboration between all parties in the chain. It is this that forms the basis for The Green Retailer. The symposium marked the start of the collaboration between all stakeholders in the sector.

The Green Retailer is intended to lead to a highly developed concept with several variants in 2013. In that same year this concept will be translated into practice with the opening, somewhere in the Netherlands, of the first ultra-low-energy supermarket, which will also be as energy-neutral as possible. In addition, Fri-Jado is applying elements of The Green Retailer in renovations of existing stores. Fri-Jado and its subsidiary Frimex Retail Services already use elements of the low-energy applications working for some years, fitting in with the initiative of creating options and innovations for the further development of The Green Retailer.



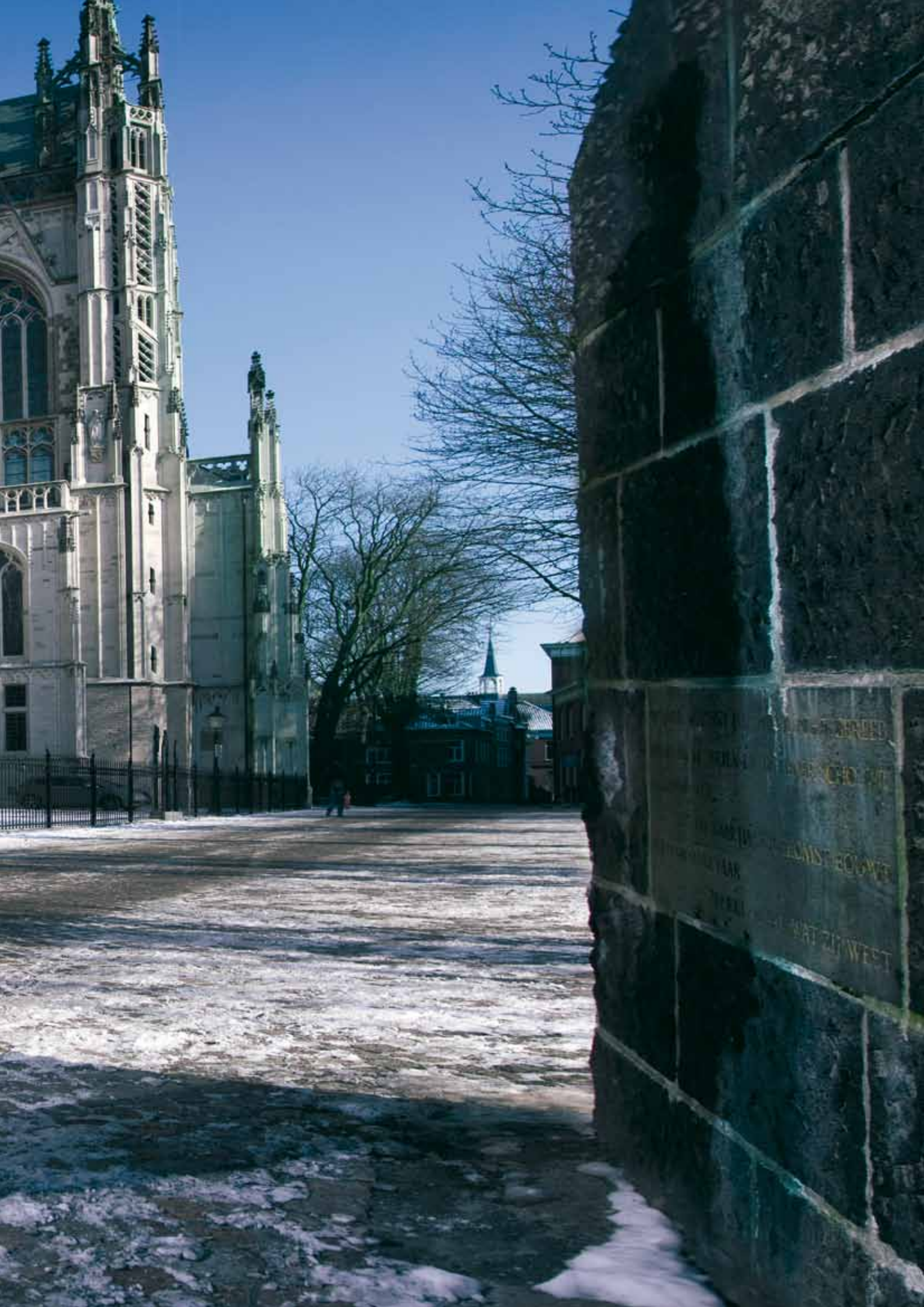
Talent in action

Talent in action

Bas van de Made

Mason, Nico de Bont

Sint Jan Cathedral, Den Bosch



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Report of the Board of Management

Members of the Board of Management

as at 14 March 2012

E.H.M. van den Assem (62), chairman

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

D.A. Sperling (56)

Dutch nationality; appointed in February 2002. Also managing director of TBI Bouw B.V. and TBI Techniek B.V. Until his appointment to the Board of Management, he was chairman of HBG Civiel B.V.

A.A. Voogel MBA (47)

Dutch nationality; appointed in February 2012. Until his appointment to the Board of Management, he was employed inter alia as financial director at Enrichment Technology Company Ltd.

Holding company staff:

L.J. Pruis (59), Financial Director ad interim/Board of Management advisor

R.M. de Koning (51), Head of Group HRM

M.W.L. Tromm (48), Head of Legal Affairs

Executive Board:

P.J. Heijboer (48), managing director TBI Techniek B.V.

H. Homberg MBA (57), chairman ERA Contour B.V.

H. van Keulen (52), chairman J.P. van Eesteren B.V.

J.M.H.R. Knubben (50), chairman Ingenieursbureau Wolter & Dros B.V.

L.B. Koek MBA (44), managing director Croon Elektrotechniek B.V.

J. Luijten (51), chairman TBI Infra B.V.

H.C. Smit (51), chairman Koopmans Bouwgroep B.V.

The TBI structure is characterised by direct contact between the Board of Management and the managements of the individual TBI companies, backed up by a small professional support staff. The Executive Board advises the Board of Management on the strategy to be pursued and on aspects in which the multidisciplinary collaboration between the different segments can be strengthened further.

3.1 General

Under changed market conditions, TBI recorded operating income of 2.2 billion (2010: 2.0 billion) and an operating result of 33.3 million (2010: 18.0 million). The financial results can be analysed as follows:

Key figures 2011/2010

(x 1 million)	2011	2010
Operating income	2,172	2,024
Operating result	33.3	18.0
Operating margin	1.5%	0.9%
Net result	24.2	-33.6
Order book	2,394	2,796
Net working capital	-74.6	-99.3
Cash at bank and in hand	216	237

The improvement in the operating result was achieved chiefly through:

- restructuring of the project development portfolio and reorganisation of Synchron;
- restructuring or sale of a number of loss-making activities.

The continual focus on cost control and reducing failure costs also contributed to the improved results.

With the exception of the reorganised or sold businesses, all TBI companies made a positive contribution to the overall operating result. The managements and staff of the TBI companies worked hard to achieve the financial and other objectives of the TBI concern.

The difficult market conditions mean that considerable commitment, creativity and entrepreneurship will continue to be necessary in the period ahead.

Losses at a number of companies, including Synchron and Baas, adversely affected the operating result in 2010. Measures were taken in 2010 and 2011 to eliminate the losses:

- Synchron recorded an operating result of 1.1 million in 2011 (2010: -15.6 million).
- The activities of Baas were sold in October 2011 through a management buy-out. Up to and including September 2011, Baas made a negative contribution to the operating result of 5.9 million (2010: 5.3 million negative for the full year).

Despite the difficult market conditions, the outlook is positive: TBI has a strong balance sheet and the order book stood at 2.4 billion on 31 December 2011 (2010: 2.8 billion).

TBI received orders worth 1,940 million in 2011 (2010: 2,140 million).

3.2 Strategic reorientation

TBI's strategic objective is and remains to build on the strong, solvent position held by TBI in its relevant market segments. With activities in the Engineering, Construction & Development and Infrastructure segments, TBI wishes to be an enterprise that is distinctive, creates added value for its clients, society and its employees, and above all which guarantees continuity for all its stakeholders.

Against the backdrop of the challenging and changing market conditions, TBI decided in 2011 to update the Strategic Plan 2008 – 2013. With this in mind, a detailed market survey and portfolio analysis were carried out in 2011, taking into account the anticipated market developments and the vision of our clients. Those market developments relate to sustainability, energy efficiency, the importance of total cost of ownership and the ability to offer total solutions.

A key conclusion of the portfolio analysis was that better use could be made of the opportunities for multidisciplinary cooperation by the TBI companies. In addition, the market positioning could be made clearer.

Highlights in 2011

- Good performance by TBI: operating income up by 7 percent and operating result by 85 percent in a difficult market
- Refinancing of credit facility of 100 million
- Strategic reorientation launched
- Sale of Veldhoen + Company and Baas
- All segments profitable
- Cohesive policy established for sustainable enterprise

Assisted by an external consultancy, a steering group consisting of the Board of Management and a number of managing directors of TBI companies set about drawing up a blueprint for the future structure of TBI in 2011. The steering group looked in particular at how competences could be strengthened. Prior to these analyses, a thorough inventory was prepared to map out the starting position of TBI in relation to (anticipated) market developments. The views of stakeholders were taken into account during this study, and the outcomes of the inventory were discussed with staff of TBI companies in a series of workshops. Throughout the entire process of strategic reorientation, the Board of Management is explicitly committed to ensuring participation and support of TBI staff.

Based on the studies and analyses, the management of TBI came to the conclusion that TBI has developed into a portfolio of autonomous businesses which are active in overlapping markets, and that there is scope for improving the financial performance and making better use of the benefits inherent in the portfolio. These conclusions led to the following measures being taken before the end of the year under review:

- Installation of an Executive Board, which will reinforce the multidisciplinary cooperation between the different segments in the light of the strategic choices made by TBI. The Executive Board plays an advisory role vis-à-vis the Board of Management.
- Changes to the internal control of our activities. With effect from 2012, TBI's activities will be divided into the following segments: Engineering, Construction & Development and Infrastructure: The existing division into real estate, construction and engineering has therefore been abandoned with effect from 1 January 2012.
- Repositioning and profiling of Aanneming Maatschappij J.P. van Eesteren B.V. and Heijmerink Bouw B.V. The two companies were merged on 1 February 2012 under the name J.P. van Eesteren B.V., thereby strengthening the position in the non-residential construction market.

- Repositioning and profiling of ERA Contour B.V. and Kanters Bouw en Vastgoed B.V. This repositioning led to ERA Contour B.V. becoming the direct shareholder of Kanters Bouw en Vastgoed B.V. with effect from 2 February 2012. The aim of this move is to strengthen the position in the residential construction market in the west of the Netherlands.

With effect from 1 January 2012, TBI's activities will be divided across the following three segments:

Engineering

From 2012, the following companies are active in the Engineering segment:

- Croon Elektrotechniek B.V.
- Ingenieursbureau Wolter & Dros B.V.
- HVL B.V.
- Eekels B.V.
- Acto Informatisering B.V.
- Alfen B.V.
- Fri-Jado B.V.
- WTH Vloerverwarming B.V.

TBI enjoys a strong position in the Dutch installation contracting market through these companies. Croon and Wolter & Dros operate nationally from a network of regional branches.

HVL mainly covers the south of the Netherlands, while Eekels concentrates on the northern regions.

Acto Informatisering develops integrated software systems both for a number of TBI companies and for external clients.

Further ways will be sought in 2012 of making best use of the opportunities for cooperation between these companies, in combination with measures designed to improve cost-effectiveness so as to secure a better position in the markets that are relevant for our companies.

New course for TBI

- **Strengthening of cooperation with Executive Board**
- **Division of activities into Engineering, Construction & Development and Infrastructure segments**
- **Market position in non-residential construction sector strengthened**
- **Market position in residential construction sector strengthened**

Construction & Development

With effect from 2012, the Construction & Development segment comprises the following sub-segments:

- Residential construction
- Non-residential construction

The following companies are active within the Residential construction sub-segment:

- ERA Contour B.V.
- Koopmans Bouwgroep B.V.
- Hazenberg Bouw B.V.
- Synchron B.V.
- MDB B.V.

ERA Contour focuses chiefly on projects in the western and central regions of the Netherlands; Koopmans targets the north and east of the country and Hazenberg the south. These companies work together closely in the area of process and product innovation. Housing developers must be 'close to their customers', thinking from the perspective of the customer and developing concepts which facilitate sustainable and affordable construction.

Renovation and restoration, a combination that is a specific strength of Hazenberg/Nico de Bont, are also embedded in the Residential construction segment.

The following companies are active in the Non-residential construction segment:

- J.P. van Eesteren B.V.
- Hazenberg Bouw B.V.
- Hevo B.V.
- Koopmans Bouwgroep B.V.
- MDB B.V.

J.P. van Eesteren has a national focus and, since the merger with Heijmerink on 1 February 2012, operates from three bases: Barendrecht (head office), Amsterdam and Bunnik. J.P. van Eesteren and Heijmerink have already worked together in construction partnerships to deliver a number of excellent projects in recent years. The companies

believe that by pooling their strengths, and thus their expertise, they have the critical mass needed to take on successfully challenges in the market for (complex) construction assignments in the public and private sector. By adding this to the collaboration with the installation contracting companies within TBI, total solutions can be offered in construction assignments, something which is increasingly being demanded, especially in the construction of complex office buildings, schools, hospitals and care facilities. Hevo targets its building management services primarily at these sectors. The construction and engineering companies within TBI have gained many years' experience in carrying out complex projects of this type.

Infrastructure

The following companies are active in the Infrastructure segment from 2012:

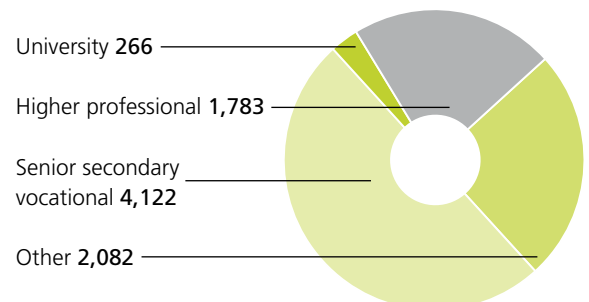
- TBI Infra B.V., consisting of:
 - Mobilis B.V.
 - Voorbij Funderingstechniek B.V.
 - Voorbij Betonsystemen B.V.
 - Voorbij Spantehniek B.V.
 - Voorbij Prefab Beton B.V.
- Croon Elektrotechniek B.V.

