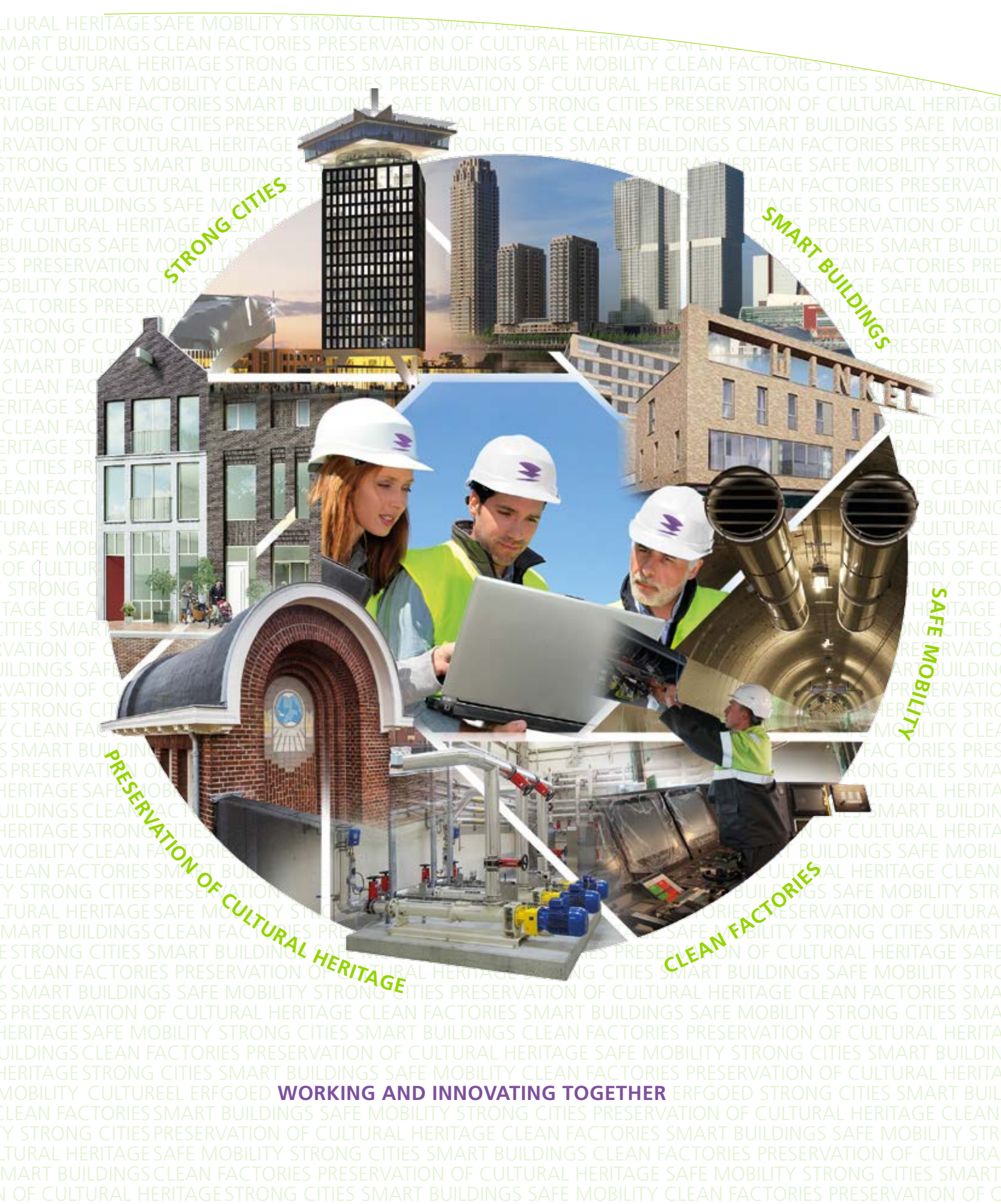


ANNUAL REPORT 2015



STRONG CITIES

SMART BUILDINGS

SAFE MOBILITY

PRESERVATION OF CULTURAL HERITAGE

CLEAN FACTORIES

WORKING AND INNOVATING TOGETHER

TBI ANNUAL REPORT 2015

This is the first integrated annual report to be published by TBI. It provides a comprehensive insight into both the group's financial and non-financial performance. It has been prepared in accordance with the guidelines of the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

This Annual Report 2015 is an English translation of the original Dutch publication. In the event of inconsistencies between the English and the Dutch versions, the latter will prevail. This Annual Report is also available on the internet: annualreport.tbi.nl.



Front cover images clockwise from top:

- Transformation of A'DAM Tower, Amsterdam
- Boston & Seattle apartment blocks Rotterdam
- Van Hogendorpkwartier, Vlaardingen
- Sluiskil Tunnel, Terneuzen
- Ship's bridge installation, Eekels
- Renovation of sewage works, Bath
- Repurposing of the Mariënbosch monastery, Nijmegen
- Coenders estate, Delft

TBI Holdings B.V.
Wilhelminaplein 37
3072 DE Rotterdam
The Netherlands
Post Box 23134
3001 KC Rotterdam
The Netherlands
T +31(0)10 – 2908500
www.tbi.nl
info@tbi.nl

Registered with the Chamber of Commerce under number 24144064

CONTENTS

MESSAGE FROM THE CEO	5	ANNUAL ACCOUNTS	75
ABOUT TBI	6	• Consolidated balance sheet as at 31 December 2015	76
• TBI's field of operations	6	• Consolidated profit and loss account for 2015	77
• Profile	7	• Consolidated statement of cash flows for 2015	78
• Mission	8	• Notes to the consolidated accounts	80
• TBI's business model	8	• Notes to the consolidated balance sheet	86
• Strategic frame	9	• Notes to the consolidated profit and loss account	92
• Key figures	10	• Company balance sheet as at 31 December 2015	95
		• Notes to the company accounts for 2015	96
STAKEHOLDER DIALOGUE	14	OTHER INFORMATION	100
• Stakeholder engagement	14	• Provisions of the Articles of Association on profit appropriation	100
• Material themes	15	• Article 24	100
REPORT OF THE EXECUTIVE BOARD		• Profit appropriation 2014	100
TBI IN THE MARKET – <i>Stronger market position</i>	20	• Proposed profit appropriation 2015	100
• Market outlook and performance of the clusters	20	• Subsequent events	100
• Sustainable innovation and quality	32	• Audit report of the independent auditor	101
• Cooperation	34	• Assurance report of the independent auditor	103
FINANCIAL – <i>Maintaining a solid profile</i>	38	MANAGEMENT BOARDS OF THE TBI COMPANIES	107
• Operating income and results	38	GLOSSARY	108
• Orders received and order book	40	CREDITS	
• Balance sheet	40		
• Financing	41		
• Engineering, Construction and Infrastructure results	41		
PROSPECTS	43		
EMPLOYEES – <i>Attractive working conditions</i>	46		
• Attracting talent	46		
• Training and development	46		
• Health, safety and social policy	48		
• Labour relations	48		
ENVIRONMENT – <i>Reducing impact</i>	52		
• Energy and CO ₂	52		
• Raw materials and supply chain cooperation	54		
SOCIETY – <i>Responsible and committed</i>	58		
• Integrity	58		
• Respect for the community	59		
• Social investments	60		
GOVERNANCE	61		
• Risk management	61		
• Corporate governance	64		
• Report of the Supervisory Board	67		
• Members of the Executive Board	71		
• Members of the Supervisory Board	72		
SCOPE AND RESPONSIBILITY	73		



WORKING AND INNOVATING TOGETHER

MESSAGE FROM THE CEO

Working and innovating together

We saw a general recovery in the Dutch economy in 2015. Consumers spent more, businesses invested more and exports were higher. In combination with low interest rates, the upturn improved the outlook in our sector. Boosted by a strong recovery in the housing market TBI's operating income increased by 7.5% to € 1,557 million, after adjustment for the activities sold in 2014. Operating profit from ordinary activities was higher than in 2014 and came to € 14.2 million. And with a solvency ratio of 32.2% our financial position remained robust.

Our companies worked on fantastic projects again in 2015. Some of them are highlighted in this report. Each one of them illustrates the entrepreneurial spirit and the strength of cooperation that drives our group.

NEW CHALLENGES

The Netherlands still has many social challenges to overcome in its spatial planning. The changing composition of the population, urbanisation, changing mobility patterns, the sustainability of the built environment and a changing labour market are bringing about a transition in our society and our field of operations.

The social challenges are reflected in concrete demands to resolve our clients' needs. Their needs are also more demanding: from design to management and maintenance. The further digitisation of our society is strengthening technology's grip on our living and working environments. The demand for comfortable houses, smart buildings, safe mobility and clean factories is also increasing.

RESPONDING TO CHANGING CLIENT DEMANDS

These developments offer excellent opportunities to realise our vision of 'Creating the Future'. Within TBI we have all the disciplines necessary to satisfy the clients' changing demands. We can make a real contribution to the spatial planning of the Netherlands.

We combine the skills of the individual companies with the synergy of the group. We are steadily evolving into a knowledge-based organisation that is driven by technology. Our position enables us to fulfil the management role our clients demand in every stage of the value chain – from concept to operation. The combination of our engineering, construction and infrastructure companies with the flexibility and agility of the group gives us a telling competitive edge.

The TBI portfolio is so wide that we have all the competences in-house to respond to the challenges and fulfil our stakeholders' needs. We will adhere to our strategy of strengthening the entrepreneurial spirit of our companies on the one hand and exploiting the synergy generated by the group's economies of scale on the other. Together if we can, by ourselves if we must.

To respond even better to our customers' demands, we have organised our portfolio of Engineering, Construction & Development and Infrastructure activities into five market-based clusters: Development, Housing, Non-residential, Engineering and Infrastructure. The companies in these clusters work with each other, share their knowledge and together develop innovative concepts. These five clusters are represented on TBI's Group Council, where they work with the Executive Board to develop and implement our strategy.

The changes in the construction sector are also making new demands on our personnel. We are taking on different people with different competences, but we still recognise the value of traditional skills. We invest in the development of our people not only through training programmes but also through a network of young TBI professionals and organisational forms that facilitate personal development. All members of staff are given the opportunity to think, grow and develop. Their work also presents them with the results of TBI's strategy: complex, challenging projects.

A WORD OF THANKS

We are looking to the future with confidence. Our robust financial position, our entrepreneurship and the strength of our organisation will enable us to make full use of the opportunities.

We appreciate the support of all the parties who work with us: our clients, our people, our partners and our shareholder. I would like to thank them all.

Rotterdam, 15 March 2016

Daan Sperling

CEO of the Executive Board, TBI Holdings B.V.