TBI enjoys a unique positioning in the infrastructure market as well as a strong starting position with companies such as Mobilis (concrete civil engineering), Croon (technical installations for traffic and other applications), Voorbij Funderingstechniek (specialist foundation techniques) and Voorbij Prefab Beton (concrete production). The concrete production plant carries out projects both for the Construction & Development and Infrastructure segments and for external clients.

The strategic reorientation will be fleshed out further in 2012, culminating in a Strategic Plan for the years 2013 – 2015 which will enable TBI to continue operating at the top of the Engineering, Construction & Development and Infrastructure segments in the coming years. The starting point is and will continue

Motivated staff who possess the right knowledge and skills enable our companies to perform successfully.

Employee education level



to be the maintenance and development of TBI's solid, powerful financial position in combination with the retention and where possible expansion of the strong market shares held by the individual TBI companies.

3.3 Personnel and organisation

TBI wishes to offer its staff an inspiring and safe working environment with a strong focus on professional expertise and sustainability. In order to distinguish the group further from the competition, (multidisciplinary) cooperation between the group companies is explicitly encouraged and promoted. Each TBI company pursues its own personnel policy, in accordance with the specific market conditions or local situations in which it operates.

Employees

Profile of the workforce

At the end of the year under review, TBI had a total of 8,253 employees (2010: 8,742). The reduction in the number of employees was the result of a combination of divestments in a number of TBI companies, natural wastage and internal restructuring programmes.

The sale of Baas and Veldhoen led to a reduction of 650 in the workforce.

The earlier tensions in the labour market have virtually disappeared as a result of the economic conditions, through a mismatch between supply and demand means there is still a shortage of skilled personnel.

The diagrams show education level, employee gender and country of origin of all TBI staff.

The average age of employees is between 40 and 45 years, so that the employee profile can be described as balanced. Roughly 9 percent of our workforce are women.

A study will be carried out in 2012 to determine how TBI should project itself on the labour market alongside the individual TBI companies with a view to addressing the labour market more effectively.

Staff development

If TBI is to achieve its ambitions and secure a successful position in the market over the coming years, having sufficient staff with sufficient expertise will continue to be the most critical success factor. Being an attractive employer and offering an appealing leadership style are important conditions for this.

In addition to initiatives within the different TBI companies, extensive attention is devoted to the theme of leadership style in the numerous management development programmes provided by TBI academy. The various TBI companies also devote much attention to labour market communication and positioning themselves as attractive employers. Examples include the recruitment campaign by Croon, entitled 'We live electrical engineering' ('We leven elektrotechniek'), and the campaign developed by Wolter & Dros, 'Engineering your life' ('De techniek van je leven', which will be launched in 2012. Other developments worthy of mention in this context are:

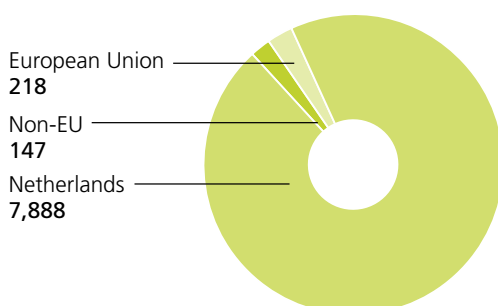
Croon E-College

The founding of the Croon E-College (formerly its own training school) has created a solid platform for lifelong learning and further strengthened the link with training institutes for all levels. The new E-College also offers opportunities for internal staff training and development to enable them to take up senior technical and management positions in the future.

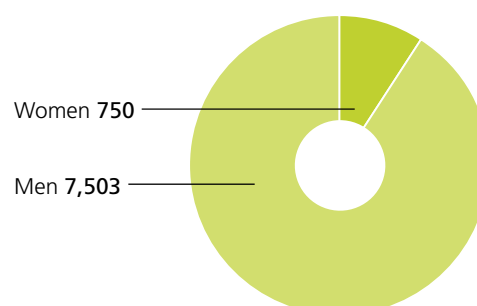
Best Training Construction Site 2011

ERA Contour received this award in 2011 for the Nieuw Crooswijk project in Rotterdam. The project is highly versatile, offering broad training opportunities, and the jury felt that ERA Contour had shown itself to be highly committed to supporting the trainees. This award marks the recognition of ERA Contour's investment in the development of young talent.

Country of origin of all TBI staff



Employee gender



Management development

In addition to the decentralised activities in relation to staff development, TBI operates a management development programme to foster internal career growth and retain top talent.

A key benefit of management development and the centralised development programmes offered within TBI acdmy is that TBI and the TBI companies are able to project themselves as attractive employers for talented young university and higher professional education graduates, offering excellent career prospects. To ensure that there is sufficient top talent available in the future, it is necessary to identify, develop and hold on to that talent.

Attention at TBI companies remains strongly focused on development within their own organisation. Where necessary, however, 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 leader/manager, company manager or departmental head within two to five years.
- TOP: 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.

TBI acdmy

Talent does not stand still at TBI, which invests heavily in the personal development of its staff. TBI acdmy offers an extensive management development programme with numerous training courses and a traineeship. In a world in which projects increasingly demand integrated solutions, the sharing and

exchange of knowledge are of crucial importance. This is where TBI acdmy comes into its own as a platform for knowledge-sharing and a meeting place.

TBI operates four management development programmes, TRAINEE, TALENT, TEAM and TOP, geared to the different target groups of the TBI management development programme.

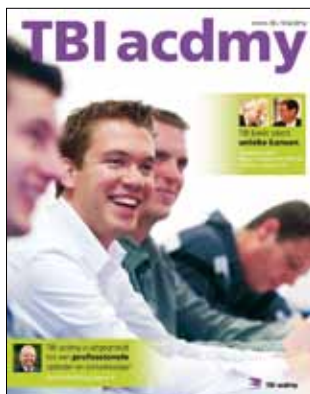
- The TRAINEE programme (duration two years) is for new higher professional and university graduates. In addition to acquiring work experience during three eight-month project periods at different TBI companies, trainees undergo a training programme focusing on project management and personal skills.
- The TALENT programme (duration two years) is aimed at employees aged under 35 with between two and seven years' work experience, with a minimum of a higher professional (HBO) degree. The focus in this training programme is on finance, project management and personal skills.
- The TEAM programme (duration six months) is aimed at employees aged between 35 and 45 with at least five years' middle management experience. The main focus of this programme is on broadening candidates' insight into personal effectiveness, leadership and coaching management.
- The TOP programme (duration 18 months) is aimed at employees aged between 35 and 45 years working at the level of project leader/manager, company manager or departmental head, with at least a higher professional (HBO) degree. The focus is on leadership, strategy development, corporate finance and multi-disciplinary project management.

Safety

TBI safety policy

Within TBI's decentralised group structure, the managements of the individual TBI companies are responsible for putting in place an adequate safety management system within their company. The main focus is on maintaining and improving the safety

TBI acdmy



TBI uses management development programmes to foster internal career progression and retain top talent.

procedures, guidelines and systems. The Board of Management has decided to give a powerful boost to safety-consciousness within the TBI companies, and to this end a Safety Committee was formed at the end of 2011.

Safety Committee

The TBI Safety Committee consists of MT members and safety officers from the TBI companies, led by the chairman of the Board of Management. The Safety Committee meets once a quarter to discuss and adopt a central safety policy.

TBI safety policy: ambition and action points

TBI's ambition is to offer a good, safe working environment to staff, subcontractors, suppliers and everyone connected with the activities of TBI companies. In this context, efforts are made to:

- raise safety-consciousness so as to reduce the number of incidents and accidents;
- set central frameworks/minimum standards for safety systems.

The specific objectives for 2012 are:

- Inventory and analysis of the safety systems and practices in use at TBI companies.
- Review of the TBI safety policy (starting in early 2012), involving among other things:
 - adoption of a central disaster reporting procedure and communication plan;
 - adoption of the minimum standards which must be met by the safety management system of TBI companies;
 - adoption of safety measurement intervals and their integration in management reports;
 - sharing of knowledge, experience and development and discussion of industrial accidents.
- Measuring safety-consciousness using surveys (identifying the safety culture within the company).

Based on the findings of the inventory and analysis of the safety systems and practices, and the survey of

safety-consciousness, a coordinated safety policy will be formulated and implemented.

Pensions

The pension schemes applying for employees of the TBI companies are operated by the following pension funds or insurance schemes, depending on the relevant Collective Labour Agreement and/or employment contract:

- Pension Fund for the Construction Industry (Bedrijfstakpensioenfonds Bouw);
- Pension Fund for the Metalworking and Mechanical Engineering Industry (Bedrijfstakpensioenfonds Metaal en Techniek);
- Pension Fund for the Mechanical and Electrical Engineering Industry (Bedrijfstakpensioenfonds Metalektro);
- Insured schemes:
 - Construction industry dispensation scheme (Gedispenseerde bedrijfstakregeling Bouw)
 - Company pension schemes;
- Stichting Pensioenfonds TBI pension fund.

On the initiative of TBI Bouw B.V. and its allied companies, the dispensation for the Construction Industry pension scheme has been withdrawn with effect from 2012. From that point on, all schemes have been placed with pension funds. The pensions accrued up to 1 January 2012 will however remain within the insured scheme. As a result of the switch to the Pension Fund for the Construction Industry, the pensions of operational, technical and administrative staff and those employed under the sector Collective Labour Agreement have now been placed with the same pensions administrator.

The pensions of the majority of employees of the companies within TBI techniek are accrued in the Pension Fund for the Metalworking and Mechanical Engineering Industry and the Pension Fund for the Mechanical and Electrical Engineering Industry. The performance of these two sector pension schemes is unfortunately not good; primarily due to the low interest rates, both pension funds are faced

The Board of Management has decided to give a powerful boost to safety-consciousness within the TBI companies. A Safety Committee was set up for this purpose at the end of 2011.

with a funding ratio of less than 100 percent. Both funds have been forced to increase the level of contributions with effect from 1 January 2012, and there is also a possibility that pensions will be reduced with effect from 1 April 2013; TBI is not able to exert any influence on this.

The pensions accrued with Stichting Pensioenfonds TBI have been fully reinsured with an insurance company under a guarantee contract. Under this contract, the insurer guarantees the pension benefits paid by the pension fund, regardless of the investment result or the age attained by pension scheme members. The guarantee contract between Stichting Pensioenfonds TBI and the insurer expired on 31 December 2011. Various possibilities were explored for the situation from 2012, such as administering the pension without the intervention of an insurance company or switching to a different insurer. The conclusion was that taking out a new guarantee contract with the same insurer was the most attractive option, especially as it proved possible to maintain the average pension contribution at the same level as in 2011.

Social responsibility

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

TBI and the TBI companies also express their social responsibility in many different ways, varying from cultural or social initiatives to making donations to help maintain national heritage and participation in national and international development projects and volunteering.

A number of social initiatives by TBI and the TBI companies will be described in the separate sustainability report for 2011 to be published by TBI in June 2012.

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, elected 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.

3.4 Sustainable enterprise

Society increasingly demands that we do business in a sustainable way. TBI's ambition is to create a distinctive profile in this regard. This ambition was enshrined in the new group strategy in 2011, with the aim of developing a unique, cohesive sustainability policy. Sustainability performance will henceforth be reported in accordance with the guidelines of the Global Reporting Initiative (GRI), an internationally recognised not-for-profit organisation which publishes internationally accepted guidelines for sustainability reporting. TBI's sustainability report for the financial year 2011 will be published in June 2012. Starting with the annual report 2012, the performance with regard to sustainable enterprise will be integrated in the regular TBI annual report.

Vision of sustainable enterprise

Staff well-being and looking after the environment are the driving factors in the TBI sustainability policy. This is supported by a healthy financial business operation. TBI sees it as its responsibility to add value in these areas.

TBI believes that sustainable enterprise is inextricably linked to the objectives in relation to a financially healthy business operation. Sustainable enterprise is interwoven with the day-to-day course of business within the group, and is not an end in itself. TBI regards the cooperation between the TBI companies as the foundation for sustainable enterprise.

David Snelleman, project development director, OVG



'OVG is a company specialising in the development of intelligent, innovative and energy-neutral buildings. They may be new buildings, or existing buildings that are modernised and preserved for the future. Sustainable development isn't something you talk about, you just have to do it. OVG develops highly sustainable solutions from the start. It's very important for us that the construction company understands this mentality and acts accordingly. That's certainly the case with TBI and the TBI companies. We recently worked closely together on the deferment of the new, highly sustainable headquarters for the Eneco energy company in Rotterdam. There was a shared mentality in that project: for example, TBI companies took charge of the sustainable processing of the waste materials on the construction site, something that OVG values and promotes.'

Organisation

A Sustainability steering group was set up in 2011 under the leadership of a member of the Board of Management and charged with the development of a group-wide sustainability strategy. Reflecting the decentralised group structure, the steering group draws on a wide membership, including both managing directors of TBI companies and TBI officers. The steering group is supported by a specialist consultancy.

In the autumn of 2011, the principal themes for TBI were established which will be worked up into Key Performance Indicators (KPIs). These KPIs make TBI's ambitions measurable and controllable through both qualitative and quantitative objectives. TBI aims to comply with at least ten GRI indicators, the minimum required for achieving GRI application level C.

On the recommendation of the steering group, the Board of Management has decided to adopt the following themes for the sustainability policy in the coming period:

1. Energy and CO₂
2. Health and safety
3. Staff training and development
4. Materials and commodities
5. Sustainability in the supply chain
6. Sustainable innovation
7. Employee satisfaction
8. Social responsibility
9. Integrity
10. Community awareness and regulation
11. Economic value

Employees with specific knowledge or experience of the sustainability themes tested the definitions and feasibility, helped formulate the questions to TBI companies and assessed the possibilities for embedding the themes in existing reporting systems. Sustainability coordinators function as the central points of contact in each TBI company.

Core themes in 2011

TBI's policy in respect of sustainable enterprise has been given new impetus since 2010, among other things through the accreditation of all TBI companies in accordance with the CO₂ performance ladder, measures for the sustainable application of wind energy on construction sites and in buildings, the creation of a more sustainable vehicle fleet and the introduction of the LekkerEIGENhuis concept for sustainable and affordable housing construction.