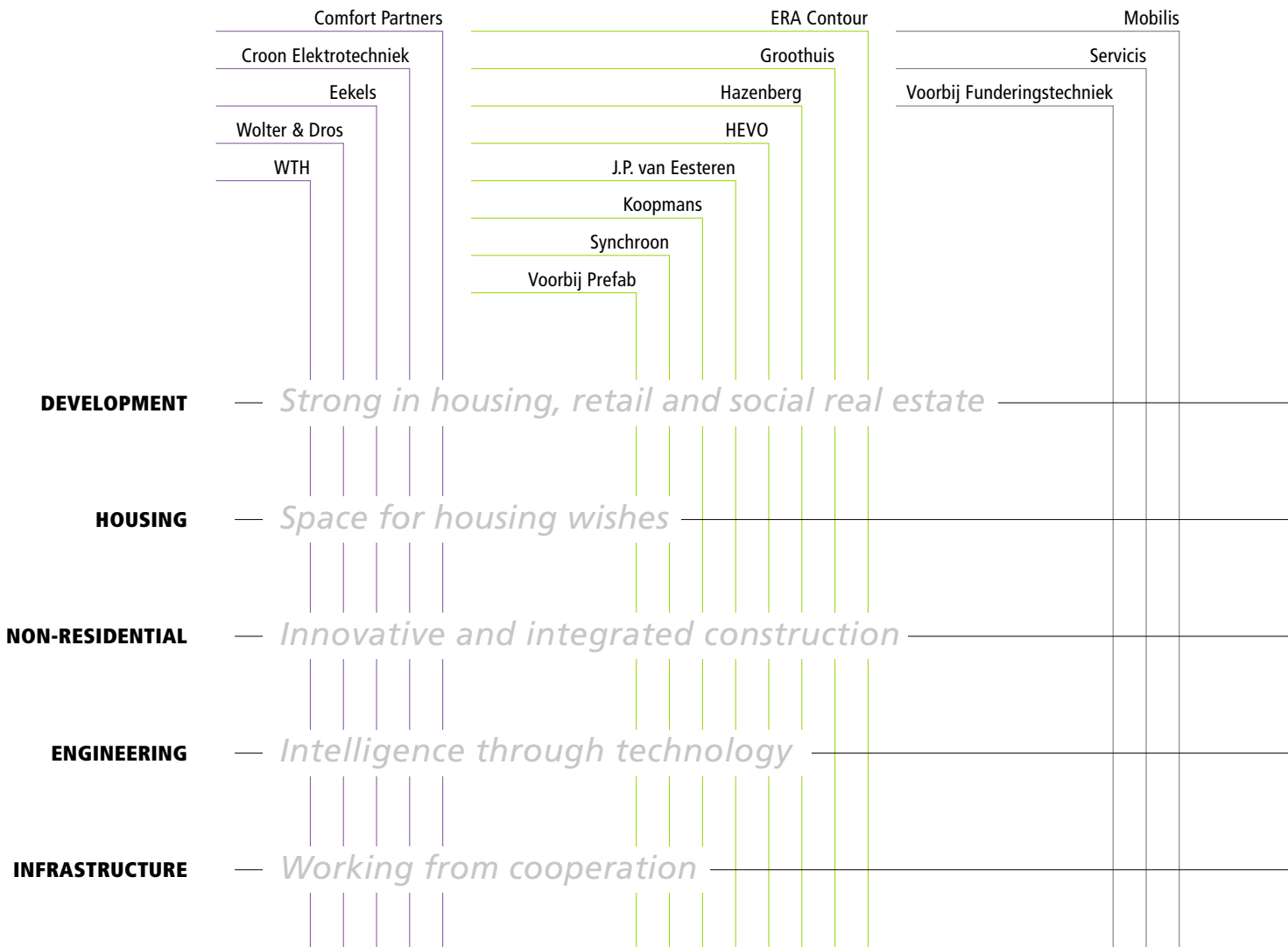
ABOUT TBI

TBI's field of operations

ENGINEERING

CONSTRUCTION

INFRASTRUCTURE



Profile

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

In the Engineering, Construction & Development and Infrastructure segments, TBI has five market-based clusters in which the TBI companies serve the market with their own disciplines, work together and share their knowledge:

Development - Housing - Non-residential - Engineering - Infrastructure

With an average workforce of 5,774 FTEs, TBI achieved an operating income of € 1,557 million in 2015.

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

AGILE NETWORK ORGANISATION

Together, the TBI companies form an agile network organisation. Each company operates under its own name but also works with and for the others. This cross-fertilisation is a source of innovation and synergy. It also strengthens our effectiveness and expertise in multidisciplinary development, construction and maintenance projects.

Our network organisation offers every opportunity to entrepreneurship. We welcome our clients' challenges and we enjoy challenging them. We are proud of our mutual trust and respect.

We understand our clients, have the same ideas and keep asking questions until we find the best solution to renew, organise and maintain our living environment sustainably.

SUSTAINABLE BUSINESS

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

ATTRACTIVE WORKING CONDITIONS

As a responsible employer we create a safe and healthy working environment with good labour relations and personal development opportunities for all our people. Our goal is to offer the best working conditions for talent to flourish. We want the people who work on our projects to enjoy their work, to be fully grounded in their profession and to aspire to continuous personal improvement. We want people who are always aware that construction is not a goal in itself but a means to an end. It is for good reason that our core values are responsibility, passion and connectivity.

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



Industrial high voltage cables

ABOUT TBI

Mission

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

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

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

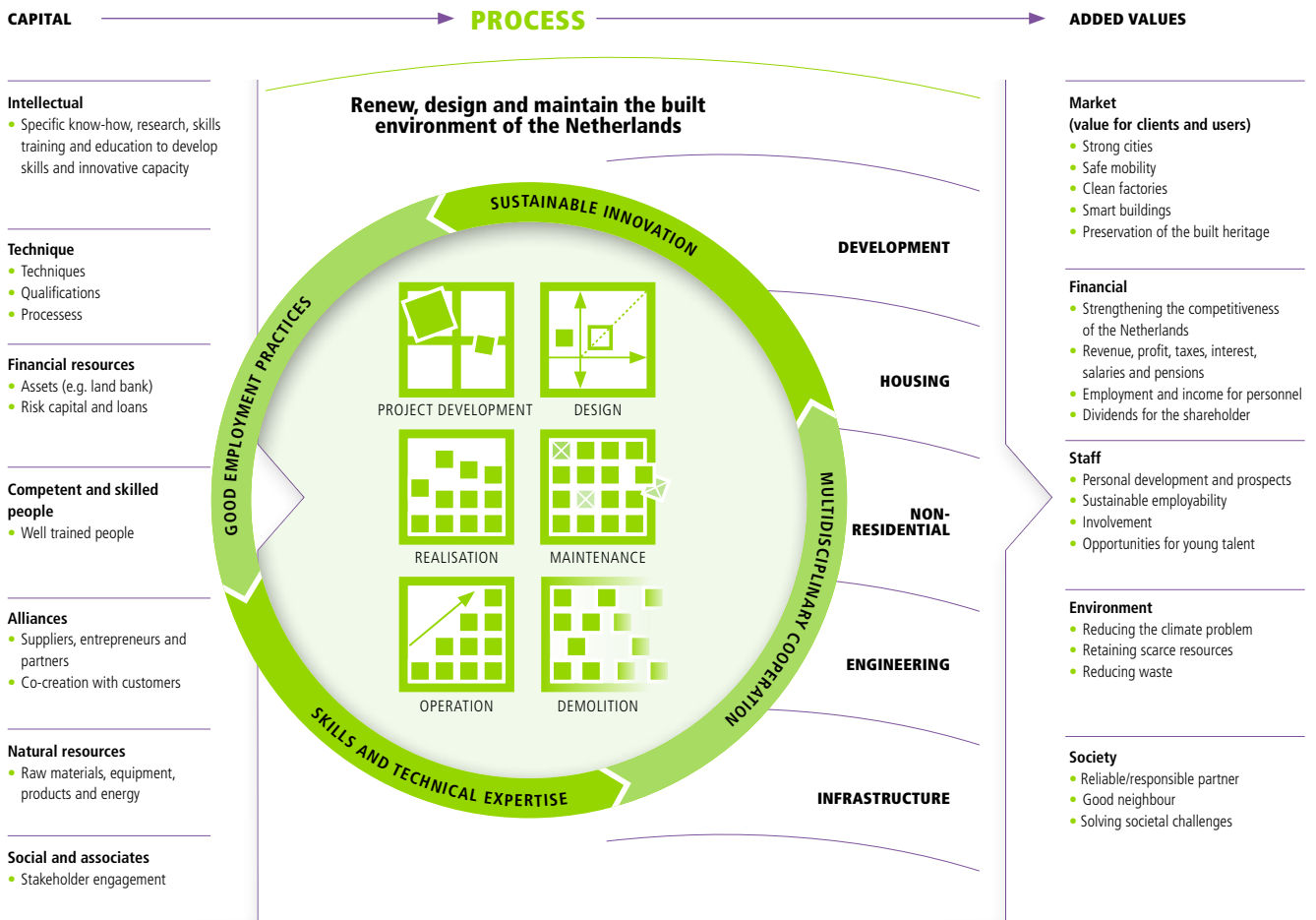
In everything we do, safety comes first and sustainability goes hand in hand with innovation. We test our limits every day with new, complex challenges.

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

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

TBI. Create the Future

TBI's business model



TBI'S STRATEGIC FRAMEWORK

SUSTAINABLE BUSINESS AND INNOVATION TOGETHER

STRATEGY	GOAL	KPI/MANAGEMENT VARIABLES
<p>Market – Stronger market position</p> <p>Growth of core activities</p> <ul style="list-style-type: none"> Organic growth Selected acquisitions <p>Investing in sustainable innovation</p> <ul style="list-style-type: none"> Promoting multidisciplinary innovation and co-creation with clients and partners Connecting innovation and sustainability <p>Capitalising on multidisciplinary cooperation and strengthening commercial effectiveness</p> <ul style="list-style-type: none"> Problem-solving approach to client needs through the strength of the TBI network organisation 	<p>Market</p> <ul style="list-style-type: none"> Increased quality of operating income Leading position in strategic market segments Stronger sustainable innovative power Added value for new and established clients and other stakeholders Broad offer in the market/turnkey projects Synergy in costs and revenues Greater agility in the market, fast and appropriate response to market demand 	<p>Market</p> <ul style="list-style-type: none"> Operating margin Position in the construction and non-residential, earth moving, waterways and roadbuilding and installation technique segments Investing in innovation (WOONlab, KennisLAB and external knowledge institutions) Projects with sustainability specifications Number of joint projects (Engineering, Construction and Infrastructure) Staff mobility between the companies
<p>Financial – Maintaining a solid profile</p> <p>Careful balancing of risks</p> <p>A return appropriate to the risk profile of the projects</p> <p>Cost optimisation and project management</p>	<p>Financial</p> <ul style="list-style-type: none"> Future-proof (long-term continuity) Financial solidity (assurance for stakeholders) Equipped to take risks 	<p>Financial</p> <ul style="list-style-type: none"> Order book Solvency Working capital Ratio of direct to indirect costs
<p>Employees – attractive working conditions</p> <p>Ensuring a safe and healthy working environment</p> <p>Good training and development opportunities</p> <p>Good labour relations</p>	<p>Employees</p> <ul style="list-style-type: none"> Safe working conditions and healthy working environment as part of the corporate culture 'Employer of choice' Well-trained employees High retention rate of top talent Good employment conditions 	<p>Employees</p> <ul style="list-style-type: none"> Incident frequency Sickness absenteeism Training costs per employee Performance reviews Staff turnover at own request
<p>Environment – Reducing the impact</p> <p>Reducing the carbon footprint (energy and mobility)</p> <p>Optimal use of natural resources and consumables</p> <p>Sustainable operation in the value chain</p>	<p>Environment</p> <ul style="list-style-type: none"> Reduce CO₂ emissions (Scope 1, 2 and 3) Responsible approach to natural resources and waste Sustainable procurement policy 	<p>Environment</p> <ul style="list-style-type: none"> CO₂ performance ladder Waste separation Suppliers assessed on sustainability criteria Certified sustainable timber
<p>Society – responsible and committed</p> <p>Integrity</p> <p>Consideration for the community and respect for nature</p> <p>Contribution to society</p>	<p>Society</p> <ul style="list-style-type: none"> Acceptance/trust in conscientious action Good neighbour Social added value 	<p>Society</p> <ul style="list-style-type: none"> Breaches of TBI Code of Conduct detected Requests for prior approval of the TBI Code of Conduct Considerate Constructors Social projects completed Number of apprenticeships (social return)