The effects of these core themes were incorporated in the sustainability themes for 2011 and, together with all other themes, will be discussed in the sustainability report to be published in mid-2012. In addition, the websites of TBI and the TBI group companies will contain reports on the sustainability targets and achievements of TBI.

Research, information dissemination and knowledge development

The Sustainable Energy Technologies Information Centre (IDET) informs clients and those involved in the construction process about sustainable energy generation and 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 on energy-saving opportunities. TBI and the TBI companies take part in various initiatives in the field of sustainability or are members of organisations focusing on sustainability in the built environment, measuring sustainability performance or community-oriented activities. They include the Dutch Green Building Council, the Rotterdam Climate Initiative, FSC Nederland and MVO-Nederland.



The TBI Board of Management and the board of the Delft University Fund sign the agreement founding the 'UfD-TBI stagefonds' internship fund.

3.5 Financial results, capital and finance

Partly to facilitate comparison, the report of the financial results applies the traditional division into the real estate, construction and engineering segments. With effect from the 2012 reporting year, the reporting of the financial results will follow the new segment classification: Engineering, Construction & Development and Infrastructure:

Results

Operating income increased to 2.2 billion in 2011. Operating income (before elimination of inter-company revenue) can be broken down by segment as follows:

(x 1 million)	2011	2010
TBI vastgoed	158	149
	1,053	
TBI bouw		982
TBI techniek	1,029	908
	2,240	2,039
Less: intercompany turnover	68	15
Operating income	2,172	2,024

The operating result improved by 15.3 million to 33.3 million (2010: 18.0 million).

The operating result can be broken down by sector as follows:

Operating result	2011		2010	
	x1 m	%	x1 m	%
TBI vastgoed	3.7	2.3	-9.8	-6.6
TBI bouw	31.0	2.9	27.7	2.8
TBI techniek	18.0	1.7	14.7	1.6
Group costs + other	-19.4	-	-14.6	-
TBI	33.3	1.5	18.0	0.9

An amount of 5.0 million (2010: nil) was set aside in 2011 to encourage process and product innovation by the TBI companies. This amount is included in Group costs.

The balance of financial income and charges, consisting of interest income and charges and the result from participating interests, was -5.4 million in 2011 (2010: -5.8 million). The financial income and charges can be analysed as follows:

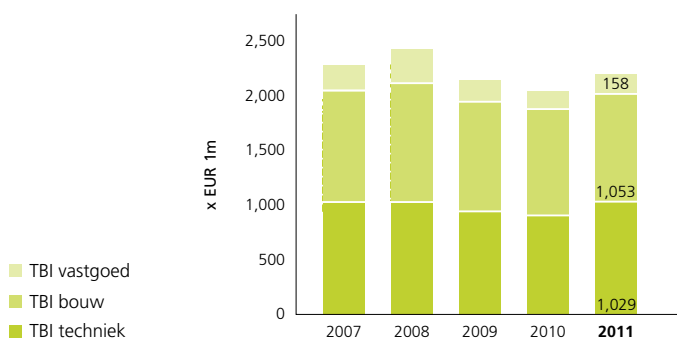
(x 1 million)	2011	2010
Interest income	3.1	1.8
Interest charges	-3.0	-4.6
Net interest income/charges	0.1	-2.8
Result from participating interests	-5.5	-3.0
Net financial income /charges	-5.4	-5.8

The lower interest charges are the net result of higher income from funds on deposit and lower charges due to repayments of (project) finance in the year under review.

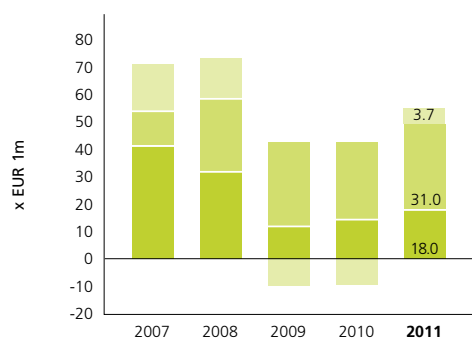
The negative result from participating interests in 2011 relates mainly to the sale of the activities of Baas. As part of the strategic reorientation, TBI sold the Baas activities in a management buy-out.

The corporation tax charge of 3.5 million for 2011 (2010: tax credit of 11.1 million) includes a non-recurring tax credit of 6.8 million resulting from the liquidation of Baas. Baas was not part of the TBI fiscal entity for corporation tax, and it was therefore possible to realise a tax liquidation loss following the liquidation. The effective tax rate for the year amounts to 10.3 percent (2010: 26.6 percent).

Operating income



Operating result



The tax credit for 2010 stems from the negative result before tax in 2010 owing to the application of an impairment.

Net profit amounted to 24.2 million in the year under review, compared with a net loss of 33.6 million in 2010.

Capital and finance

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

(x 1 million)	2011	2010	Change
Non-current assets	140	141	-1
Net working capital	-74	-99	25
Net cash at bank and in hand	209	208	1
Invested capital	<u>275</u>	<u>250</u>	<u>25</u>
Shareholders' equity	264	240	24
Provisions	11	10	1
Long-term liabilities	-	-	-
Financing	<u>275</u>	<u>250</u>	<u>25</u>

Net capital expenditure (investments less disposals) amounted to 24.2 million in 2011 (2010: 21.0 million).

Depreciation of tangible assets amounted to 25.2 million (2010: 26.6 million).

Net working capital amounted to 74.6 million negative (2010: 99.3 million negative). The net working capital can be broken down as follows:

(x 1 million)	2011	2010
TBI vastgoed	128	156
TBI bouw	-188	-194
TBI techniek	3	-47
Other	-17	-14
	<u>-74</u>	<u>-99</u>

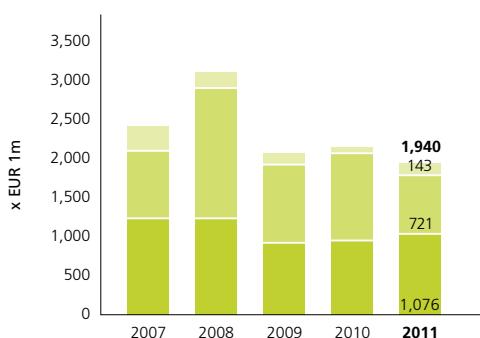
The development of the net working capital was less favourable than in the previous financial year. This applied mainly for the working capital in the sector TBI techniek, and was due primarily to a deterioration in the financing of work in progress.

Investment in the property portfolio (land positions, building rights, unsold homes, etc.) amounted to 217.6 million at year-end 2011 (2010: 210.2 million). This figure includes the stock of unsold homes with a cost price of 11.3 million at year-end 2011 (2010: 19.3 million). The organic increase in land holdings as a result of purchase commitments was limited in 2011. In addition, the stock of unsold homes fell.

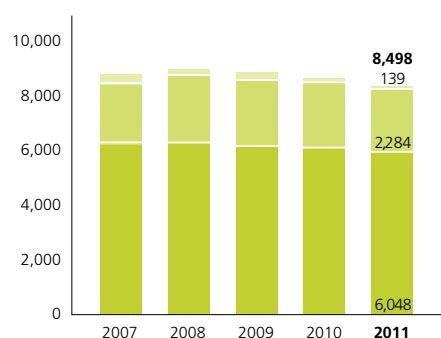
The amount of non-recourse project finance raised for property development is negligible, amounting to 2.6 million at year-end 2011 (2010: 2.1 million). Work in progress, both for third parties and own development, also developed positively thanks to good financing arrangements and prudent valuation. The net cash position, less the repayment obligations and the drawn-down current account credit which has been taken to Current liabilities, amounted to 209.5 million at year-end 2011 (2010: 207.6 million).

A syndicated facility to an original amount of 200 million was agreed in mid-2007. At year-end 2010 a repayment obligation of 8 million remained, which TBI paid in full in 2011. The syndicated facility was renewed at year-end 2011 for a period of five years, until the end of 2016; see section 3.10 for more details. At year-end 2011 TBI more than met the agreed banking terms. The balance sheet total of the group based on total assets stood at 793.9 million as at year-end 2011, an increase compared with 2010 (738.3 million). The positive result in the financial year 2011 boosted shareholders' equity by 23.9 million to 263.3 million at year-end (year-end 2010: 239.4 million). Based on total assets, the capital ratio as at year-end 2011 stood at 33.2 percent (2010: 32.4 percent).

Orders received



Average number of employees



The abridged cash flow statement, based on the indirect method, is as follows:

(x 1 million)	2011	2010
Operations	26	36
Investments	-25	-21
Financing	-22	-23
Cash flow	-21	-8

Movements in the working capital meant that the cash flow from operations was lower than in 2010. In combination with the repayment of short-term project finance, the result was a negative cash flow in 2011. The outgoing cash flow in relation to investment activities includes the capital expenditure.

3.6 Market developments and outlook for 2012

Market developments

After years of severe shrinkage, building production saw modest growth in 2011, primarily thanks to the mild winter weather with more workable days compared with 2010. At this point in time, however, this increase appears to have been temporary in nature. The growth in building production was most marked in the first half of 2011; around the summer, the (international) debt crisis prompted uncertainty among consumers and businesses, and the economic climate deteriorated.

Uncertainty is not good for consumer confidence or the propensity of businesses to invest. According to the Netherlands Bureau for Economic Policy Analysis (CPB), economic growth in the Netherlands turned out at 1.5 percent in 2011; this figure is expected to weaken slightly in 2012 by 0.5 percent. Building production in the Netherlands is projected to fall by an average of 3.5 percent in 2012. The Dutch economy could resume modest growth in 2013, which in turn could allow building production to improve very slightly.

Housing market

The uncertain economic outlook is having a major impact on the housing market, which has come to a virtual standstill on the back of historically low consumer confidence. Moreover, home sales have been adversely affected by the stricter conditions being applied by mortgage lenders. The production of new homes in the Netherlands has been under great pressure in recent years. On the other hand, based on current demographic forecasts, the growth in building production, when it comes, is likely to be strongest in the housing sector.

TBI sold 565 homes in 2011 (2010: 443 homes). The stock of completed but unsold homes amounted to 22 on 31 December 2011 (31 December 2010: 49 dwellings). The number of unsold homes under construction at year-end 2011 was 242 (31 December 2010: 212).

These homes are available for sale to private individuals. By way of additional security, sale agreements were signed with investors and housing associations for 105 dwellings. These sale agreements relate to dwellings which had not been sold to private individuals on completion. The effect of this is to reduce the net risk of unsold homes under construction.

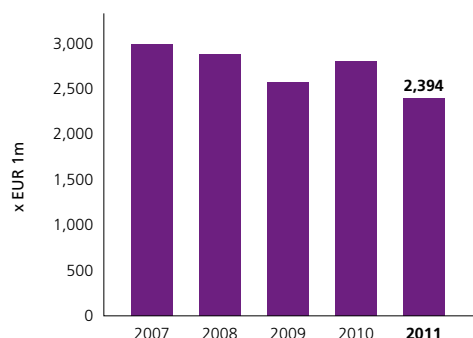
Non-residential market

Production volumes in the non-residential construction market have also fallen back sharply in recent years. Developments in this market are influenced primarily by the offices segment, which is characterised by overcapacity. As a result, a large number of offices are standing empty, and the outlook for the building of offices is therefore relatively weak. By contrast, there are opportunities in the renovation and maintenance market, and also for buildings in the public sector, such as education, care and the public administration. TBI seeks to offer integrated solutions for projects of this type; the ability to combine our construction and installation contraction activities with the relevant knowledge

Net working capital



Order book



possessed by our consultancy and building management specialist Hevo, which has a reputation as an authority in the education and care markets, and thus to offer one solution to the client, is unique and allows us to offer clients integrated and optimised solutions.

Civil engineering

Market conditions in the civil engineering segment are different from those in 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; those budgets are expected to remain under pressure in the coming years.

Installation contracting

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.

Outlook

According to the latest estimates by the Netherlands Bureau for Economic Policy Analysis (CPB), the Dutch economy will shrink slightly in 2012, by 0.5 percent. The growth in the Dutch economy will therefore lag behind the average over the last 20 years (2.25 percent). CPB is forecasting a slight recovery in the financial markets during 2012, together with a limited recovery in consumer and producer confidence. Economic growth is also expected to pick up in 2012. These forecasts are however hedged in with uncertainties and will depend largely on developments in the global economy and in the European debt crisis.

Solid starting position

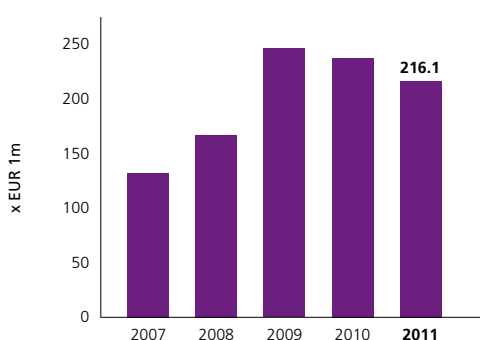
Conditions in the markets that are relevant for TBI can be described as changing and challenging. Changing in the sense that building production has been falling sharply in recent years and is expected to show only a limited recovery in the coming years. Challenging because, despite the prevailing market conditions, the market still offers opportunities for realising a wide array of projects. The challenge is to exploit those opportunities. The companies that make up TBI address the market with entrepreneurship, innovation, creativity, knowledge and expertise in a bid to offer clients an optimum service.

TBI and the TBI companies are in a solid (financial) starting position, something that can generate a competitive advantage in the present times of economic uncertainty and can offer certainty to our clients. A continual focus on returns on investment and liquidity is vital here.

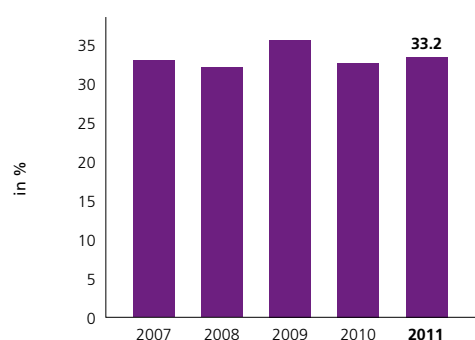
Order book 2012

TBI began 2012 with a solid (financial) position and an order book totalling 2.4 billion (year-end 2010: 2.8 billion). It is expected that 1.5 billion of the order book will be executed in 2012, with the remainder being available for production in 2013 and subsequent years. Based on the size of the order book, TBI's current starting position and the (anticipated) market conditions, TBI should be able to generate operating income of at least 2 billion in 2012, and to record a result that is comparable with that achieved in the year under review. The policy of expanding the activities through acquisitions or disposals will depend on the further outcome of the strategic reorientation. The size of the workforce will also be reviewed continuously in 2012 to ensure it is in line with developments in the order book and the market.