ABOUT TBI

Key figures TBI

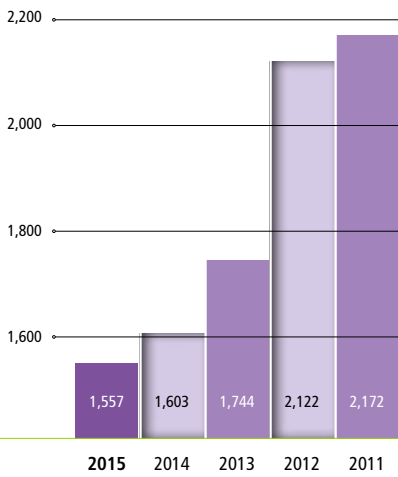
	2015	2014	2013	2012	2011
MARKET					
Orders received ¹	1,508	1,491	1,613	1,780	1,940
Order book ¹	1,795	1,743	1,815	1,916	2,394
Houses sold	1,707	1,059	1,048	638	565
FINANCIAL¹					
Operating income	1,557	1,603	1,744	2,122	2,172
Operating profit before depreciation and amortisation ²	32.7	31.0	32.6	66.5	59.4
Operating profit ²	14.2	8.0	9.6	41.6	33.3
Net profit	1.3	1.4	-13.1	5.8	24.2
Total assets	766.8	746.9	827.3	870.3	995.0
Shareholder's equity	247.0	245.9	244.7	261.7	263.3
Interest-bearing long-term loans	52.5	24.7	26.5	25.5	2.6
Interest-bearing short-term loans	14.1	18.5	35.9	6.9	7.0
Net working capital	47.7	72.4	58.7	57.7	52.2
Cash and cash equivalents	166.5	123.4	149.0	129.4	216.1
Net capital expenditure	11.9	6.5	15.1	24.2	24.2
Depreciation of tangible fixed assets	17.4	21.4	22.2	24.0	25.2
Ratios					
Operating profit: operating income (%) ²	0.9	0.5	0.6	2.0	1.5
Net profit:					
*operating income (%)	0.1	0.1	-0.8	0.3	1.1
*shareholder's equity (%)	0.5	0.6	-5.4	2.2	9.2
Solvency (%)	32.2	32.9	29.7	30.2	26.6
EMPLOYEES					
Number of full time employees at year-end	5,744	5,981	7,351	8,143	8,253
Average number of full time employees	5,774	6,967	7,717	8,216	8,498
Training costs per full time employee in €	578	nb ³	nb ³	nb ³	nb ³
HEALTH AND SAFETY					
Lost-time incidents	33	73	83	144	166
Incident frequency (IF)	3.1	6.1	6.0	8.5	9.4
Sickness absenteeism (%)	4.1	4.4	4.2	4.7	4.6
ENVIRONMENT					
Carbon footprint (ktonne)	29	32	36	37	40
Waste (ktonne)	25	21	31	38	42
Supplier assessment (incl. environmental performance)	84%	80%	70%	nb ³	nb ³
SOCIETY					
Breaches of laws and regulations (fines)	5	9	4	7	7
Investments in social initiatives (x € 1,000)	364	434	508	689	nb ³
Social return jobs	26	73	61	nb ³	nb ³

1 Amounts in millions of euros.

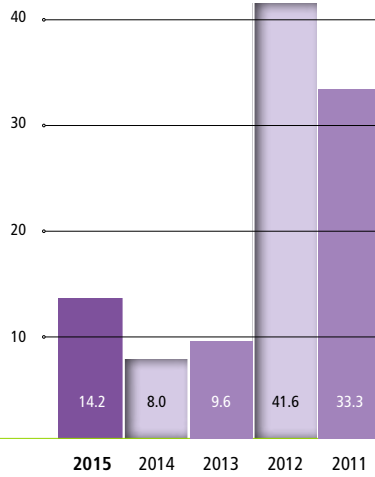
2 Operating profit on ordinary activities (before reorganisation costs and impairments).

3 Not available.

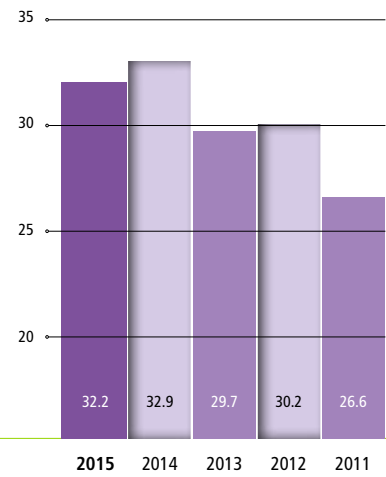
Operating income
(in millions of euros)



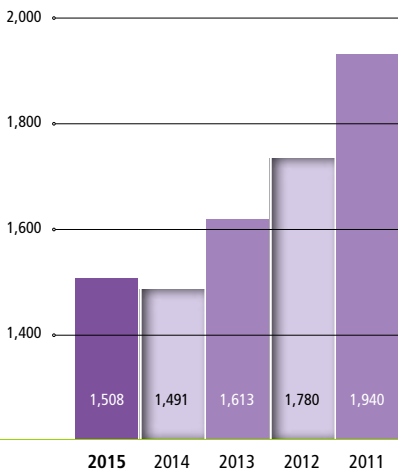
Operating profit
(in millions of euros)



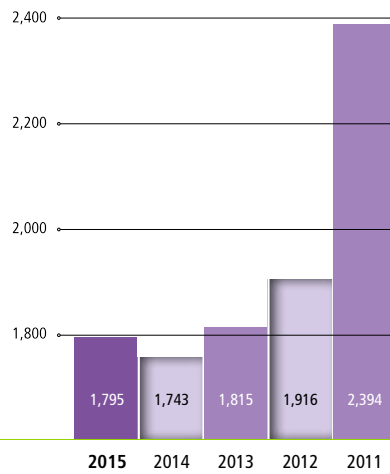
Solvency
(in %)



Orders received
(in millions of euros)

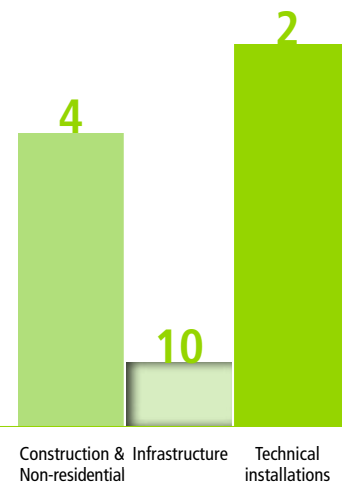


Order book
(in millions of euros)

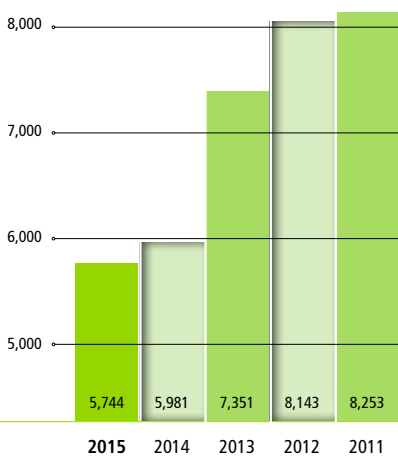


Position in market segments

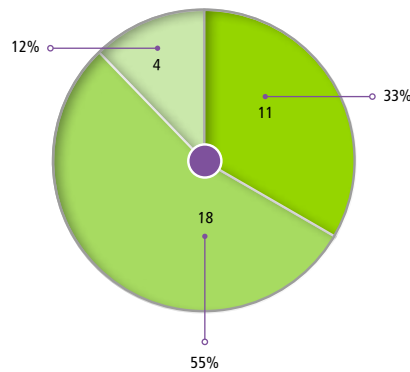
Source: © 2016 b&b info



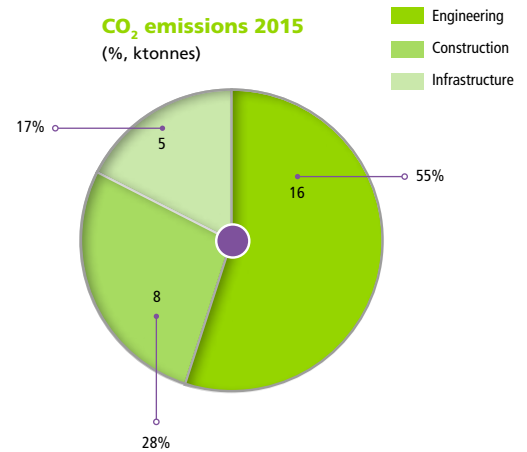
Number of employees
(year-end FTEs)

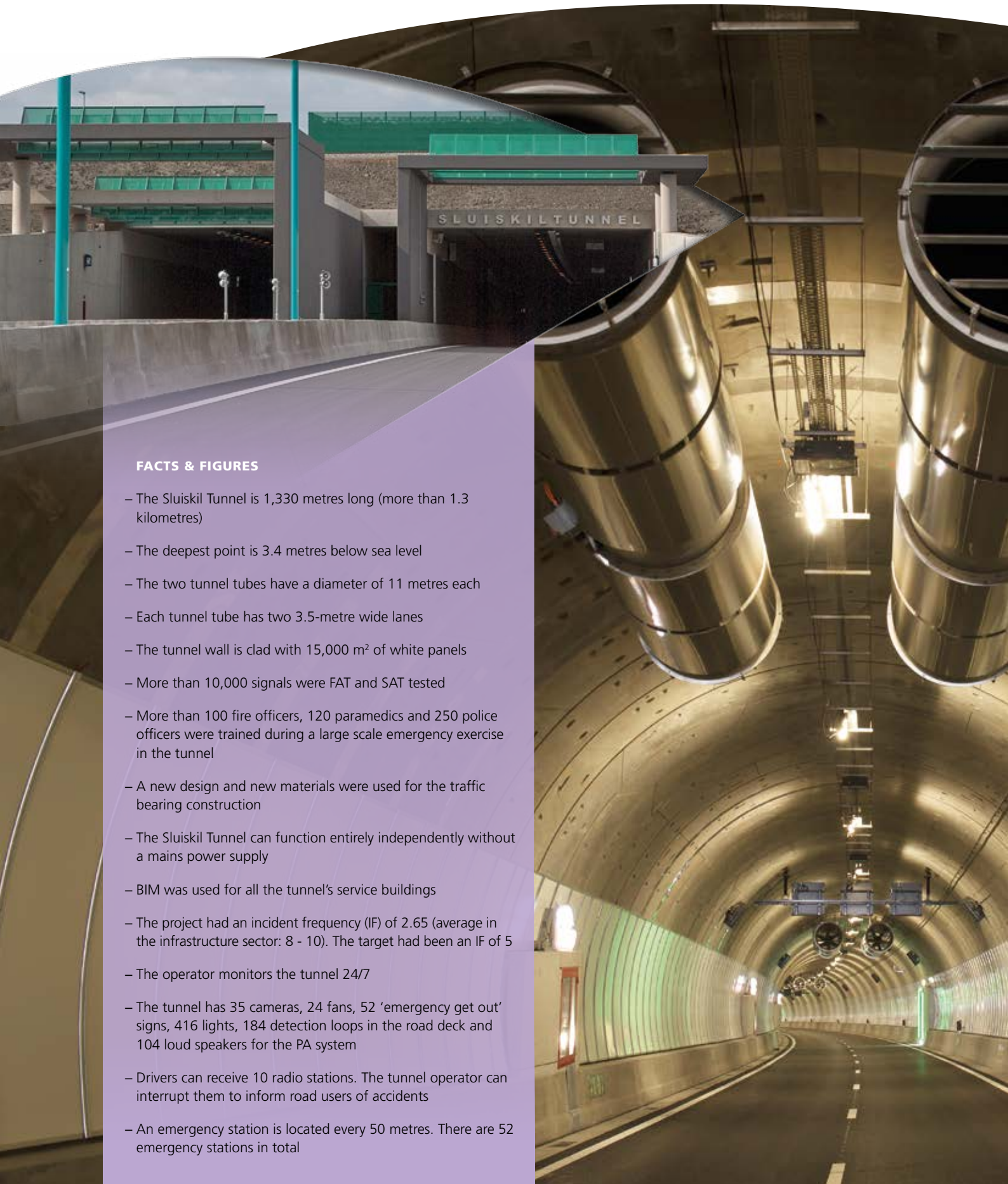


Lost-time incidents



CO₂ emissions 2015
(%, ktonnes)





FACTS & FIGURES

- The Sluiskil Tunnel is 1,330 metres long (more than 1.3 kilometres)
- The deepest point is 3.4 metres below sea level
- The two tunnel tubes have a diameter of 11 metres each
- Each tunnel tube has two 3.5-metre wide lanes
- The tunnel wall is clad with 15,000 m² of white panels
- More than 10,000 signals were FAT and SAT tested
- More than 100 fire officers, 120 paramedics and 250 police officers were trained during a large scale emergency exercise in the tunnel
- A new design and new materials were used for the traffic bearing construction
- The Sluiskil Tunnel can function entirely independently without a mains power supply
- BIM was used for all the tunnel's service buildings
- The project had an incident frequency (IF) of 2.65 (average in the infrastructure sector: 8 - 10). The target had been an IF of 5
- The operator monitors the tunnel 24/7
- The tunnel has 35 cameras, 24 fans, 52 'emergency get out' signs, 416 lights, 184 detection loops in the road deck and 104 loud speakers for the PA system
- Drivers can receive 10 radio stations. The tunnel operator can interrupt them to inform road users of accidents
- An emergency station is located every 50 metres. There are 52 emergency stations in total



SLUISKIL TUNNEL PROJECT

'Right first time, safe all the time,' that was the motto adopted by the consortium set up by in 2011 MAN and TBI, CBT (BAM Civil Engineering, Wayss & Freytag, Mobilis & Croon Elektrotechniek), to build the Sluiskil Tunnel. The fixed link under the Gent-Terneuzen Canal was designed to relieve the traffic bottleneck at Sluiskil. At the very beginning CBT took a series of strategic decisions to ensure the tunnel would be completed safely, on time and on budget.

It succeeded. When King Willem-Alexander and Queen Máxima officially opened the Sluiskil Tunnel on 19 May 2015, it was five weeks ahead of schedule, within budget, with no claims or outstanding works and with excellent quality and safety specifications.

Tunnel projects often run into serious delays during the test phase if the traffic and tunnel safety systems are not ready on time. To prevent delays, CBT deliberately took an integrated approach. From the very first day, the civil engineers worked with the technical specialists to design and build the technical systems.

safe tunnel

Safety systems are an integral part of every tunnel. They make sure motorists can escape from the tunnel in an emergency, prevent incidents escalating and help the emergency services do their work. The Sluiskil Tunnel has signalling, security, lighting, energy and evacuation systems, 54 in total. They must all be synchronised with each other and it must be possible to replace any component without having to close the tunnel. According to the client, B.V. Kanaalkruising Sluiskil, it was the first major tunnel project on which the planning of the safety systems was in step with the civil engineering. The failure costs and the completion time were therefore controlled. Both the factory acceptance tests (FAT) and site acceptance tests (SAT) were completed before the tunnel was handed over and all systems underwent an integrated site acceptance test (ISAT) in the final phase.

An exceptional feat: more than five weeks ahead of the planned completion, within budget, no claims or outstanding works, and excellent quality and safety specifications

During construction, while boring the tunnel and building the roads, the various disciplines worked together closely. Tin Buijs, the director of B.V. Kanaalkruising Sluiskil, described the tunnel's construction as 'a very successful project on which we worked safely and trusted each other to build a new fixed link. An excellent job!'

STAKEHOLDER DIALOGUE

Stakeholder engagement

TBI is a leading construction service provider in the Netherlands. It is therefore essential that it is transparent and remains on good terms with a wide spectrum of stakeholders that have an interest in our activities and that have an influence on them or are influenced by them. Our services therefore take account of our stakeholders and we answer their needs and requirements.

With its decentralised group structure, TBI engages in stakeholder dialogue at group level (TBI Holdings) and at company level (TBI companies). Operational dialogue between stakeholders and the TBI companies takes place during the implementation of projects.

We have embedded the dialogue with our stakeholders in our organisation as follows:

Stakeholder	What is important to the stakeholder?	How do we engage with the stakeholder?
Market		
Clients	Client focus Innovation and knowledge creation Integrated approach	Monitoring client satisfaction
Knowledge institutions	Innovation	Joint projects / knowledge sharing
Partners	Projects	Steering and working groups
Financial		
Banks/insurers	Risk management Robust financial position	Credit facilities and guarantee provisions
Shareholder	Company policy and healthy return Risk management	General meeting of shareholders Supervisory director meetings
Employees		
Employees	Training Personal development Good labour relations Good working conditions	Training courses (TBI acdmy) Top 500 meeting Performance reviews Employment conditions
Managers of TBI companies	Operational implementation and steering Cooperation	Quarterly meetings Management meetings
Works Council/Central Works Council	HRM policy/ Consideration for employees	Quarterly meetings
	Integrity	Supervisors, TBI Code of Conduct, Integrity steering group
	Occupational health and safety	Security council, TBI safety directives
Labour market	Attracting and retaining talent	TBI acdmy, periodic talks with the Executive Board
Public authorities	Working conditions Integrity	Ministry inspections
Certifying bodies	Safety	VCA** audits Safety performance ladder
Environment		
Certifying bodies	Environmental quality	ISO 14001 audits
	Energy/CO ₂	CO ₂ performance ladder audits
Suppliers	Environmental care/safety	Supplier assessment
Public authorities	Environmental regulations	Inspections
Society		
Public authorities	Foreign Nationals Employment Act Social return	Inspections Apprenticeships
	Competition and public procurement laws Integrity	Inspections
The general public (local community)	Environmental awareness	Environmental management (project specific) Considerate Constructors
Civil society organisations	Social investments	Periodic talks



Rotterdam skyline

Material themes

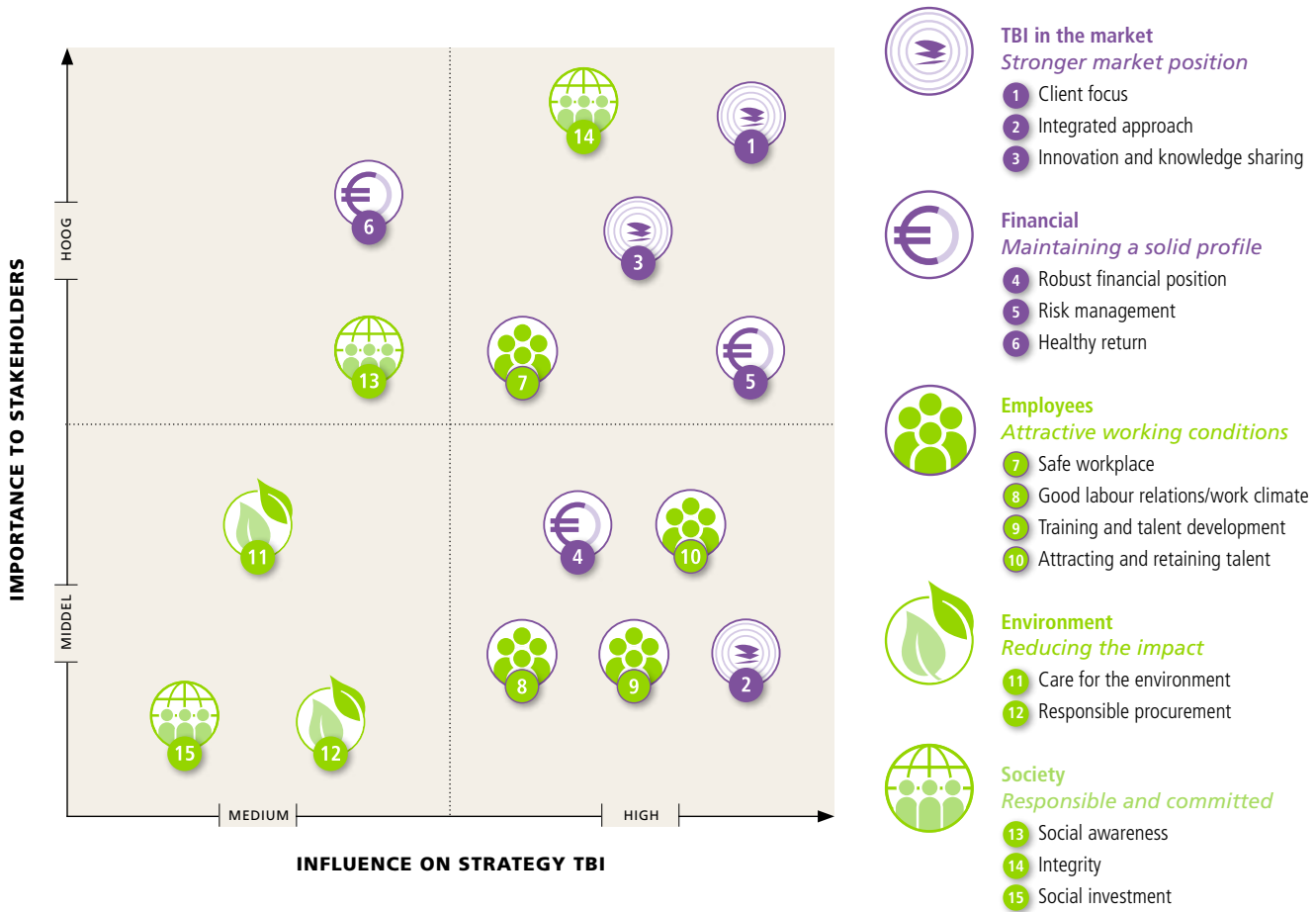
A materiality analysis is an important aspect of an integrated report. It identifies the aspects that influence the company's ability to create value for its stakeholders in the short, medium and long run.