Cash at bank and in hand



Capital ratio



3.7 Developments in the segments

TBI vastgoed: the year 2011 in figures

TBI vastgoed: the year 2011 in figures

(x 1 million)	2011	2010	Change
Operating income	158	149	6%
Operating result	3.7	-9.8	–
Margin	2.3%	-6.6%	–
Orders received	143	65	220%

General picture and results

The companies within TBI vastgoed focus both 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 at Synchron. Hevo has wide experience in solving integral housing and real estate challenges in both the public and private sectors. The activities in the public sector are concentrated mainly in the care and education segments.

The operating result of TBI vastgoed showed a marked improvement in the year under review, coming in at 3.7 million – an improvement of 13.5 million compared with the negative operating result of -9,8 million in 2010. The negative operating result in 2010 was due entirely to developments at the project developer Synchron, and was driven primarily by disappointing sales, the writing off of planning costs and reorganisation costs. Synchron recorded an operating result of 1.1 million in 2011, partly thanks to higher operating income.

Business developments at a glance

(in alphabetical order)

Hevo

Hevo is a consultancy and business management specialist which is an acknowledged authority in the educational and care markets focusing on the creation of sustainable value in accommodation and usage, coupled with a high return on investment.

Hevo is based in 's-Hertogenbosch. Hevo regularly produces leading publications, such as the Sustainable Quality Guideline for Primary Education (Duurzame Kwaliteitsrichtlijn Primair Onderwijs) and a series of publications for the care sector. Hevo has also produced publications for the management of care facilities, including on person-centred care (Mensgerichte zorg) and cost-awareness (Kostenbewust denken).

The Schravenlant state school community is a notable project. During a series of special sessions, discussions were held with the stakeholders on how to make the new building as sustainable as possible, taking the life cycle of the building as the starting point.

Hevo moved to new offices in January 2011, marking the start of a new way of working for the company. In April, 300 clients and business contacts attended the Hevo Knowledge Event; the day proved so successful that it will be repeated in 2012.

Synchron

Synchron is a full-service project developer specialising in housing, shopping and the workplace. The company is based in Utrecht.

A reorganisation was implemented at Synchron in early 2011, bringing the size of the workforce into line with the market climate. At the same time, the organisation was simplified and the processes streamlined. The result was that, despite the difficult market conditions, Synchron closed the financial year 2011 with a positive operating result and with a stronger focus than in the past on the client and the end-user. Synchron will work with the TBI construction companies on further rationalising and/or optimising the development portfolio. The aim remains to reduce the amount of capital tied up in project development.

A high point for Synchron in 2011 was the opening of the Castellum shopping centre in Houten, which was sold to Syntrus Achmea. A start was also made on constructing two housing projects, Marckhoek in Breda and Biezenhof in Woerden. Sales are progressing well in both projects.

Hans Smit, Construction & Development segment, managing director, Koopmans Bouwgroep B.V.



'The Construction & Development segment brings TBI's strong construction companies together: J.P. van Eesteren, Koopmans, Hazenberg and ERA Contour, along with Hevo, the specialists in integrated project management, and Synchron for conceptual project development. These six companies put us in a perfect position to meet the most important demand in our markets for housing, offices, healthcare, education and shopping centres, namely the demand of the client. In housing projects, in particular, we engage in lengthy discussions with the envisaged buyers and tenants, and only then is a plan developed. The extensive experience of ERA Contour in this area enables us to cover a much wider field.

TBI bouw

TBI bouw: the year 2011 in figures

(x 1 million)	2011	2010	Change
Operating income	1.053	982	7%
Operating result	31,0	27,7	12%
Margin	2,9%	2,8%	–
Orders received	721	1.081	-33%

General picture and results

TBI bouw is engaged in construction activities in the housing (including starter homes), non-residential (commercial and public sector real estate) and infrastructure segments. The companies in this group operate in a collaborative network which enables them to retain their own (regional) identity.

Construction companies are able to engage in project development with restrictions in respect of the capital tie-up and risk management. Complex urban restructuring activities are where possible carried out in collaboration with Synchron.

The companies within TBI bouw face challenging market conditions. Sales and production of new homes and commercial property have fallen very sharply in recent years and are at low levels. The fall in the production of new homes has forced construction companies in the residential and non-residential sectors to seek compensation elsewhere in the markets. The result is growing competition and falling prices on the contracting market.

The operating result improved in the year under review compared with 2010, coming in at 31.0 million compared with 27.7 million in the previous year, an increase of 12 percent. Operating income stood at 1,053 million against 982 million in 2010.

The companies within TBI bouw are in a good starting position. They are profitable and have a solid capital structure, and the order book for 2012 has already been largely contracted.

Business developments at a glance

(in alphabetical order)

Aanneming Maatschappij J.P. van Eesteren

J.P. van Eesteren is a construction company in the non-residential sector which is active in the areas of new-build, remodelling, renovation, industry, development and integrated care concepts. The company is based in Barendrecht and also has a branch in Amsterdam. J.P. van Eesteren was merged with another TBI company, Heijmerink Bouw, on 1 February 2012.

Noteworthy projects for J.P. van Eesteren in 2011 included the renovation of the Rijksmuseum and new-build work at the Paleis van Justitie law courts, both in Amsterdam. The new administrative centre for Rabobank Nederland in Utrecht were also completed. Other notable projects included the completion of the head office of Europol in The Hague and new offices for ERA Contour in Zoetermeer. All these projects were completed in partnership with Croon and Wolter & Dros.

A great deal was invested in the Building Information Model (BIM), a tool for the integrated design, construction, management and maintenance of buildings. Investments were also made in raising the collaboration with Croon and Wolter & Dros to a higher level and devising planned maintenance systems.

ERA Contour

ERA Contour is active in the housing sector, specialising in new-build, renovation and (major) maintenance, area, concept, project and plan development, as well as the creation of dwellings and neighbourhoods which are pleasurable places to live. ERA Contour is based in Zoetermeer. The new ERA Contour offices, which were taken into use in August 2011, were specially designed to facilitate optimum cooperation both with colleagues and with partners and the end-consumer. This fits in with the new way of working at ERA Contour, which is based around the notion of co-creation. There are special staff training and development programmes to imbue employees with the necessary competences for this.

We are also seeing a major shift in market demand, from new-build to renovation, restoration and revitalisation. Existing dwellings and other buildings are being brought up to date or being given a new use; in other words, thereby extending their lives. In combination with more maintenance and management projects, these will be the core focuses for our segment in the coming years.'

ERA Contour is a partner in the Co-green initiative. This partnership, which among others includes a firm of architects and a housing association, specialises in climate-neutral and cost-neutral demolition, development and occupancy. Its first project involves the climate-neutral demolition of 352 post-war social rented homes and eight commercial premises in Amsterdam. The demolition will be followed by the construction of 460 homes and small commercial facilities on the site, built in accordance with the guidelines set for 2015.

On 2 February 2012, ERA Contour acquired the shares in its sister company Kanters Bouw en Vastgoed B.V. from TBI Bouw B.V.

Hazenberg Bouw

Hazenberg Bouw is an all-round building company which carries out projects in the residential and non-residential construction sectors, as well as focusing on restoration, change of use, large-scale renovation and maintenance. Hazenberg Bouw has its headquarters in Vught (Bouwbedrijf Hazenberg and Nico de Bont) as well as a branch in Breda (Korteweg Bouw). The integration of Korteweg Bouw into Hazenberg Bouw is now complete, creating a single, close-knit organisation comprising three construction companies all operating in the south of the Netherlands. There was also a high degree of cooperation with other TBI companies in 2011, involving a good deal of knowledge-sharing. Together with Synchron, Korteweg is building the Buitenplaats Marckhoek housing project in Breda, a prestigious and high-quality new-build development with customised individual homes. In partnership with Hevo, Hazenberg built a large extension on a teaching building at Avans University of Applied Sciences in 2011 and followed this with the remodelling and renovation of six other teaching buildings. The same team is currently working on the transformation of a vacant office building, which is being completely converted within a short space of time to create a modern teaching facility for 1,200 students. Restoration specialist Nico de Bont is increasingly involved in changing the use of existing

buildings, as many historic and characterful buildings are losing their traditional functions and being given a new purpose. Projects in this category that have been completed in recent years include the conversion of the historic De Muzerije building to an arts centre and the Brabanthallen centre, both in 's-Hertogenbosch. A great deal of experience has been gained from these projects; that experience has been turned to good use in the former Mariënbosch monastery in Nijmegen and the former residential centre Mariaoord (Plan Parc Glorieux) in Vught.

Heijmerink Bouw

Heijmerink Bouw is active in the non-residential, commercial and accommodation sectors, specialising in offices, schools, care complexes, shopping centres, commercial buildings and apartments. The company is based in Bunnik and was merged with sister company Aanneming Maatschappij J.P. van Eesteren on 1 February 2012. Heijmerink completed new head offices for the energy company Eneco in Rotterdam in 2011, a building that was hailed as the greenest office building in the Netherlands.

In partnership with J.P. van Eesteren, Heijmerink also completed the extension of the City Plaza shopping centre (phase 1) in Nieuwegein. Other notable projects completed included the extension of the town hall in Veenendaal and the remodelling and renovation of the Cartesius Lyceum in Amsterdam.

Kanters Bouw en Vastgoed

Kanters specialises in project development and construction, carrying out both its own projects and projects for third parties. Its activities are concentrated in the housing, care and non-residential construction sectors, involving projects in which housing, work, parking and commercial facilities are brought together. Kanters has its headquarters in Barendrecht.

In 2011, Kanters transformed the St. Elisabeth residential care complex in Roosendaal into a modern and sustainable complex with heat/cold storage and heat reclamation. The former convent of the St. Elisabeth order was completely remodelled,

Jan Luijten, managing director, TBI Infra B.V.



'The Infrastructure segment contains the infrastructure specialist Mobilis as well as the Voorbij companies, with their special emphasis on foundation technology, prefabricated concrete, concrete systems and pretensioning techniques. The pooling of knowledge and networks creates synergy for both clients and the companies themselves. Product and process innovations that are profitable for the business are also implemented. Mobilis mainly targets the more complex infrastructure projects, working in close partnership with the Voorbij companies to combine and translate the specific knowledge in individual areas into a high-quality product. A great deal is currently being invested in infrastructure in the Netherlands,

with partial demolition and some new-build. The Mr. Visserhuis, a Jewish residential care home in The Hague, was completed in the first quarter of 2011. Kanters was a partner in the construction team and played its role in completing the project. The result is a contemporary, multifunctional building offering a wide diversity of rooms, shapes, dimensions and materials. The shares of Kanters Bouw en Vastgoed B.V. were acquired from TBI Bouw B.V. by its sister company ERA Contour B.V. on 2 February 2012.

Koopmans Bouwgroep

Koopmans is a project developer and innovative construction company, focusing on both the residential and non-residential sectors. It is based in Enschede and also has branches in Apeldoorn and Deventer.

Koopmans Bouwgroep is the developer behind the innovative LekkerEIGENhuis building concept for sustainable and affordable housing, as well as the Surplus®Eco variant.

LekkerEIGENhuis

Surplus®Advanta is marketed under the name LekkerEIGENhuis, and the continued development of this sustainable housing concept progressed well in 2011. Several projects have now been completed, and for 2012 a contract has been signed for more than a hundred dwellings in Rotterdam. In addition, quotations have been submitted for hundreds of homes at various locations throughout the Netherlands.

Koopmans is increasingly focusing on integrated projects, chain integration and taking over tasks from the client, for example by offering tenant supervision and maintenance contracts. In 2011, Koopmans Bouwgroep completed the remodelling and new-build of the Provinciehuis provincial government building in Leeuwarden. Contracts were also signed for two major projects: the Waterfront in Harderwijk and the Raadhuisplein shopping centre in Drachten. The Waterfront is a large-scale project incorporating the creation of a yachting marina, a public beach

island and 700 dwellings. The Raadhuisplein shopping centre project in Drachten involves the construction of an underground car park, 20,000 square metres of commercial floor space and approximately 170 apartments.

MDB

MDB, based in Bergambacht, hires out contracting plant, supplying companies both within and outside TBI. The scaffolding department was expanded in 2011. As a result, TBI construction companies no longer outsource scaffolding projects to third parties, but will henceforth place them with MDB.

TBI infra

TBI infra offers sustainable solutions for infrastructure projects such as tunnels, viaducts, bridges, car parks and public transport facilities. It has locations in Apeldoorn (Mobilis), Capelle aan den IJssel (Mobilis) and Amsterdam (Voorbij).

Mobilis completed the new Rotterdam Centraal Metro station in the year under review. This was a large, complex project which was carried out amidst the thousands of travellers who use this station every day. The doubling of the railway tracks at Lelystad, part of the Hanzelijn regional rail project, was also completed; the station was also entirely renovated.

Another notable project in 2011 was the transportation and sinking of the tunnel sections for the Second Coen Tunnel, a project which, because of its proximity to the existing First Coen Tunnel, demanded real expertise. In addition, the first bridge sections for the additional Waalbrug Bridge on the A50 motorway between Ewijk and Valburg were installed, as were the first tunnel sections for the Spoortunnel rail tunnel running through the centre of Delft.

Voorbij Funderingstechniek enjoyed a good 2011, with record sales. New foundation techniques were deployed successfully, including in projects for Mobilis. Voorbij built a cofferdam for the Sachalin oil extraction project in Siberia to enable pipelines to be brought on land. On 1 October 2011, TBI Infra B.V. acquired all shares in Voorbij Prefab Beton B.V. from sister company Voorbij Groep B.V.

and that will continue in the coming years. TBI Infra frequently works alongside the technology companies in the construction of tunnels, bridges, roads and water treatment plants. It is definitely something that sets us apart in the market. The prefabrication of concrete elements for housing construction is currently developing very rapidly at Voorbij. The LekkerEIGENhuis concept for sustainable and affordable homes is largely a matter of intelligent production of prefabricated concrete elements to which value is added through far-reaching integration of installation techniques. These are good examples of our excellent cooperation with the Construction & Development segment.'