For this first integrated annual report, TBI has mapped out the key themes and aspects of the value creation process. We started with desk research, followed by an analysis of relevant topics at a more strategic level. We also drew on the input from the stakeholder dialogue in previous years.

We then made an internal assessment with the managing directors of the TBI companies. Written questionnaires and personal interviews tested the themes with an external group of strategic stakeholders. This resulted in the Executive Board adopting the following list of themes.

We have used the results of the materiality analysis as a reporting framework, as a guide for our strategic decision-making and as a source of dialogue with our stakeholders.

STAKEHOLDER DIALOGUE



Note: The matrix above shows only the themes of medium and high importance to our stakeholders. Most of them are concerned principally with the TBI companies. The exception is safety: in this theme we also take account of incidents involving external staff, subcontractors and suppliers. In consultation with our stakeholders we will discuss how we can apply our influence for the benefit of the value chain in the years ahead.

Material themes	Description	KPI
Market		
Client focus	Thinking in terms of solutions and effective implementation	- Decentralised group structure - Client satisfaction
Integrated approach	Multidisciplinary cooperation to optimise our knowledge of construction, electrical engineering, ICT and mechanical engineering	- Multidisciplinary projects
Innovation & knowledge development	Proactive response to developments in the market and society. Focus on sustainable products and concepts	- TBI Innovation Prize - TBI kennisLAB - TBI WOONlab
Financial		
Robust financial position	Reliable and robust group	- Solvency
Risk management	Careful balance of risks and targeted measures to mitigate risks	- Portfolio management
Healthy return	Return that is appropriate to the risk profile	- Operating profit (EBIT)
Employees		
Safe workplace	Health and safety at work for everyone all the time	- Sickness absenteeism - Occupational accidents - Incident frequency (IF)
Good labour relations/working environment	Investing in a corporate culture that listens to employees	- Employee satisfaction - Employment conditions
Training & talent development	Investing in staff training and development	- Performance reviews - Training budget
Attracting and retaining talent	Offering good development opportunities and work experience to young talent	- Unwanted staff turnover
Environment		
Care for the environment	Reducing the negative environmental impact; fossil fuels, natural resources. Encouraging the re-use of raw materials and sustainable materials	- Reduce energy consumption / CO ₂ emissions - Separation of construction waste - Certified sustainable timber
Responsible procurement	Good relations with suppliers and subcontractors, including consideration of environmental quality	- Supplier assessment
Society		
Community awareness	Taking account of our activities' impact on society, residents and nature	- Considerate constructors - Complaints management system (ISO 9001)
Integrity	Honest and fair business, complying with rules	- Compliance with the TBI Code of Conduct - Breaches of laws and regulations
Social investment	Investing in and contributing to social projects and initiatives	- Apprenticeships / social return - Sponsorship and donations



FACTS & FIGURES

- The 56 houses are the first phase in the development of the Churchill Park area. In total, there will be 150 houses
- More than 70% of the homes had been sold within a week of going on sale and the green light could be given to start construction
- The owner-occupied homes have a living area of approximately 130 m² and cost between € 280,000 and € 325,000. The rented housing has a living area of approximately 120 m² and a rent of about € 1,100 per month
- LekkerEIGENhuis was awarded the Excellent Concept Predicate in 2015 from the independent Excellent Conceptual Construction Association (SECB)
- A home built in accordance with the lekkerEIGENhuis concept is made with high quality materials and has an EPC energy performance rating of 0.4. The energy performance can be improved to an EPC energy neutral rating of 0, an EPC 'Nothing on the meter' gas rating of -0.35 and an EPC 'Nothing on the meter' all-electric rating of -0.49
- Homes built to lekkerEIGENhuis's 'Lego brick' concept can be built quickly at low cost and generally in less than three months
- The architect and client panels have developed 15 different housing concepts for lekkerEIGENhuis. The styles reflect local circumstances, the urban development conditions and the wishes of future residents
- In consultation with the housing planners at www.lekkereigenhuis.nl clients can air their initial ideas and make calculations
- Clients can also take out maintenance contracts with lekkerEIGENhuis for 20 or 40 years



AMVEST

CHURCHILL PARK PROJECT, LEIDEN

Paul Laudy, the spatial planning minister on Leiden municipal executive, gave the go ahead for the construction of 56 lekkerEIGENhuis homes, including 56 rented houses, in the Haagwegkwartier on 18 May 2015. The first residents were handed the keys to their new homes barely four months later. Investor/developer Amvest and ERA Contour designed, sold, rented and built the houses in Churchill Park, the name of the new development in the Haagwegkwartier, in just a few months.

lekkerEIGENhuis

Churchill Park is in an ideal location, says Heleen Aarts, the area development director at Amvest. *'The development is in a very green area, but still in the city. Access by road is also excellent; you can get in and out of the city quickly.'* So it is not surprising there was a lot of interest in the spacious homes, with their big dormers and beautiful gardens.

All the homes were built by ERA Contour in accordance with the lekkerEIGENhuis concept developed in the TBI WOONlab. The client can select from a series of standard floorplans and is free to choose from many styles or 'housing tastes', from facing bricks to roof tiles, and many other options.

'The motto is, "everything's possible",' explains Jeroen Heijdra, a director at ERA Contour. The interior and exterior walls are prefabricated at Voorbij Prefab's fully-robotised and fully-automated factory. Both standard and custom components can therefore be made at the same time. The robots produce the walls straight from a BIM file. As Heijdra says, *'If we can BIM it, we can make it.'*

The motto is, 'everything is possible'

Amvest selected the Charming housing taste for Churchill Park and added additional touches to give the development its distinct style. The houses have large French doors giving access to the gardens, brick boundary walls at the corner houses, an extra cupboard under the stairs and a large shed in the garden.

Amvest is pleased. The houses are attractive, sustainable and comfortable. *'Working with lekkerEIGENhuis,'* says Aarts *'exceeded all our expectations. The key benefits were speed and ready-to-use options. We were surprised by how many options there were.'*



REPORT OF THE EXECUTIVE BOARD

TBI IN THE MARKET - *Stronger market position*

Market outlook and performance of the clusters

DEVELOPMENTS - *Strong in housing, retail and social real estate*

MAIN ACTIVITIES

- Residential and retail development
- Transformation
- Repurposing of built heritage
- Risk-bearing project management
- Accommodation advice
- Expertise advice
- Building management

MARKET CHARACTERISTICS/DEVELOPMENTS

- Sustainability
- Energy savings
- New style of working
- Repurposing
- Resident participation
- Area development
- Changes in the administrative landscape
- Lifecycle construction

MARKET SEGMENTS/CLIENTS

- Private housing market
- Financiers and investors
- Education
- Care
- Government
- Private sector
- Chain partners

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

- Conceptual strength
- Marketing and sales
- Process management
- Integrated approach
- Innovative strength

MORE HOUSING DEVELOPMENTS

Project developer Synchron profited well from the recovery of the housing market, driven principally by increased consumer confidence and low interest rates. Some 541 houses were sold in 2015, considerably more than in the previous year and the portfolio for the current year is also well filled.

Targeted housing concepts

Synchron is particularly strong in devising distinctive concepts for specific target groups. Finding housing solutions at complex locations in urban areas is one of its biggest challenges. Cities such as Amsterdam, Utrecht, The Hague and Rotterdam are growing in popularity but have little space for new buildings. The XS DeLuxe concept is an example of the innovative solutions Synchron offers.

XS DeLuxe

The XS DeLuxe concept is Synchron's response to the growing popularity of living in the city. Many first time buyers in the housing market want to live in lively, popular locations but cannot afford expensive houses or flats. XS DeLuxe meets their demands by building sustainable and affordable micro-apartments for one or two-person households at top urban locations, with shared facilities such as workplaces, laundries, domestic help and smart use of space. The concept is suitable for both newbuilds and existing buildings such as repurposed offices.

Area development at the edge of the city

The high demand for new housing in cramped city centres is forcing many cities to look to peripheral locations. Developing these locations requires a thorough understanding of real estate and area development.

Together with area developer BPD, Synchron is developing the exclusive [Vroondaal](#) neighbourhood in The Hague.

This project meets the demand for housing with a distinctive identity. Clients can choose from a wide variety of housing types, floorplans and enlargement options. A great deal of attention is also paid to the quality of the public and green space.

In Amsterdam, Synchron is developing a project with 165 apartment buildings on Zeeburger Island. It is also active in the development of rented and owner-occupied housing in Amsterdam Southeast and at IJburg.

Redevelopment of business parks

Many of Synchron's projects involve the redevelopment of former business parks. Together with J.P. van Eesteren, for example, it is repurposing two tower blocks on [Wilhelminapier in Rotterdam](#) and in Amsterdam Synchron and ERA Contour are developing the climate-neutral Houthaven housing estate, a good example of area transformation.

Another successful partnership is the [Waterfront in Harderwijk](#), where Synchron and Koopmans Bouwgroep are redeveloping a former business park into an attractive residential area with a total of 750 houses and commercial amenities. The new district is being built on the edge of the historical city centre and the Veluwemeer.

In 2015 Synchron won a contract to redevelop the first phase of a former business park owned by Dutch Rail in Utrecht.

Wisselspoor will accommodate housing, creative businesses, bars and restaurants.

yoreM

To make potential clients more aware of its projects Synchroon launched an independent e-marketing company during the year: **yoreM**. Home owners are increasingly buying their homes over the internet and designing them via social media. Facebook, Twitter and Google are putting potential clients in touch with housing developers at a far earlier stage than in the past. Property websites are enabling them to respond and to like designs so that their preferences help determine the form and composition of the development. YoreM develops such property websites and strengthens co-creation by clients and developers through e-marketing. YoreM also wins clients, advertises online and carries out data surveys to gain a deeper understanding of potential clients. It works for the TBI companies and for external parties such as investors, housing associations and other real estate professionals.