TBI techniek

TBI techniek: the year 2011 in figures

(x 1 million)	2011	2010	Change
Operating income	1,029	908	13%
Operating result	18.0	14.7	22%
Margin	1.7%	1.6%	–
Orders received	1,076	994	8%

General picture and results

Technology makes it possible to offer relevant solutions to social problems, now and in the future, for example in the fields of care, water management and mobility. The demand for sustainable technological solutions also continues to grow unabated. The activities of the companies within TBI techniek are 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.

TBI techniek recorded an operating result of 18.0 million in 2011, an increase of 3.3 million (22.4 percent) compared with the operating result of 14.7 million in 2010. This improvement in the operating result was due among other things to an increase in the production volume. Operating income stood at 1,029 million in 2011, an increase of 121 million compared with 2010.

The outlook for the companies within TBI techniek is good. They are profitable and have a solid capital structure, and the order book for 2012 has already been largely contracted.

As part of the strategic reorientation, a study will be carried out in 2012 to determine the best form for the cooperation between Croon, Eekels, HVL and Wolter & Dros.

Business developments at a glance

(in alphabetical order)

Acto Informatisering

Acto Informatisering is a supplier of integrated ERP solutions for companies that work on a project basis and for service companies. Acto is based in Amersfoort.

Acto completed a number of major projects in 2011 for numerous engineering companies, both within and outside TBI, enabling them to further optimise their ICT systems for their (internal) processes in order to reduce costs further and maintain their returns. Acto introduced a new generation of ERP software for project control and service management which stimulates and supports the new working practices. Tablets are increasingly being used to facilitate mobile access to the ERP system, and service companies are now able to complete service processes from a tablet.

In addition to ERP software, Acto introduced a new line of standalone software in 2011 which offers support in drawing up schedules of condition and in compiling long-term maintenance plans. This software, called Prognose, was launched successfully in the year under review and meets the needs of contractors, property owners and consultants.

Alfen

Alfen develops and supplies complete, assembled transformer substations, as well as products and services for electricity distribution. The company is based in Almere.

At the end of 2011, Alfen acquired a number of activities from Exendis B.V., a specialist in power conversion, a technology that is required for a number of applications, including the production of rapid chargers for electric vehicles. This acquisition positions Alfen even more emphatically in the market for electric vehicle charging points and Smart Grids. The increase in the number of charging points for electric cars generated further international growth for Alfen in 2011. A total of more than 1,500 charging points were created, and this number will

Piet Jan Heijboer, Engineering segment, managing director, TBI Techniek B.V.



'The Engineering segment brings together the companies Croon, Wolter & Dros, HVL, Eekels, Acto, Alfen, Fri-Jado and WTH. Together these eight companies, with their different size and specialisations, cover the entire gamut of installation contracting activities. The internal lines of communication are short and direct, with lots of knowledge sharing and exchange. This fits in with the merging of the electrical and mechanical engineering disciplines which is currently taking place. The rapidly developing technology is leading to much greater comfort and making the built environment and the production processes much more 'intelligent'. However, the installation activities also require more integrated knowledge and expertise.

more than double in 2012. This makes Alfen one of the leading players in the European market, and a trendsetter in the technology and its application. Alfen won the two biggest tenders in the Netherlands for transformer substations in the year under review, thereby safeguarding its position of leadership in this market for the coming years.

Croon Elektrotechniek

Croon is a specialist electrical engineering service provider active in the industrial, non-residential construction, marine & offshore and infrastructure segments. Croon has its headquarters in Rotterdam as well as having locations throughout the Netherlands.

Despite the difficult economic climate, Croon built a strong order book in the year under review and achieved its targets. The company signed a contract with the energy company Gasunie for the inspection and maintenance of low-voltage electrical plant and the earthing and lightning protection systems in the Netherlands. This work will be carried out by Croon Survey and Inspection, a specialist company employing a team of 30 staff.

In early 2011, Croon completed all control, network and server panels for the Zuidwending natural gas storage buffer for Gasunie. This buffer, located near Veendam, is the first Dutch facility for storing gas in underground salt caverns.

Work is going on on the Sluiskil Tunnel, the Second Coen Tunnel and the A15 motorway between Maasvlakte and Vaanplein. Croon made a start on a major renovation and automation project for the drinking water company Waternet in 2011 at its site in Leiduin. Croon is also designing and building the electrical and control equipment for the new 'green' lock at Stavoren.

Croon published its own annual report in 2011, in which it described its policy, activities and results in relation to corporate social responsibility.

Eekels Elektrotechniek

Eekels is a supplier of technological solutions for electrical and mechanical engineering applications.

The company is based in Kolham. In partnership with Croon, Eekels won a major contract in the industrial market in the north-east of the Netherlands in the year under review. The project entails carrying out electrical work for an upgrade of a factory in the Emmtec Industry & Business Park in Emmen.

This marks a successful milestone in the pooling of strengths in the industrial market in the north-east of the Netherlands which began in 2010. Eekels was also awarded major contracts by Damen for the building of Platform Supply Vessels in Romania. This contract involves the supply of the entire electrical plant for the vessels, including the diesel-electric drives.

Eekels showcased a new alarm and monitoring system at the Marintec Maritime Fair in Shanghai in November, the Eekels 'S-line'. The system was developed and manufactured entirely in Europe and fits in with the concept of Total Ship Automation.

Fri-Jado

Fri-Jado is a specialist in the development, production, installation and maintenance of refrigeration systems and equipment for preparing, storing and displaying food and drink. The company is based in Etten-Leur, and also has sales offices in the United States and China.

The year under review went better than expected for Fri-Jado. Sales increased very sharply compared with 2010, while profits recovered to the levels seen before the downturn in 2009.

Fri-Jado organised a symposium in September 2011 to launch The Green Retailer initiative. This is a major collaborative venture involving chain partners in the retail and supermarket sector as well as industrial and building supply companies. The partners in The Green Retailer work together in a cross-disciplinary way to develop sustainable, low-energy and energy-generating concepts for the ultra-low-energy supermarket of the future.

A service contract was signed with Albron for the supply of all kitchen, catering and refrigeration equipment for the entire network of CenterParcs locations in the Netherlands and Belgium. Albron

The technology in buildings is occupying an increasingly prominent place, and is sometimes the most important aspect, especially when modernising existing buildings. Clients not only want intelligent technical installations, but are also looking for long-term management and maintenance contracts. An integrated approach is more effective here, too, and is also in the best interests of the client. We are therefore fully committed to the integrated approach, both internally and externally. It enables us to work more efficiently and cheaply and greatly reduces the failure and coordination costs. In short, an intelligent approach for intelligent buildings.'

acquired the entire catering operation at the CenterParcs locations in 2010.

Fri-Jado won a contract from the Ministry of Defence for the maintenance of the kitchen, catering and refrigeration equipment at all defence sites in the Netherlands. The company was also involved in much of the conversion of the Super de Boer stores to the new Jumbo formula. This involved the supply and installation of chiller cabinets and refrigeration equipment, as well as the electrical and lighting installations.

Fri-Jado supplied eight complete deli-counter lines for the outlets of the French store chain Carrefour in the Middle East. The counters were equipped with cold and hot sections for the display and sale of fresh foods.

HVL

HVL supplies and installs modern, intelligent technological solutions. It has its headquarters in Eindhoven, with branches in Dordrecht, Gorinchem, Maastricht, Nijmegen, 's-Hertogenbosch and Breda. The service and maintenance market is becoming ever more important for HVL. Reflecting this, HVL signed two major maintenance contracts with the municipality of Helmond in 2011 for the technical plant in 120 municipal buildings, and another contract with the municipality of Venlo for the electrical and mechanical plant in the municipality's entire property portfolio, encompassing approximately 170 buildings.

In partnership with Wolter & Dros, HVL was awarded a five-year framework contract by the Catharina Ziekenhuis Hospital in Eindhoven. Under the contract, these two technical service providers have been appointed as installation contracting partners. It is a unique project because of the variety of activities that need to be carried out in a hospital with 700 beds and 3,200 staff.

Other new projects include the renovation of the public areas of Holland Casino in Eindhoven, the renovation of the Susteren wastewater treatment plant, the supply of programming capacity for the Hollandse Delta water board and the renovation of

the electrical, mechanical and civil-engineering plant at the Gewande pumping station near 's-Hertogenbosch.

Ingenieursbureau Wolter & Dros

Wolter & Dros is an installation contracting and maintenance company specialising in the design, installation, maintenance and management of technical plant. The company has its headquarters in Amersfoort and also has locations throughout the country.

Wolter & Dros carried out two internal improvement projects in the year under review:

- Operational Excellence, leading to the introduction of standard concepts and uniform systems and working methods based on best practices. This concept strengthens the entire group whilst retaining local entrepreneurship. The intention is that it should result in lower indirect costs.
- Total Cost of Ownership, leading to an insight into and control of the costs of using a building or installation. A toolkit was also developed to help make the right choices during the design phase and to embed and internalise the knowledge present within the organisation.

Among the highlights in 2011 were the renovation of the National Maritime Museum in Amsterdam, the building of the new Stadskantoor Leyweg municipal offices in The Hague, the building of the new Technovium technology centre in Nijmegen, the renovation of the Drents Museum in Assen and the contract for the maintenance and remote building management for eight Holland Casino sites.

The building of the new Kromhout Kazerne barracks in Utrecht, where the Royal Netherlands Army Command is based, was also completed in the year under review. A start was also made on new-build work at the Paleis van Justitie law courts and the Hotel IJdock, both in Amsterdam.

Joke Cuperus, principal engineer/managing director, Rijkswaterstaat, Eastern Netherlands



'Rijkswaterstaat takes an integrated approach to area development, looking not just at the site itself, but also at the consequences of development for the environment and for road and waterway users. For example, what will be the effect on traffic, nature and the environment if a new exit road is built, for example? We expect the same integrated approach from an infrastructure company such as Mobilis. It's important for us that they are familiar with the procedures, licensing systems, zoning plans, etc. Because today, it's usually a matter of incorporating new projects into the existing infrastructure, and that raises questions among private citizens or interest groups. That demands good listening skills, transparent communication and continual explanation of why a particular approach has been chosen. In our view, this is at least as important for an infrastructure company as the realisation of the project itself. We do it together.'

WTH

WTH, based in Dordrecht, supplies floor and wall systems for heating and cooling buildings.

Despite the present economic climate, WTH recorded increased sales in the year under review. The scale of its operations and the sustainable applications delivered proved to be the main success factors. On the product side, innovative products were added to the range both with respect to assembly and in the control of underfloor heating systems. The broadening of the product range specifically aimed at the renovation market led to substantial growth in this market for WTH.

3.8 Corporate governance

General

TBI 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 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.

Compliance with the Dutch Corporate Governance Code

TBI is not a listed company and is therefore not required by law to apply the Dutch Corporate Governance Code (henceforth: the Code). Nonetheless, the Board of Management and Supervisory Board apply the principles and best practice provisions of the Code as far as possible. In particular, the principles embedded in the Code relating to integrity, accountability and transparency, are an important guideline for TBI. The applied provisions from the Code are incorporated in the Articles of Association of TBI,

the Board of Management Regulations and the Supervisory Board Regulations, though taking into account the TBI ownership structure. That structure sometimes necessitates departure from the Code. The justification for these deviations is 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.

Board of Management

The tasks and procedures of the Board of Management are laid down in the Regulations of the Board of Management of TBI. The Board of Management is charged with managing TBI. 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 determines this division of tasks itself.

Supervisory Board

The composition, tasks and procedures of the Supervisory Board are laid down in the TBI Supervisory Board Regulations. The Supervisory Board supervises the general course of business in the company and the associated enterprise, as well

Léon Verhaegen, project manager Wauter project, Limburg water board



'Smoothly functioning water treatment systems benefit all of us. The aim of our Wauter project is to bring all our 18 wastewater treatment plants completely up to date in a major automation operation. A single central server system will replace the decentralised control systems. The project involves work on 175 different objects. HVL is the main contractor in this extensive automation project. It has a great deal of knowledge in the world of water and was the obvious partner for us to choose. This operation will optimise the management of our plants, because everyone will be working with the same interface. It's a good example of innovative automation which contributes to the safety and efficiency of water management in the Netherlands.'

as the policy pursued by 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 from the Board of Management in good time.

The members of the Supervisory Board do not receive any bonuses, pensions or other forms of remuneration related to the result of the company.

Supervisory Board committees

Given the size of the company, and with a view to ensuring the proper exercise of its supervisory tasks, the Supervisory Board has appointed the following committees from among its members:

- Audit Committee
- Remuneration Committee
- 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, comprises at least two members and meets at least twice per year. Audit Committee meetings are held in the presence of the chairman of the Board of Management, the Financial Director ad interim and, if desired, the external auditor.

The Audit Committee assesses the structure of the internal control measures and the rules and guidelines relating to financial reporting. The Audit 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 Audit Committee reports the findings in a meeting of the Supervisory Board.

The members of the Audit Committee as at 31 December 2011 were as follows:

- J.B. van Dongen (chairman)
- P.A.M. Berdowski
- J.C. ten Cate

Remuneration Committee

The Remuneration Committee comprises at least two members and meets at least once a year. The task of the Remuneration 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 as at 31 December 2011 were as follows:

- J.B. van Dongen (chairman)
- I.P. Asscher-Vonk

Selection and Appointments Committee

The Selection and Appointments Committee consists of the chairman plus a member of the Supervisory Board; it meets at least once a year. Among other things the Selection and Appointments 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.

The members of the Selection and Appointments Committee as at 31 December 2011 were as follows:

- J.C. ten Cate (chairman)
- J.E. de Vries

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. During the General Meeting of Shareholders held on 14 April 2011, the external auditor PwC was reappointed for a period of one year.

The Supervisory Board, the Board of Management and the auditor have taken steps to guarantee the objectivity and impartiality of the external auditor. These measures mean that the auditor performs only audit activities for TBI and provides no tax or other 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.

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 and to keep them motivated to lead TBI as a prominent Dutch real estate, construction and engineering group.

The remuneration of the members of the Board of Management consists of a fixed and a variable component. It was decided in 2011 to revise the remuneration structure. Following this change, the amount of the variable remuneration is now dependent on the achievement of personal targets as well as the existing financial and general policy targets.

Pay levels of members of the Boards of Management of other Dutch (AMX-listed) concerns are taken as a guide in determining the remuneration of members of the Board of Management, bearing in mind the complexity of the company.

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.

Financial reporting

TBI 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 2011.

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

The TBI companies are required to follow the financial reporting principles of TBI. To this end, internal reporting guidelines have been established in the periodically updated TBI Reporting Handbook.

3.9 Risk management

Entrepreneurship is closely associated with the taking and controlling of risks. Dealing with those risks in an aware and responsible manner is a necessary condition for successful operation. TBI operates a strict risk management policy aimed at accommodating and managing present and future risks as far as possible.

The Board of Management has a responsibility in structuring and monitoring compliance with the internal risk management and control systems. As far as possible, the decentralised organisational structure of TBI 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 objectives set will be realised.

The rapidly changing economic climate naturally leads to a heightened risk profile in some cases. Where necessary, proactive steps are taken to strengthen the risk management systems so that they

continue to match the changing market conditions. The risk management systems functioned adequately in the year under review, and there are no reasonable indications that the risk management and control systems will not function properly in 2012. Consequently, no material changes to these systems are foreseen. However, TBI can offer no guarantees that no risks will occur. This also does not mean that the risk management systems require no further improvement. Optimisation of the internal risk management systems remains a key focus of attention for the Board of Management. This could lead to further tightening up of or additions to the systems.

The principal 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 risks to which the group is exposed and the management of those 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 four times per year.

Role of Audit Committee

The Supervisory Board Audit Committee monitors compliance with 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 consults with the external auditor at least once per year. The external auditor is appointed annually by the General Meeting of Shareholders. 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 on progress periodically 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 reports and performance of the TBI companies are discussed on a quarterly basis, with a strong focus on the principal risks and the actions taken to control them.
- There is regular contact with the TBI companies in between the quarterly discussions of the operational processes and the associated risks.
- Reporting guidelines are laid down in the periodically updated TBI Reporting Manual, which is based on the prevailing legislation and regulations.

The Board of Management monitors compliance with the relevant financial and other guidelines, supported by the Reporting and Control department. This department reports directly to the Board of Management and operates on the basis of a programme approved by the Board of Management. Audits by the Reporting and Control department focus on the design and functioning of the administrative organisation and internal control systems at the TBI companies. 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: compliance, market, operational, safety and financial.

Management of compliance risks

TBI believes it is important to do business in a way that takes full account of the interests of the stakeholders. This approach safeguards the continuity of

the group and contributes to the well-being of the individual companies and their employees. Against this background, the TBI companies and their employees are expected to respond to the trust that is placed in them in an expert and professional manner.

In an organisation that is active in several markets with a large number of different companies, there is a risk that incidents at individual TBI companies could have consequences for the reputation of the group as a whole. TBI is aware of its position in society and attaches great importance to its reputation; with this in mind, it is not prepared to make any concessions in respect of its integrity policy. Partly for this reason, TBI has introduced the TBI Code of Conduct across the group.

The TBI Code of Conduct is a living document, which means it is regularly reviewed to determine whether it still meets the required standards. The TBI Code of Conduct imposes a duty on every TBI employee to act in a professional, skilled and expert manner in performing his or her tasks, and also requires that all employees conduct themselves with due care, integrity and in a socially responsible way.

All employees must act in accordance with the rules set out in the TBI Code of Conduct. Additionally, any TBI employee who is aware of an infringement of this Code of Conduct has a duty to report this to the supervision officer at the TBI company concerned. These reports are treated as confidential, and an employee who reports an infringement can be assured that he or she will not suffer any disadvantage as a result.

Compliance with the TBI Code of Conduct is strictly monitored. Incidents are investigated and may lead to the imposition of employment-law sanctions.

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 their respective TBI companies.

The supervision officers receive no instructions from their company managements regarding the exercise of their duties. Their reports are made available to the Board of Management, but the supervision officers perform their tasks independently. The Code of Conduct enables TBI employees to report any suspected problems or unusual circumstances to the 'External Supervisor' of TBI.

Other measures designed to manage compliance risks are as follows:

- 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 whistle-blower's charter which protects employees who draw attention to practices that are contrary to the TBI Code of Conduct.

Horizontal Supervision

TBI has signed a Horizontal Supervision Agreement with the Dutch Tax and Customs Administration. This is intended to enable TBI to meet its tax obligations effectively and efficiently. The aim is to create a permanent and up-to-date insight into relevant events and to facilitate a rapid definition of standpoints by the tax authorities, thereby increasing the legal certainty. Core values for horizontal supervision are mutual trust, transparency and understanding. TBI ensures that an internal management and internal and external control system is in place, with the aim of submitting compliant tax returns that are free of material errors. Facts and circumstances which could lead to a difference of opinion about the fiscal consequences are tabled and discussed as soon as possible.

Sector-specific codes of conduct

Depending on the sector in which TBI companies are active, sector-specific codes of conduct apply. These are as follows:

SBIB business code

The Foundation for the Assessment of Integrity in the Construction Industry (SBIB) has the object of formulating self-disciplinary integrity rules for the construction industry in areas such as order acquisition and competition in the Netherlands. It also administers these rules and monitors compliance with them. All TBI construction companies and construction-related engineering companies are affiliated to SBIB.

Although the SBIB business code is a self-disciplinary scheme, it also has a real external impact, on the one hand because TBI companies inform third parties that they endorse the code and consider compliance with it to be important, and on the other hand because (potential) clients and/or tendering departments consider it important that their contractors compete for tenders in a transparent and above-board way, and that they behave with due care, integrity and social responsibility when carrying out assignments.

NEPROM code of conduct

Members of the Association of Dutch Project Developers (NEPROM) are bound by the NEPROM code of conduct. NEPROM members are expected to behave in a socially responsible way, and this is given form in the code of conduct in a set of rules governing conduct towards public authorities, clients, third parties, employees, etc. More specifically, this code contains all manner of rules indicating how a NEPROM member should behave in relation to property and land transactions.

To ensure compliance with the code, the NEPROM Transaction Register was introduced within TBI in mid-2010. 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, TBI's external auditor PwC assessed the proper design and functioning of this system in both 2010 and 2011.

Dutch Construction and Infrastructure

Federation code of conduct

Without exception, the TBI construction companies are members of the Dutch Construction and Infrastructure Federation (Bouwend Nederland). Members of this Federation attach great value to corporate social responsibility, with integrity and competition as the keystones.

Management of market risks

The diversity of TBI's operations means that the risks associated with the activities in the various sectors vary. Maintaining a balanced portfolio and spreading the activities across client categories and market sectors 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 sector is situated 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 type and throughput time. In order to be able to carry out these projects successfully, the risks during the preparation, execution and completion 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 constant 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 in accordance with ISO quality systems. 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, commencing sale proceedings 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 safety risks

When it comes to safe and healthy working conditions, the biggest risk of injury occurs on construction sites. For this reason, TBI pursues a policy aimed at taking the necessary measures to prevent accidents, occupational illnesses and damage. Health and safety risks are controlled as far as possible by ensuring that the design takes into account the health and safety of individual employees and by preparing projects in a planned way. The work is organised in such a way (including the layout of the construction site) that it has no detrimental impact on the health and safety of workers. Employees, insourced staff and subcontractors also receive instructions on safe working methods.

Within the decentralised group structure of TBI, the managements of the individual TBI companies are responsible for putting in place an adequate safety management system within their company.

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 funds. 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 continual focus on optimising the management of working capital, including an assessment of the liquidity and solvency of clients. If necessary, additional collateral is requested or receivables are insured.

In the light of the prevailing 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. As at 31 December 2011, TBI had no long-term (interest-bearing) debt. The extent of the short-term interest-bearing liabilities is limited, and the interest-rate risk is therefore minor.
- 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. Every investment application or request to commence construction is assessed on its own merits.

3.10 Finance

TBI has access to bank guarantee and credit facilities totalling approximately 561 million. The present financing facility of 100 million, with an option to increase this by 50 million, was extended in December 2011 for a period of five years, until December 2016. The TBI companies are financed via the central treasury function within TBI. This central treasury function guarantees access to the money and capital markets and ensures that the working capital requirements are met.

Rotterdam, 14 March 2012

E.H.M. van den Assem (chairman)
D.A. Sperling
A.A. Voogel MBA¹

¹ A.A. Voogel has been a member of the Board of Management since 1 February 2012.

Kromhout Kazerne Utrecht



The new headquarters of the Royal Netherlands Army have been created on the site of Kromhout Kazerne barracks, opposite the Utrecht football stadium. Elements of the Ministry of Defence Support Command and the Defence Materiel Organisation are also housed in this modern fleet of offices. The complex offers space for 3,000 staff and is configured to take advantage of new working concepts.

Wolter & Dros and HVL were two of the installation contracting partners in the consortium Komfort v.o.f., with responsibility for the mechanical, electrical and security installations. A contract was also signed for the management and maintenance of the technical plant for a period of 25 years.

HVL
Wolter & Dros

GeoFort Herwijnen



The 'New Dutch Waterline' (Nieuwe Hollandse Waterlinie) was a new military line of defence which in 1871 replaced the original Hollandse Waterlinie defence line. It consists of 46 forts ranged over a distance of 85 kilometres running through the centre of the country. The idea was that the land could if necessary be flooded as a means of defence. One of the forts, in Herwijnen, is undergoing a change of use and is being completely restored for this purpose. Several buildings, such as the barracks, the artillery store, the gun storage rooms and the guard house are being restored and consolidated by Nico de Bont. The fort is being transformed into an educational theme park specialising in cartography and navigation, which will be known as GeoFort. From June 2012, the public will be able to visit the site to learn about both past geographical techniques and the most modern measurement systems in use today.

Nico de Bont



Talent in action

Stefan Meegdes
Company manager, J.P. van Eesteren
Rijksmuseum, Amsterdam



Second Coen Tunnel Amsterdam



The existing Coen Tunnel (Coentunnel) handles hundreds of thousands of vehicles every day, but has reached the limits of its capacity, prompting the installation of a Second Coen Tunnel (Tweede Coentunnel) beneath the North Sea Canal (Noordzeekanaal). The new tunnel will improve access to the Westelijk Havengebied district of Amsterdam and the northern areas of the Randstad conurbation, the region in the west of the Netherlands containing the major cities of Amsterdam, Rotterdam, The Hague and Utrecht. Completion of the new tunnel and the associated Westrandweg road is scheduled for 2013.

The project not only entails the installation of the tunnel itself, but also the construction of the feeder road system, the necessary bridges and other civil engineering works and the technical traffic and tunnel equipment. The project also includes the renovation of the existing Coen Tunnel, with Mobilis as one of the seven partners in the construction consortium. The consortium will maintain the entire system until 2037. The tunnel sections were transported to the construction site by water one at a time using tow and push barges; on arrival, the sections were sunk into

position. A milestone was achieved in May 2011 with the linking up of the third and fourth tunnel elements, completing the joining of all tunnel sections.

The Second Coen Tunnel is being built in accordance with the requirements of the new Tunnel Safety Act (Wet Tunnelveiligheid), which means that all manner of extensive safety facilities are being installed. The tunnel will be fitted with the most modern equipment, supplied and installed by Croon. Sensors in the road surface will for example register when the traffic in the tunnel is at a standstill. Escape routes are not only equipped with light signals, but also with sound alerts. The tunnel is equipped with a total of 65 different systems, ranging from lighting and ventilation systems to fire extinguishing and communication systems. Croon is in charge of the entire technical installation and is responsible for the design, build and maintenance programme from the first initiative up to and including the maintenance phase which runs until 2037.

Croon
Mobilis

Financial statements 2011

Consolidated balance sheet as at 31 December 2011

(before appropriation of result)

	31 December 2011		31 December 2010	
Non-current assets				
Intangible assets [1]	2,635		2,558	
Tangible assets [2]	133,284		138,068	
Financial assets [3]	3,879		579	
		139,798		141,205
Current assets				
Work in progress [4]				
– works for third parties	-189,177		-211,904	
– land positions, etc.	217,638		210,220	
– own development	15,856		18,453	
	44,317		16,769	
Stocks [5]	26,740		22,863	
Receivables [6]	366,745		319,830	
Securities [7]	188		187	
Cash at bank and in hand [8]	216,106		237,450	
	654,096		597,099	
Current liabilities				
Credit institutions, etc. [9]	6,635		30,046	
Other liabilities [10]	512,372		458,788	
	519,007		488,834	
Balance of current assets/current liabilities		135,089		108,265
		274,887		249,470
Long-term liabilities [11]		—		—
Provisions [11]		10,605		9,733
Group equity				
Shareholders' equity [12]	263,254		239,382	
Minority interests	1,028		355	
		264,282		239,737
		274,887		249,470

Consolidated profit and loss account for the year 2011

	2011		2010 ¹	
Operating income [13]		2,171,952		2,023,851
Operating costs				
Costs of raw materials and consumables				
contracted-out work and other external costs	-1,439,742		-1,330,731	
Wages and salaries	-409,347		-401,826	
Social security charges	-74,814		-72,427	
Pension charges [14]	-30,468		-30,881	
Depreciation of tangible assets [15]	-25,244		-26,626	
Amortisation of intangible assets [16]	-785		-659	
Other operating costs	-158,210		-142,656	
		-2,138,610		-2,005,806
Operating result before impairment		33,342		18,045
Impairment [4]		—		-56,916
Operating result after impairment		33,342		-38,871
Interest income/charges [17]	170		-2,814	
Result from participating interests [18]	-5,536		-2,986	
		-5,366		-5,800
Result from ordinary operations before tax		27,976		-44,671
Taxation [19]		-3,461		11,092
Result from ordinary operations after tax		24,515		-33,579
Minority interest in result of group companies		-294		-32
Net result		24,221		-33,611

¹ Adjusted for comparison purposes

Consolidated cash flow statement 2011

	2011		2010	
Net result for year	24,221		-33,611	
Correction for impairment (net)	—		42,402	
Amortisation of intangible assets [1]	785		659	
Depreciation of tangible assets [2]	25,244		26,626	
Reduction in provisions due to deconsolidation	-1,401		—	
Other movements in provisions	2,273		-1,508	
Movements in working capital excluding cash	-24,756		1,000	
Net cash flow from operating activities		26,366		35,568
Investments in intangible assets [1]	-876		-517	
Investments in tangible assets [2]	-26,351		-22,749	
Disposals of tangible assets [2]	1,572		1,748	
Investments in tangible assets deriving from acquisitions [2]	—		-396	
Disposals of tangible assets as a result of deconsolidation [2]	4,319		1,656	
Investments in intangible assets from acquisitions [1]	14		-370	
Other movements	-358		—	
Movements in financial assets	-3,300		-408	
Net cash flow from investment activities		-24,980		-21,036
Repayment of long-term liabilities	—		-8,000	
Other movements in long-term liabilities	—		-4,526	
Exchange differences	9		135	
Movements in credit institutions	-23,411		-5,912	
Movements in minority interests	673		-76	
Dividend	—		-4,649	
Net cash flow from financing activities		-22,729		-23,028
Net cash flow for year		-21,343		-8,496
Opening cash and securities balance		237,637		246,133
Decrease		-21,343		-8,496
Closing cash and securities balance		216,294		237,637
Of which movements in year in construction consortia and other strategic alliances		702		8,721

Notes to the consolidated financial statements

General

TBI Holdings B.V. 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. TBI Holdings B.V. has its registered office in Rotterdam, the Netherlands.