Fewer retail developments

Overcapacity in the market and the continued growth of online shopping meant Synchroon developed fewer retail projects in 2015. It responded by giving higher priority to the redevelopment of shopping centres. A successful project was the redevelopment of the Van Hogendorpkwartier in Vlaardingen. Together with the Waterweg Wonen housing association, Synchroon developed a new shopping centre with apartments. The retail outlets and apartments were built by ERA Contour. The Van Hogendorpkwartier development is part of a comprehensive renewal plan for the Babberspolder area. Following the successful completion of this project, Waterweg Wonen commissioned Synchroon to develop its own premises.

Synchroon also won a contract in 2015 to redevelop the centre of Zevenbergen, consisting of a retail programme with apartments located directly next to a retail project that Synchroon had completed earlier.

Education and care reconsider their accommodation needs

HEVO, a real estate and construction management consultancy, is a leading player in the education sector. Despite the budget cuts in this sector, HEVO performed well. The number of orders received in the care sector, however, was lower than expected.

Demand for school buildings has changed significantly. Schools need buildings that can accommodate both new teaching methods and smaller pupil numbers. As newbuilds are often unfeasible, many schools are opting for renovation and to make their buildings sustainable and future-proof.

With the growing demand for new building concepts, HEVO has identified growth opportunities in the health sector. Together with Synchroon, it provides strategic advice to support the development of care institutions' business plans. It is increasingly acting as a matchmaker between the institutions and financiers and investors to help the former finance their construction and renovation plans.

Demand for risk-bearing building management services is expected to strengthen steadily again in the years ahead in response to the upturn in the market and the associated contracting risks faced by clients. In HEVO's sectors, too, clients are increasingly wishing to contract energy consumption and maintenance on completion of a project. HEVO believes there are opportunities to link risk-bearing project management activities to maintenance and energy consumption guarantees.



Waterfont development, Harderwijk

Repurposing Parc Glorieux, Vught

TBI IN THE MARKET - Stronger market position

HOUSING - Room for housing wishes

MAIN ACTIVITIES

- House building
- Renovation and major maintenance
- Maintenance and management, renovation
- Inner city redevelopment
- Restoration
- Repurposing
- Newbuild, renovation, maintenance and management concepts and products
- Development, supply and assembly of sustainable prefab concrete elements
- Floor and wall systems for heating and cooling
- Technical installations

MARKET CHARACTERISTICS/DEVELOPMENTS

- Focus on clients, quality and added value
- Focus on innovation and sustainability
- Circularity

MARKET SEGMENTS/CLIENTS

- Residents
- Project developers
- Housing associations
- Investors
- Municipalities

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

- Entrepreneurship, autonomous companies under the TBI banner
- Innovative power and cooperation (TBI WOONlab)
- Sustainable and affordable housing concepts
- Technical skills
- Urban renewal
- Consumer driven development and construction

The TBI companies that serve the housing market profited well from the recovery in this market segment. Newbuild output in the Netherlands increased by 24% in 2015 and repair and renovation output by 17%. The number of newbuild units completed was approximately 50,000 (source: EIB). Demand for housing from both consumers and investors rose sharply. Housing associations are concentrating on the sustainability and maintenance of their existing stock. In recent years, ERA Contour, Groothuis Wonen, Hazenberg Bouw and Koopmans Bouwgroep have made substantial investments in studying changes in consumer housing demands. The findings underpinned the development of new housing concepts. At the same time, substantial investments have been made in Voorbij Prefab to increase the affordability and range of housing designs.

TBI sold 1,707 housing units in 2015 (2014: 1,059 units), an increase of 61%. Of these units, 1,507 were sold to private buyers (2014: 811), 108 to investors (2014: 165) and 92 to housing associations (2014: 83). The stock of completed but unsold units as at 31 December 2015 was four (31 December 2014: 10). The number of unsold houses under construction as at 31 December 2015 was 102 (31 December 2014: 132).

Together, the TBI companies are now even better positioned to meet the growing demand for sustainable and affordable housing. The cooperation also resulted in new types of houses to complement the beterBASISHuis and lekkerEIGENhuis concepts and give consumers more choice. Furthermore, beterBASISHuis, a concept designed for the social housing sector and first-time buyers, is now being offered with a 20-year guarantee and maintenance contract and new sustainable options. A new concept introduced in 2015 is mooiGROOThuis for detached and semi-detached houses.

Automated concrete factory: more variations possible

The Voorbij Prefab concrete factory was fully robotised and automated in 2015. Automated production lines now build interior and exterior walls, including incorporation technical installations, for TBI housing concepts directly from a BIM file. This is an interesting development for clients because the factory can now produce any exterior wall design that has a BIM file at no additional cost. With an annual capacity of 2,500 houses, the factory produces not only for TBI but also for third parties.

Innovative housing concepts

TBI has set itself the goal of being one of the best house builders in the Netherlands. We want to achieve this ambition by having the TBI companies develop innovative concepts. ERA Contour, Hazenberg Bouw and Koopmans Bouwgroep therefore set up an innovation laboratory in 2014: TBI WOONlab. The companies strengthened their position in the supply chain further in 2015 by entering into agreements with WTH, Comfort Partners, Voorbij Prefab and Groothuis Wonen.

Neighbourhoods that people enjoy living in

The house building companies not only develop new housing concepts, in cooperation with the final users they also create neighbourhoods that people enjoy living in. In the Kloosterbuuren project, for example, ERA Contour developed 118 houses around a former monastery and friary. The development boosted the quality of life in the Moerwijk district of The Hague. Other projects launched in 2015 included Intermezzo (newbuild apartments on Zuidas in Amsterdam) and Moving Up (above the entrance to the Pijp metro station in Amsterdam). The success of consumers as co-developers is demonstrated by the overwhelming interest in the client panels of Little C. ERA Contour is developing this new neighbourhood on Coolhaven in Rotterdam in collaboration with J.P. van Eesteren and Bouwinvest. It comprises approximately 300 houses and 10,000 m² of commercial space.

Sharing know-how for renovation and maintenance

ERA Contour, Hazenberg Bouw and Koopmans Bouwgroep combined their renovation and maintenance know-how and skills in early 2015 with those of the renovation companies Hemubo, Smits Vastgoedzorg and Rutges Vernieuwt in order to introduce the [Renovatiekompas](#).

This free online calculator is a quick and efficient tool for business-to-business clients to work out the costs and returns of maintenance and renovation projects per house.

As 100% sustainable renovation is not always a feasible option for housing associations, the initiators of the Renovatiekompas have developed the [BETER OP DE METER](#) concept. It enables housing associations to renovate their properties and reduce the energy consumption by 80% within five days at a cost of € 30,000 per house. Itho Daalderop and Comfort Partners are also working on the development of [BETER OP DE METER](#).

Repurposing of historic buildings

The TBI companies Synchron, Nico de Bont and HEVO work closely together in Ozive to repurpose historic buildings. Projects are carried out in cooperation with other TBI companies. Hazenberg Bouw and Nico de Bont, for instance, converted the historic Mariënbosch monastery in Nijmegen into independent housing units for students.



Nieuw Crooswijk, Rotterdam

Repurposing Mariënbosch monastery, Nijmegen

TBI IN THE MARKET - *Stronger market position*

NON-RESIDENTIAL BUILDINGS – *Innovative and integrated construction*

MAIN ACTIVITIES

- Turnkey concepts
- Newbuild
- Transformation
- Renovation
- Maintenance
- Restoration

MARKET CHARACTERISTICS/DEVELOPMENTS

- Shift to new forms of contract/cooperation, such as Design, Build & Maintain
- Overcapacity increasing competition and unrelenting pressure on prices
- Late cyclical market
- Growing demand for integrated multidisciplinary cooperation
- BIM, LEAN, SE and other process tools growing in importance
- Stronger demand for maintenance and repurposing
- Weak demand for new non-residential buildings
- Growing significance of future-proof buildings; buildings must be more flexible and sustainable so that their functionality can evolve
- From builder to manager; relieving the client's concerns

MARKET SEGMENTS/CLIENTS

- Central government, semi-public sector
- Professional service providers
- Education
- Care and Cure
- Manufacturing
- Hotel industry

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

- Lifecycle/total cost of ownership approach
- Familiar with all contract forms
- Integrated work, inside and outside TBI
- Innovations based on our own strengths: TBI kennisLAB, leader in BIM
- Wide reference scope
- Complex building projects requiring high construction IQ
- Utilitarian housing
- All know-how in the organisation in our own people; skill and quality
- Continuity guaranteed by the TBI network
- Knowledge, skills and track record; leader among the non-residential building companies
- Plan development
- Turnkey hand-over
- Development of non-residential buildings, multidisciplinary buildings, hotels and laboratories

The non-residential building sector has not yet profited from the economic recovery and again suffered the consequences of government cuts, the large overhang of long-term vacant offices and falling demand for retail space. Output in the newbuild sector showed no signs of growth according to the EIB. Pressure on prices therefore remained unchanged in 2015. The number of renovation, transformation and conversion contracts won, however, steadily increased. TBI companies have prepared for this firmer market and are ready to meet the changing demand.

Investing in smarter construction

Clients no longer expect building companies to deliver just a set of specifications and drawings but also to write, design and engineer an action plan. The demand for Design & Build, DBMO, DBFMO and Best Value Procurement contracts is therefore growing. J.P. van Eesteren has transformed itself from a contractor to a proactive, knowledge-intensive non-residential builder that is dedicated to the client's needs. It can satisfy the growing demand for turnkey solutions and contract forms in which management and maintenance, total cost of ownership and sustainability are becoming more important. Its aim is to 'make buildings smarter' in order to generate more added value for clients.

In recent years, the company has recruited more highly-qualified specialists and made substantial investments in BIM. TBI enjoys working with its own craftsmen at the building sites. Craftsmanship is in our DNA and we intend to keep it this way in order to guarantee the quality of our projects.

Thanks to integral designs in BIM and their cooperation with each other, the TBI companies can organise their construction processes more effectively and thus lower the cost and complexity of construction and maintenance processes. Clients gain access to all the available information at an early stage in a building project. Before the actual construction work begins they are shown a virtual model of the project. They also see what the project will look like at various moments in the project and what safety measures will be taken. This makes it easier to make timely variations in the process if necessary.

Hotel of the future

Under an engineering & construction contract, the TBI companies are working on the Amstelkwartier Hotel near the Amstel station in Amsterdam. All aspects have been worked out in detail in a BIM model and are prefabricated wherever possible. In the factory, for example, recesses for electric sockets are made in the 'plug & play' metal stud walls. The walls for each room are delivered as a single package complete with cabling. A single operator is able to build a complete hotel room in one day. Amstelkwartier will be the first hotel in Europe to be awarded the highest sustainability certificate: LEED Platinum.

A contract was received in 2015 for the construction of the Amstel Tower in Amsterdam, a 100-metre high residential and hotel tower for Provast.