Accounting policies

Presentation of financial statements

The consolidated financial statements of TBI Holdings B.V. are prepared in accordance with the statutory provisions as set out in Part 9, Book 2 of the Netherlands Civil Code.

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.

The consolidated financial statements are presented in euros, the functional currency for the Company. Unless stated otherwise, all financial information is stated in thousands of euros. The references in the balance sheet, profit and loss account and cash flow statement refer to the Notes to the financial statements.

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.

Intercompany receivables and liabilities and the results of transactions between group companies and other legal entities included in the consolidation are eliminated in so far as the results did not derive from transactions outside the group.

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 Part 9, 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 and 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.

For a description of TBI's risk management policy for controlling the various forms of risks, and of the use of financial instruments, reference is made to pages 51 to 55 inclusive of this annual report.

Valuation

The valuation principles applied are unchanged compared with the previous financial year. Unless stated otherwise, assets and liabilities are stated at nominal value.

An assessment is made on the balance sheet date each year as to whether there are indications that a non-current asset could be subject to an impairment. If such indications are present, the realisable value of the asset is determined. An impairment applies if the book value of the asset is higher than the realisable value, where the realisable value is the higher of the sales value and the net present value.

Intangible assets

Intangible assets are stated at historical cost or net 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

Tangible assets are stated at historical cost or net present value, whichever is the lower. Straight-line depreciation is applied to tangible assets on the basis of the estimated economic life of the asset, calculated at the following annual percentages:

Buildings	2½ – 4 percent
Plant, equipment and machinery	20 percent
Other assets	10 – 20 percent

Financial assets

Participating interests in which the Company can exercise 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. Participating interests in which the Company exerts no significant influence are stated at acquisition cost. Allowance is made for reductions in value occurring on the balance sheet date.

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.

The group of businesses consolidated was changed in 2011. The principal changes were as follows:

- On 1 January 2011, all shares in Veldhoen + Company B.V. were sold in a management buy-out.
- On 1 October 2011, the activities of Baas Groep B.V. were sold in a management buy-out. Baas Groep B.V. and its subsidiaries were subsequently liquidated in 2011.

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

Work in progress

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 capital or results.

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 pro rata the progress of production and the realised sales. Provisions for losses are deducted from the value, as is project finance on the basis of non-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 limited-recourse project-based finance carried out in partnership with third parties.

Stocks

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.

Receivables

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

Securities

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

Liabilities

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.

Provisions

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 commitments 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.

Determination of the result

The principles for determination of the result are unchanged compared with the previous financial year.

Income and expenditure are attributed to the period to which they relate.

Net turnover

Operating income and result are determined on the basis of historical cost and include net turnover, movements in work in progress (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

Operating costs are stated at historical cost. The FIFO (first in, first out) method is generally used to determine the costs of raw materials and consumables. Intercompany supplies within the group are reconciled at market prices. Development expenses incurred are capitalised only if the prescribed capitalisation criteria have been satisfied. Costs of research are not capitalised.

Staff remuneration

Costs arising from staff remuneration such as wages, salaries and social insurance premiums 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 on 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 for existing additional commitments vis-à-vis the pension funds, insurance companies and employees as at the balance sheet date, 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 concerned, 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

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

Result from participating interests

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.

Taxation

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.

Together with its shareholder and a number of subsidiaries located in the Netherlands, TBI Holdings B.V. forms a fiscal entity for the purposes of corporation tax. Pursuant to statutory provisions, all members of a fiscal entity are jointly and severally liable for the tax liabilities of this fiscal entity. The tax burden for each individual entity within the fiscal entity is determined as if that individual entity had an individual tax liability. Settlement takes place in current account.

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.

Notes to the consolidated balance sheet

[1] Intangible assets

	Concessions	Development	Total
Position as at 1 January 2011			
Cost of acquisition	1,596	3,246	4,842
Cumulative depreciation	-1,053	-1,231	-2,284
Book value	543	2,015	2,558
Movements in book value			
Investments	152	724	876
Depreciation	-353	-432	-785
Consolidations, deconsolidations, etc.	-14	—	-14
Balance	-215	292	77
Position as at 31 December 2011			
Cost of acquisition	1,703	3,969	5,672
Cumulative depreciation	-1,375	-1,662	-3,037
Book value	328	2,307	2,635

[2] Tangible assets

	Land and buildings	Plant and machinery	Other non-current assets	Pre-payments etc.	Total
Position as at 1 January 2011					
Cost of acquisition	116,205	109,462	151,673	774	378,114
Cumulative depreciation	-48,275	-77,855	-113,878	-38	-240,046
Book value	67,930	31,607	37,795	736	138,068
Movements in book value					
Investments	641	10,435	14,828	447	26,351
Disposals	-85	-1,104	-383	—	-1,572
Depreciation	-4,587	-6,771	-13,885	-1	-25,244
Consolidations and deconsolidations, etc.	3	-1,429	-2,356	-537	-4,319
Reclassifications	—	—	—	—	—
Balance	-4,028	1,131	-1,796	-91	-4,784
Position as at 31 December 2011					
Cost of acquisition	116,309	102,335	150,728	685	370,057
Cumulative depreciation	-52,407	-69,597	-114,729	-40	-236,773
Book value	63,902	32,738	35,999	645	133,284

[3] Financial assets

The movements in financial assets are as follows:

	Non-consolidated participating interests
Position as at 1 January 2011	
Book value	579
Movements in book value	
Balance of acquisitions and disposals	8,880
Profit distributions and dividends received	-44
Share in result for year	-5,536
Balance	3,300
Position as at 31 December 2011	
Book value	3,879

[4] Work in progress

The work in progress as at 31 December can be analysed as follows:

	31 December 2011		31 December 2010	
Works for third parties				
Costs including profits recognised pro rata the progress, less provisions for losses	2,058,774		1,949,181	
Less: Invoiced instalments	-2,247,951		-2,161,085	
		-189,177		-211,904
Land positions, building rights, unsold dwellings, etc.				
Costs, less provisions for losses	224,406		220,805	
Less: Invoiced instalments and project finance	-6,768		-10,585	
		217,638		210,220
Own development				
Costs including profit recognised pro rata the progress, less provisions for losses	177,585		159,107	
Less: Invoiced instalments and project finance	-161,729		-140,654	
		15,856		18,453
		44,317		16,769
Made up as follows:				
Balance of works in progress greater than invoiced instalments	338,581		329,921	
Balance of works in progress smaller than invoiced instalments	-294,264		-313,152	
		44,317		16,769

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 11.3 million (31 December 2010: 19.3 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. Similar analyses were carried out in 2011, which did not result in any additional impairment charges being applied.

The item Own development includes the capitalised costs of unsold homes under construction of 55.7 million (31 December 2010: 38.8 million). No profit was taken on these dwellings.

[5] Stocks

	31 December 2011	31 December 2010
Raw materials and consumables	13,379	13,239
Goods in production and semi-manufactures	1,217	807
Finished product and goods for resale	12,144	8,817
	26,740	22,863

[6] Receivables

	31 December 2011	31 December 2010
Accounts receivable	293,073	232,246
Tax assets	19,301	18,399
Other receivables	45,432	58,816
Prepayments and accrued income	8,939	10,369
	366,745	319,830

The majority of the receivables have a term of less than one year. The tax assets include deferred tax assets of 0.4 million (2010: 6.6 million), which relate largely to offsettable differences between the commercial and fiscal book value of assets and liabilities.

[7] Securities

The item Securities relates almost exclusively to listed debentures.

[8] Cash at bank and in hand

	31 December 2011	31 December 2010
Banks	169,207	234,396
Deposits	46,751	2,880
Cash	148	174
	216,106	237,450

The cash at bank and in hand is at the free disposal of the group, with the exception of an amount of approximately 35.6 million (31 December 2010: 34.9 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 6.2 million (31 December 2010: 7.3 million).

[9] Credit institutions, etc.

Amounts owed to credit institutions include no repayment obligations in respect of long-term liabilities (31 December 2010: 8 million).

[10] Other liabilities

Other current liabilities can be analysed as follows:

	31 December 2011	31 December 2010
Trade payables	262,291	210,356
Tax and social insurance premiums	52,961	42,641
Other participating interests	349	373
Pension contributions	1,622	4,296
Other liabilities	177,422	182,011
Accruals and deferrals	17,727	19,111
	512,372	458,788

[11] Provisions

	Staff-related commitments	Re-structuring	Other	Total
Position as at 31 December 2010	4,427	2,204	3,102	9,733
Movements in 2011				
Additions	620	1,604	2,294	4,518
Withdrawals	-440	-761	-2,027	-3,228
Amounts released	-312	—	-106	-418
Balance	-132	843	161	872
Position as at 31 December 2011	4,295	3,047	3,263	10,605

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 pension commitments relate mainly to self-administered pension schemes and are of negligible size. The commitments in respect of jubilee payments are calculated on the basis of an actuarial interest rate of 4.0 percent (2010: 4.0 percent).

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.

[12] Shareholders' equity

	31 December 2011	31 December 2010
Issued capital	45,378	45,378
Reserves	193,655	227,615
Non-distributed profit	24,221	-33,611
	263,254	239,382

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

	31 December 2011	31 December 2010
Bank guarantees and suretyships		
Guarantees in connection with letters of intent	24,132	24,304
Guarantees in connection with execution of works	186,600	182,462
Guarantees in connection with prepayments received	45,832	55,364
Other	28,224	32,985
	284,788	295,115

	31 December 2011			31 December 2010		
	< 1 year	1 – 5 yrs	5 years	< 1 year	1 – 5 yrs	5 years
Other						
Lease contracts	20,493	29,345	112	21,468	33,479	68
Rental contracts	13,010	40,205	21,146	13,968	43,457	22,076
Land purchase commitments	29,500	37,200	—	47,777	64,532	—

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 and are recognised in the profit and loss account on a straight-line basis over the term of the agreement.

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	
	2011	2010	2011	2010	2011	2010	2011	2010
Operating income								
External	157.7	149.4	1,043.3	976.0	976.4	903.4	2,172.0	2,023.9
Internal	—	—	9.5	5.6	53.0	5.1	—	—
Total	157.7	149.4	1,052.8	981.6	1,029.4	908.5	2,172.0	2,023.9
Operating result	3.7	-9.8	31.0	27.7	18.0	14.7	33.3	18.0
Ratio								
Operating result / operating income	2.3%	-6.6%	2.9%	2.8%	1.7%	1.6%	1.5%	0.9%
Investments in tangible assets	0.8	1.5	15.7	10.2	9.6	10.7	26.4	22.7
Depreciation of tangible assets	0.5	3.2	10.2	9.6	14.2	13.5	25.2	26.6
Amortisation of intangible assets	0.3	0.2	—	—	0.5	0.4	0.8	0.7
Order book								
Written orders	162.1	175.4	1,043.5	1,370.5	827.6	766.3	2,033.2	2,312.2
Pipeline orders	—	—	290.2	209.0	70.4	274.9	360.6	483.9

[13] Operating income

	2011	2010
Net turnover	1,992,901	2,075,135
Change in balance sheet value of work in progress and capitalised own production	179,051	-51,284
	2,171,952	2,023,851
Geographical distribution of net turnover		
Netherlands	1,932,878	2,024,749
Other EU countries	20,023	18,185
Rest of Europe	2,044	5,326
Outside Europe	37,956	26,875
	1,992,901	2,075,135

[14] Pensions

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 (Bedrijfstakpensioenfonds Bouw)
- Pension Fund for the Metalworking and Mechanical Engineering Industry (Bedrijfstakpensioenfonds Metaal en Techniek)
- Pension Fund for the Mechanical and Electrical Engineering Industry (Bedrijfstakpensioenfonds Metaalektro)
- Insured schemes:
 - Construction industry dispensation scheme (Gedispenseerde bedrijfstakregeling Bouw)
 - Company pension schemes
 - Stichting Pensioenfonds 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 schemes and the schemes placed by the Stichting Pensioenfonds TBI pension fund with an insurance company.

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.

On the initiative of TBI Bouw B.V. and its allied companies, the dispensation for the Construction Industry pension scheme has been withdrawn with effect from 2012. From that point on, all schemes have been placed with pension funds. The pensions accrued up to 1 January 2012 will however remain within the insured scheme.

	2011	2010
Employees		
The average number of employees can be analysed by activity as follows:		
TBI vastgoed	139	167
TBI bouw	2,284	2,345
TBI techniek	6,048	6,194
Other	27	30
	8,498	8,736
[15] Depreciation of tangible assets		
Land and buildings	4,587	4,528
Plant and machinery	6,771	7,196
Other assets	13,885	14,900
Other	1	2
	25,244	26,626
[16] Amortisation of intangible assets		
Concessions	353	321
Development	432	338
	785	659
[17] Interest income and charges		
Other interest income	3,154	1,817
Interest charges	-2,984	-4,631
	170	-2,814

[18] Result from participating interests

The activities and assets and liabilities of Baas Groep B.V. were sold in a management buy-out on 1 October 2011. Baas Groep B.V., including all subsidiaries, was subsequently liquidated in December 2011. The transaction generated a small positive result comprising a book loss of 5.2 million on the balance of the sold assets and liabilities, which is disclosed under Result from participating interests, and a (net) corporation tax credit of 6.9 million, which is presented under Taxation. The advisory and transaction costs are recognised under Other operating costs.