Renovation and transformation

J.P. van Eesteren is renovating the famous Cube Houses in Rotterdam. Owing to their special architecture and many local factors, the houses are difficult to access. A triangular, prefab scaffolding system was especially designed for them. The houses will be renovated in four phases. The Spinoza Hall of Utrecht University also underwent large-scale renovation. J.P. van Eesteren's Conversion, Maintenance and Renovation Division (VOR) ensured the historic building was suitable for today's education programme.

In Amsterdam, J.P. Van Eesteren transformed the former head office of Shell Research on the north bank of the River IJ into the A'DAM Tower, a multifunctional building with an observation deck, hotel, club, offices, bars and restaurants. Together with Koopmans Bouwgroep, Croon Elektrotechniek and Wolter & Dros, the company transformed an old building of the Utrecht University

of Applied Sciences into an expertise centre for healthcare and technology. The consortium was involved in the project from preliminary design to handover.

J.P. van Eesteren transformed the Convent Hotel in Amsterdam into a new designer hotel named INK Hotel in just four months in 2015. The rooms were delivered 'towel ready'. It is an example of J.P. van Eesteren's growing stature as a project manager.

TBI companies build the first proton clinic in the Netherlands

Construction of the first proton clinic in the Netherlands began in Delft in May 2015. Proton therapy will be within hand's reach of cancer patients in the country by mid-2017. The construction of HollandPTC is seen as an important step forwards in the fight against cancer.

J.P. van Eesteren, Croon Elektrotechniek and Wolter & Dros are carrying out the contract jointly.



Town hall Almelo

Elementary school De Twijn, Nijverdal

TBI IN THE MARKET - *Stronger market position*

ENGINEERING - *Intelligence through technology*

MAIN ACTIVITIES

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

MARKET CHARACTERISTICS/DEVELOPMENTS

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

MARKET SEGMENTS/CLIENTS

- Non-residential buildings
- Infrastructure
- Industrial
- Marine & Offshore
- Housing

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

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

The TBI companies specialising in technical installations, Croon Elektrotechniek, Wolter & Dros and Eekels, serve a wide spread of the non-residential construction, infrastructure, industrial and Marine & Offshore markets. They have specialised knowledge and expertise in electrical engineering, mechanical engineering and automation, serving clients in various markets with smart solutions – both multidisciplinary and dedicated. By offering integrated technical services in a single package, they also meet the demands of many clients by carrying out projects under a single contract.

Renewing technical services

In the non-residential building market, where volumes and prices are still under pressure, the number of contract awards stabilised at a low level. The trend of revitalising and transforming existing offices has great promise for the technology companies. Digitisation and flexible working practices are cutting the need for office space. At the same time, demand is rising for designs that are tailored to the new requirements and that make older office spaces more sustainable, and thus require a redesign of technical installations.

Opportunities in the industrial and maritime sectors

In the industrial sector, where the TBI companies work chiefly as system integrators, there was an increase in the number of orders. Fierce competition, however, exerted pressure on margins. The TBI companies have identified openings in the computerisation and automation sectors. Marine & Offshore reported strong growth. In the oil and gas market, investments were lower, whereas considerably more was invested in supply vessels for marine wind farms and in yacht building. Eekels and Croon Elektrotechniek will strengthen the added value they generate for their clients in the maritime sector by pooling their expertise in this market.

Maintenance contracts more important in infrastructure

The infrastructure sector also offers opportunities to TBI because we can carry out multidisciplinary projects under a single contract. Clients are increasingly seeking a single contractor to carry out a project and perform long-term maintenance. A good example of this is the Sluiskil Tunnel.

Apart from the [Sluiskil Tunnel](#) the work on the A15 motorway is an impressive example of this form of contracting.

Croon Elektrotechniek and a partner are fitting all tunnel and traffic systems, including 35 kilometres of high-tech dynamic traffic management systems. The contract also covers technical maintenance for the next 20 years.

State-of-the-art operating theatres

The Medical Innovation & Technology expert Center (MITeC) at the Radboud university medical centre in Nijmegen is the most advanced suite of operating theatres in Europe. The MITeC combines diagnosis treatments with operations. With the aid of an MRI scan and an x-ray tripod in the operating theatre, doctors can assess an intervention during the operation itself and take corrective measures if necessary. Croon Elektrotechniek was responsible for the state-of-the-art electrical equipment and technical services in the operating suite.

Meeting client demand: intelligence through technology

Clients are increasingly demanding integrated technical installations. Technology makes a fundamental contribution to the quality of life. The services must not only be technologically advanced and smart, they must above all be of benefit to people, organisations and society. Technology is a means, not an end. This development drove the decision to merge Croon Elektrotechniek and Wolter & Dros into a single strong technology company. The merger brings together expertise in electrical engineering, mechanical engineering and automation/computerisation in one organisation. The TBI companies can thus generate more added value for their clients. Intelligent, self-thinking and self-learning systems make ships, tunnels, buildings and factories more efficient and effective. By working more efficiently and sustainably they increase productivity and the quality of the user experience.

In other words, intelligence through technology. Pooling the expertise also makes the organisation more effective and cost efficient. The engineering companies have already worked on many projects together and in 2015 took further strides in the merger process. The integration must be completed by the end of 2016.

Better techniques for a better process

With the development of the Uniform Object Library for the technical installations sector, it is even easier to enter installation concepts in BIM at an early stage in the process. They can then be developed and fabricated modularly. This speeds up the construction process at lower cost and with higher quality. The client can also select from far more options. By creating integrated construction and technical installation components, TBI offers its clients an efficient turnkey solution with added value.



Esnaad 224, Hoogezand

Water Purification Scheldt flows, Zeeland

TBI IN THE MARKET - Stronger market position

INFRASTRUCTURE - Working from cooperation

MARKET-ORIENTED CLUSTER

- Tunnels, bridges, stations, roads and road maintenance, water treatment, ports, infrastructure
- Bridges and locks
- Stations
- Roads and road maintenance
- Water treatment
- Port infrastructure

MARKET CHARACTERISTICS/DEVELOPMENTS

- TCO (total cost of ownership) increasingly guiding designs

MARKET SEGMENTS/CLIENTS

- Public bodies
- Private investors

COMPETENCES OF THE TBI COMPANIES IN THE MARKET

- Integrated concepts combined with financing if required

2015 was a challenging year for infrastructure. The number of infrastructure contracts awarded was reasonable – except for major projects – but volumes and prices in the sector remained under pressure from spending cuts by central government and local and provincial authorities. Although we expect some overcapacity in the market in 2016, the growth of large infrastructure projects will trigger a cautious recovery in margins. The outlook is underpinned in part by the intentions of several public contracting authorities recently published in a market survey entitled *The Strength of Cooperation*.

The strength of cooperation

The current complexity and multidisciplinary character of infrastructure projects demand a great deal of specialised know-how and expertise from diverse parties. To demonstrate they can satisfy the client's functional and performance requirements, their work must be seamlessly coordinated. We can demonstrate this thanks to our integrated approach (Croon Elektrotechniek and Mobilis), as illustrated on our [Sporzone Delft project](#). The construction of a railway tunnel, underground station, car park and underground cycle storage relieved a major bottleneck in the centre of Delft. Placing the railway underground had the additional benefit of creating an attractive area for housing. The complex inner city character of this project required close cooperation between the client, the contractor, the operational partners and other stakeholders. Environmental management was critical to the project's success. Another good example of cooperation is the [Sluiskil Tunnel](#), which was opened to traffic in May 2015.

Thanks to good cooperation with all the parties involved, we successfully completed the project more than five weeks ahead of schedule, within budget, without claims and non-compliances and with excellent quality and safety figures.

At the beginning of 2016 TBI was awarded the definitive contract to renovate the Maas Tunnel in Rotterdam. The project involves the renovation of the concrete structure, the technical systems and the monumental character of the tunnel. Four of our companies, Croon Elektrotechniek, Mobilis, Wolter & Dros and Nico de Bont, will undertake this project in alliance with the municipality of Rotterdam.

Growth in maintenance and management

In the infrastructure sector, too, construction (capex) and maintenance (opex) projects are increasingly being awarded under a single contract. The contractor must meet the clients functional and performance requirements from design to long-term maintenance. TBI (Mobilis and/or Croon Elektrotechniek) is involved in the maintenance of the Western Scheldt Tunnel, the Sluiskil Tunnel, the Coen Tunnel, the A15 Maasvlakte route and other projects.

Clients not only want to subcontract management and maintenance but also gain an insight into the costs over the longer term. Knowledge and expertise of the lifecycle of civil objects and technical systems are therefore of great importance. Maintenance and maintenance costs can be optimised by anticipating the expected lifecycle. This knowledge is extremely important during the design phase. Against this background, TBI Infra Asset Management (TBI IAM) was set up in 2015. This department houses all knowledge relating to the maintenance of civil assets and technical systems. TBI IAM has since been ISO 55001 certified.

Safe road maintenance

In 2015 TBI invested in the development of a remote controlled multi-functional vehicle that can maintain motorway verges from the hard shoulder and quickly clean the road deck after an accident. The vehicle's small size allows it to be used safely on the hard shoulder both during the day and at night. This not only reduces costs but also prevents operatives having to work in dangerous situations.

Cooperation in the chain

Best value procurement (BVP) is rapidly gaining ground in the infrastructure market. TBI believes in the power of close cooperation in the supply chain because it creates the greatest value at the best price.

Under the TunnelAlliantie signed in 2015, TBI participates in the Onderspoor consortium together with Hegeman Beton- en Industriebouw in accordance with the best value principles. The TunnelAlliantie consists of five contractors that will build all tunnel underpasses in the Netherlands in the next four years for ProRail. Working with a standard process and fixed teams will raise the quality and price security of the construction process.

Security Ladder ProRail

Mobilis was the first civil contractor in the Netherlands to rise to level 3 on ProRail's Security Ladder, version 3.0. On 1 October 2015, ProRail opened its safety ladder to market parties and non-rail companies have also been certified.

Cooperation in Denmark

Mobilis has been active on the infrastructure market in Denmark since 2014. It is meeting the growing demand there for knowledge and expertise in the field of Design and Construct. We have already completed a number of smaller projects in the country. Given our knowledge and experience of this contract form, our prospects are promising. Our knowledge of prefabricated applications is also of great importance. In conjunction with this, we have identified growth opportunities in specialised foundation techniques. Voorbij Funderingstechniek has established a joint venture with a Danish partner (Shoulders S/A) that will specialise in sheet piling and dam constructions and in specialised foundation techniques.