[19] Taxation

Taxation 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 10.3 percent (2010: 26.6 percent). The relationship between the average effective tax rate and the statutory corporation tax rate is as follows:

	2011	2010
	%	%
Corporation tax rate	25.0	25.5
Liquidation loss and carry-forward losses	-17.2	2.6
Non-deductible costs	1.1	-1.0
Other	1.4	-0.5
Effective tax rate	10.3	26.6

Transactions with affiliated parties

TBI has the following affiliated parties: the shareholder, group companies and the members of the Board of Management and the Supervisory Board. Any transactions with affiliated parties take place on terms which are also applied to transactions with third parties.

A total of 2,228 was charged to the Company in 2011 (2010: 1,925) 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 234 was charged to the Company in 2011 (2010: 249) for the remuneration of the members of the Supervisory Board.

Company balance sheet as at 31 December 2011

(before appropriation of result)

	31 December 2011		31 December 2010	
Non-current assets				
Tangible assets [1]	820		1,015	
Financial assets [2]	307,206		292,116	
		308,026		293,131
Current assets				
Receivables [3]	4,371		2,905	
Securities	105		105	
Cash at bank and in hand [4]	144,116		159,745	
	148,592		162,755	
Current liabilities [5]	192,360		215,888	
Balance of current assets/current liabilities		-43,768		-53,133
		264,258		239,998
Long-term liabilities		—		—
Provisions [6]		1,004		616
Shareholders' equity [7]				
Issued capital	45,378		45,378	
Share premium reserve	7,683		7,683	
Other reserves	185,972		219,932	
Result for year	24,221		-33,611	
		263,254		239,382
		264,258		239,998

Company profit and loss account for the year 2011

	2011	2010
Result from participating interests after tax	40,095	-13,883
Other income and expenditure after tax [8]	-15,874	-19,728
	24,221	-33,611

Notes to the company financial statements 2011

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.

Company balance sheet

[1] Tangible assets

The tangible assets relate to Other non-current assets.

[2] Financial assets

	31 December 2011	31 December 2010
Share in group companies	307,206	292,116

The movements in financial assets are as follows:

	Share in group companies
Position as at 1 January 2011	
Book value	292,116
Movements in book value	
Net result for 2011	40,095
Dividends received	-34,873
Investments less provisions	11,018
Other	-1,150
Balance	15,090
Position as at 31 December 2011	
Book value	307,206

[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

	31 December 2011	31 December 2010
Deposits	40,000	—
Cash	—	2
Banks	104,116	159,743
	144,116	159,745

[5] Current liabilities

	31 December 2011	31 December 2010
Amounts owed to group companies	180,304	198,311
Credit institutions	—	8,000
Other liabilities, accruals and deferrals	12,056	9,577
	192,360	215,888

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, instant-access '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 2011 was 5.4 percent (2010: 4.8 percent).

[6] Provisions

	31 December 2011	31 December 2010
Restructuring	880	521
Other	124	95
	1,004	616

[7] Shareholders' equity

	Issued capital	Share premium reserve	Other reserves	Non- distributed profits	Total
Position as at 1 January 2010	45,378	7,683	208,949	15,497	277,507
Addition to the reserves	—	—	10,848	-10,848	—
Dividend 2009	—	—	—	-4,649	-4,649
Result 2010	—	—	—	-33,611	-33,611
Exchange differences and other movements	—	—	135	—	135
Position as at 31 December 2010	45,378	7,683	219,932	-33,611	239,382
Addition to the reserves	—	—	-33,611	33,611	—
Dividend 2010	—	—	—	—	—
Result 2011	—	—	—	24,221	24,221
Exchange differences and other movements	—	—	-349	—	-349
Position as at 31 December 2011	45,378	7,683	185,972	24,221	263,254

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

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 2011 these guarantees amounted to 55.0 million (year-end 2010: 54.1 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 in the Netherlands, 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.

Company profit and loss account

In drawing up an abridged profit and loss account, use has been made of the facility provided by Section 402, Part 9, Book 2 of the Netherlands Civil Code.

The Company employed an average of 26 staff in 2011 (2010: 28).

[8] Other income and expenditure after tax

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

Rotterdam, 14 March 2012

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

Board of Management
E.H.M. van den Assem (chairman)
D.A. Sperling
A.A. Voogel¹

¹ A.A. Voogel has been a member of the Board of Management since 1 February 2012.

Maritime alarm system



As in other market sectors, automation is a strongly growing trend in the maritime industry. As part of this trend, in 2011 Eekels introduced what is now the sixth generation of the EAS alarm and monitoring system for ships. The modular concept means the system can be readily expanded with bolt-on operating modules, in line with the Total Ship Automation concept. Another feature is the use of high-grade, accredited components. The use of these components guarantees the availability of spare parts and premium service for many years. The system is easy to operate and maintain for the ship's crew.

Eekels

Provincial Hall Leeuwarden



The Fryslân Provinciehuis provincial government headquarters in Leeuwarden has undergone a complete overhaul, including new-build, renovation and restoration. The new-build section comprises a 54-metre high office tower with ten storeys. Several factors made this a complex project. The construction site is situated in the centre of Leeuwarden, in a very inaccessible location surrounded by historic buildings. Owing to the limited amount of space, it was decided to carry out as little work as possible on the construction site itself, and to use prefabricated construction elements where possible. As the building abuts historic buildings, the concrete walls had to be cut into small blocks before they could be removed. A cellar also had to be partially demolished, a highly complex undertaking in the middle of the surrounding historic buildings. A new foundation was also installed beneath the cellar for the new-build section. The underground car park was converted to an archive, while another underground storey was converted to a cycle park and storage area.

Koopmans



Catharina Ziekenhuis hospital Eindhoven

The Catharina Ziekenhuis hospital in Eindhoven provides innovative medical care and therefore invests continuously in the modernisation and enlargement of its premises. It serves as a training centre for doctors and nurses and employs more than 3,275 staff. It has beds for 700 patients.

The hospital, dating from 1969, is undergoing a major renovation programme which will last until 2017. Following an intensive selection procedure by the hospital authorities, Wolter & Dros and HVL were appointed as the installation contracting parties for the five-year framework contract entitled 'Property Partners in Progress' ('Partners vastgoed in Progress'). One of the selection criteria was the ability to carry out the work with as little disruption as possible. Other criteria included quality, know-how, control and experience in carrying out similar projects in the hospital sector.

The contract entails a wide variety of activities for the construction team in the hospital. Wolter & Dros will be responsible for the mechanical plant and HVL for the electrical installations. Wolter & Dros will also provide the technical plant for the 10,000 sq.m. outpatients clinic, following a separate tender procedure.

HVL
Wolter & Dros



Talent in action

Barry Scholtes
Engineer, Croon Elektrotechniek
Second Coen Tunnel, Amsterdam



Other information

Provisions of the Articles of Association concerning appropriation of the result

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 result 2010

Pursuant to the provisions of the Articles of Association, the net loss for 2010 of 33.6 million has been charged to the Other reserves.

Proposed appropriation of result 2011

The net profit for 2011 amounts to 24.2 million. The Company proposes to pay a cash dividend for 2011 amounting to 7.3 million. The remaining amount of 16.9 million will be added to the Other reserves.

Auditor's report by the independent auditor

Declaration concerning the financial statements

We have audited the financial statements for the year 2011 of TBI Holdings B.V., Rotterdam, as set out on pages 61 to 81 inclusive of this annual report, consisting of the consolidated and company balance sheet as at 31 December 2011 and the consolidated and company profit and loss account for the year 2011 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 policies 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 2011 and of the result for the year then ended in accordance with Part 9, 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 established to the extent of our competence 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, 14 March 2012

PricewaterhouseCoopers Accountants N.V.
P. Tieleman

Definitions

Capital ratio

The capital ratio reflects shareholders' equity as a percentage of total assets.

Current ratio

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

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

The operating result before allowing for financial income and 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.

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 progress (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 progress 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 comprises the operating result, interest and the result from non-consolidated participating interests.

Overview of operational structure and managements of TBI companies¹

as at 14 March 2012

TBI vastgoed

Hevo B.V.

management: E.R. van der Sluis
www.hevo.nl

Blanxx B.V.

management: R. van Duuren
www.Blanxx.nl

Synchroon B.V.

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

TBI Vastgoed B.V.

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

TBI Concessies B.V.

management: R.J. Teunissen
www.tbiconcessies.nl

TBI bouw

J.P. van Eesteren B.V.

management: H. van Keulen,
J.H.A. Vaags, Th.F.C. Jansen
www.jpvaneesteren.nl

ERA Contour B.V.

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

Kanters Bouw en Vastgoed B.V.

management: ERA Contour B.V.
www.kantersbouw.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

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

TBI Infra B.V.

management: J. Luijten

Mobilis B.V.

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 Prefab Beton B.V.

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

Voorbij Spanteknik B.V.

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

TBI techniek

Acto Informatisering B.V.

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

Alfen B.V.

management: M. Roeleveld
www.alfen.nl

WTH Vloerverwarming B.V.

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

Ingenieursbureau

Wolter & Dros B.V.

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

Croon Elektrotechniek B.V.

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

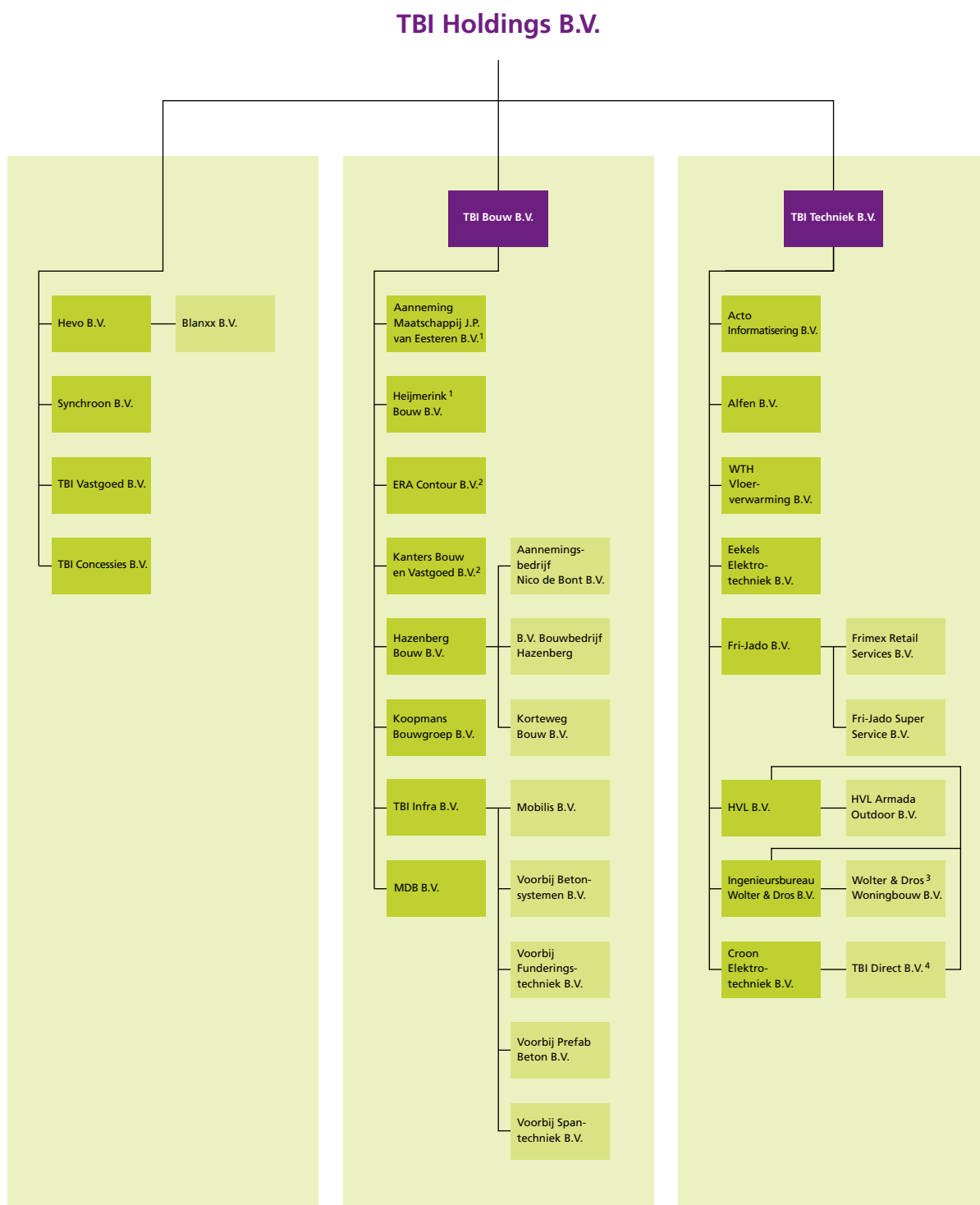
TBI Direct B.V.

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

¹ A list of participating interests has been filed for inspection with the Trade Register in Rotterdam

Organisational structure of TBI Holdings B.V.

Abridged legal structure as at 31 December 2011



¹ J.P. van Eesteren B.V. and Heijmerink B.V. were merged on 1 February 2012 and operate under the name J.P. van Eesteren B.V.

² The shares of Kanters Bouw en Vastgoed B.V. were acquired from TBI Bouw B.V. by its sister company ERA Contour B.V. on 2 February 2012.

³ Wolter & Dros Woningbouw B.V. trades under the name Comfort Partners

⁴ The following companies participate in TBI Direct B.V.: Croon B.V., HVL B.V. and Wolter & Dros B.V.

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TBI Holdings B.V., Rotterdam

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Bart Bennis (57R)

Ben Vulkers (13)

Bertus de Ruiter (14)

Carel Kramer (15L, 24, 36)

CIID (57L)

Kato Tan (1, 2-3, 16-17, 26-27, 37, 58-59, 84-85)

Peter Wijnands (49)

Studio Aksento (25)

Rijkswaterstaat (48)

TBI (14, 15R, 42, 44, 46, 60, 82)

Translation

Julian Ross, Carlisle, UK

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TBI Holdings B.V., Rotterdam

April 2012

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