Aqueduct in A4, Steenbergen

Sluiskiltunnel, Terneuzen



FACTS & FIGURES

- Synchroon started redeveloping the shopping centre in early 2011. The completion ceremony was held at the end of 2013
- The Van Hogendorpkwartier is a multifunctional development. The diverse building functions and the variety of commercial functions produced a successful combination of redevelopment and newbuild
- The Van Hogendorpkwartier is a socio-sustainable development with a high social impact
- The Van Hogendorpkwartier was nominated for the annual award of the Dutch Council of Shopping Centres for the most innovative and inspiring retail project
- The shopping centre was designed by Klunder architecten and built by ERA Contour
- Residents, shoppers, the municipality, the Waterweg Wonen housing association and the new owner, Renpart, were all very satisfied with the new centre
- Synchroon followed up the Van Hogendorpkwartier with the development of premises for Waterweg Wonen and a second residential block. Waterweg Wonen's premises are being designed and built to at least the BREEAM 'good' standard
- ERA Contour also built the Spiegelhof and Vlaardings Geluk residential developments in Babberspolder. It began work on Waterweg Wonen's new premises and the second residential block at the end of 2014
- Vlaardings Geluk was developed in close consultation with the future residents. They filled in questionnaires to make their wishes known so that they could be incorporated into the final designs
- In 2016 ERA Contour began building Vlaardings Geluk III. The houses built in phases I and II were quickly sold

RESTRUCTURING BABBERSPOLDER EAST

Vlaardingen municipality and the Waterweg Wonen housing association joined forces in 2006 to carry out an integrated urban regeneration plan for the Babberspolder East district. The houses in Babberspolder East had reached the end of their lives and housed narrow section of residents. The area also had a bad reputation. The rejuvenated development was designed to attract a varied mix of residents who would live in the area for a long time.

renewed Vlaardingen

Babberspolder East will be home to a wide range of houses. Schools will be relocated and the ample public green spaces will be redesigned. The shopping centre on Van Hogendorpstraat will also undergo a metamorphosis. The area is being redeveloped under the name Nieuw Babberspolder. Both Synchroon and ERA Contour are involved in the project. ERA Contour has been the developer and contractor of the Spiegelhof and Vlaardings Geluk projects since 2006 and Synchroon has developed the Van Hogendorpkwartier shopping centre and Waterweg Wonen's new offices since 2011. The design focuses on entrepreneurs and consumers. When the old shopping centre has been demolished, a new combination of houses and retail outlets will quickly be built. The new shopping centre will have approximately 6,500 m² of retail space, 36 rented social houses, 37 owner-occupied houses and an apartment block with 52 rented private-sector houses. The 25 shops will range in size and in nature, from branches of national chains to local retailers, from tenants moving locally to tenants moving into the development.

Thanks to the cooperation between the various players, the project is making good progress, despite the financial crisis. Representatives of the partners meet nearly every day. Representing Synchroon, Henn van Dam explains, *'There's been continuous contact between us, the housing association, the municipality, the shopkeepers and, of course, the residents. Our task was to lay down a convincing retail plan that would work for the retailers both now and in the future.'* This approach, which was followed by many of the other partners, is now known as the *Vlaardings Model*.

The project was designed around entrepreneurs and consumers

'The Van Hogendorpkwartier is an inspirational example of a sustainable transformation,' says Arjan de Vries, Synchroon's regional manager. *'It wouldn't have succeeded without the inclusion of retail space.'* The new shopping centre has completely revived the Babberspolder East district. It has strengthened public cohesion and is of great social importance.

Waterweg Wonen agrees. Harrie Bosch, its executive director, says, *'Such a complex development depends on good cooperation. We rose to the challenge together and anticipated and resolved any problems that arose during the project. We were able to build a shopping centre that underpins the neighbourhood and attracts shoppers from outside the district. And we accomplished it during a crisis. That's a source of shared pride'*

TBI IN THE MARKET - Stronger market position

Sustainable innovation and quality

Innovation is a major issue within TBI. We take many initiatives to encourage and realise sustainable innovations. Innovative research is conducted by the TBI kennisLAB and TBI WOONlab alliances. We have also established the TBI Innovatiefonds to fund innovations that cut across individual companies and create value for TBI as a whole. In 2015, we invested some € 5.5 million in innovation.

INNOVATION HOTBED

TBI colleagues work with each other – both physically and virtually – on multidisciplinary projects in the TBI kennisLAB. The expertise centre was set up in 2014 to strengthen integrated cooperation. TBI kennisLAB is a hotbed of innovation and is an expert in systems engineering (SE) and in the Building Information Model (BIM). Staff from TBI companies who work with BIM can share their knowledge and work on projects together using a virtual BIM server.

BIM can streamline internal processes. Several disciplines work together from the initial design of a structure to reduce the risk of failure costs and waste. By building virtually first and only then 'in real life', moreover, many parts can be pre-assembled in the factory.

TBI kennisLAB's goal is to have all TBI's integrated projects carried out in accordance with SE and BIM methods only. TBI therefore made considerable investments in BIM during the year. It signed a contract with Autodesk, a supplier of BIM software, for example, and has taken on both BIM managers and BIM modellers. TBI kennisLAB has also started to offer training courses in BIM.

Leading role for BIM

BIM was an important factor in the construction and renovation of the Antoni van Leeuwenhoek hospital. J.P. van Eesteren, Croon Elektrotechniek and Wolter & Dros joined forces to enlarge and renovate the central hall and two buildings. Thanks to BIM we can see what the building site will look like at any particular moment and what the consequences will be of even the smallest change. Disruptions to processes can be detected and prevented. BIM also shows the ideal places for temporary partitions to guarantee hygiene during the renovation.

TBI INNOVATION PRIZE

The TBI Innovation Prize is an important incentive for new ideas. In 2015 it was awarded to J.P. van Eesteren, Croon Elektrotechniek and Wolter & Dros for the Multi Floorbox. This is an intelligent metal recess box in which all system connections are fitted in the factory. It offers a prefabricated solution to construction problems in shafts. Dimensioning is more accurate and construction is considerably faster. The box was first used during the construction of the Amstelkwartier Hotel. The Multi Floorbox is the outcome of cooperation between all disciplines: electrical engineering, mechanical engineering and civil construction.

FREEDOM OF CHOICE FOR CONSUMERS

TBI companies work together in the TBI WOONlab to develop new housing concepts, processes, products and services for newbuild, renovation and energy improvement projects.



Award ceremony TBI Innovation price 2015

In 2015 TBI WOONlab held a competition among architects and designers of exterior walls. The competition produced five new 'housing tastes'. Consumers have maximum freedom of choice within this standard exterior wall design.

TBI WOONlab was awarded the Excellent Concept Predicate in 2015 for the *beterBASIS*huis and *lekkerEIGEN*huis housing concepts. This quality standard issued by the Excellent Conceptual Construction Association (SECB) guarantees that clients receive what they are promised.

COOPERATION WITH START-UPS

TBI has been the strategic partner of Yes!Delft since 2014. We look upon this network organisation of start-ups as an ideal partner to accelerate innovation. With one of the start-ups, we are studying the possibility of using composite to repair concrete with a view to repairing road surfaces more quickly. We are also working closely with Yes!Delft on the award of the TBI Innovation Prize and the further rollout of innovations in the organisation.

Croon Elektrotechniek and Start-up Peeeks are together studying how the power of pumps and pumping stations can be regulated in order to balance the electricity networks of [water authorities](#).

TAPPING SUSTAINABLE ENERGY SOURCES

TBI is studying alternative energy supplies. Geothermal energy, for example, is environmentally friendly and sustainable. Having to drill deep into the earth (at least 500 metres), however, makes it relatively expensive. TBI is therefore looking first at how it can be used in heavy industry and greenhouse horticulture. To strengthen our position in the market, we took part in several geothermal projects in 2015.

Sustainable initiatives and innovations

Several TBI companies took part in sustainable initiatives and innovations in many areas in 2015. They included:

- The hand-over of two of a series of ten extremely efficient platform supply vessels. They have been built as a 'design of the future', complying with the highest international classification standards with respect to both operational and environmental criteria ([Eekels](#)).
- The delivery of the patented Green Cooling installation concept for the new data centre at Groningen University Medical Centre (Croon Elektrotechniek and [Wolter & Dros](#)).
- The delivery of the first ESCo (Energy Service Company) for a multifunctional building in Kapelle by Wolter & Dros. The company had previously delivered ESCos for residential and healthcare projects.
- Croon Elektrotechniek launched [EnergyInsight](#), a new service to reduce energy consumption in buildings.
- In the [Co-Green project](#), ERA Contour is working with other partners on the first climate-neutral and cost-neutral residential district in the Netherlands. The energy and water necessary to demolish, build and live in the district are sourced as inexpensively and sustainably as possible at the location itself and as much of the demolished material as possible is recycled.
- Delivery of the ecological newbuild project for the Iewan residential community in Nijmegen (Comfort Partners).
- Development of the climate-neutral Karspelhof 2B district in Amsterdam Southeast (Synchroon).
- Synchroon and ERA Contour are working on the development and realisation of [De Deeltuyn project](#) in Utrecht. In accordance with the principles of collaborative consumption, Deeltuyn involves future residents as co-producers and gives high priority to sustainability.
- In 2015 Wolter & Dros was awarded the BRL 6000-21 quality certificate for WKO-Garant. WKO-Garant enables clients to monitor and manage their heat and cold storage.

TBI IN THE MARKET - *Stronger market position*

Cooperation

TBI has every discipline necessary to answer its clients' demands for integrated solutions. The TBI companies work under their own names but they are linked to each other through their 'family ties'. We match the entrepreneurship and skills of the individual companies with the economies of scale generated by the TBI group. We strengthen the ties by organising certain activities jointly. We work together and share our knowledge in the fields of human resources and ICT, innovation and sustainability.

LEARNING FROM EACH OTHER'S STRENGTHS

The cooperation between the TBI companies is taking more definite form. To be successful, we have to find creative solutions by looking beyond our own specialisations. We have to learn from each other's strengths.

The nature and complexity of inner city projects make cooperation essential. A good example of this is the Santrijn project in Oosterhout. Mobilis and Hazenberg Bouw are constructing a two-storey car park with houses. Their cooperation has considerably reduced the failure costs.

Working together increases the synergy and makes better use of the resources available within TBI. We are capable of bringing several disciplines together and aligning our processes smartly in order to meet the clients' demands. Our clients also benefit from the fact that our teams know each other.

The TBI companies also develop tools together. TBI kennisLAB, for example, is making [Mobilizer](#) accessible to other TBI companies. Mobilis developed this system in response to client demand for demonstrable proof that a design complied with their schedule of requirements. Mobilizer can manage and steer all a company's business processes, tenders and projects. All the information in the system can be accessed round the clock by all authorised users, including the client. It is an extremely advanced information system and an excellent platform for multidisciplinary cooperation within the TBI group.

Three TBI companies in a consortium building the European Patent Office (EPO)

J.P. van Eesteren, Croon Elektrotechniek and Wolter & Dros won the design & construct contract to build the new European Patent Office (EPO) in Rijswijk. The building will have a double-walled façade made entirely of glass with an eight-metre void between the walls. The TBI companies will contribute their own expertise but work as a single multidisciplinary organisation to deliver the best for the project. Combining each other's specialisations and expertise strengthened the cooperative ties, led to innovations in climate control, lighting, acoustics and sustainable energy consumption. A garden planted in the façade void, for example, provides natural ventilation. Heat pumps in the floor heat and cool the offices. The EPC standard is accordingly 30% lower than that laid down in the Building Decree. With space at the building site at a premium, as many components as possible are being prefabricated.

SUSTAINABLE WATER TREATMENT

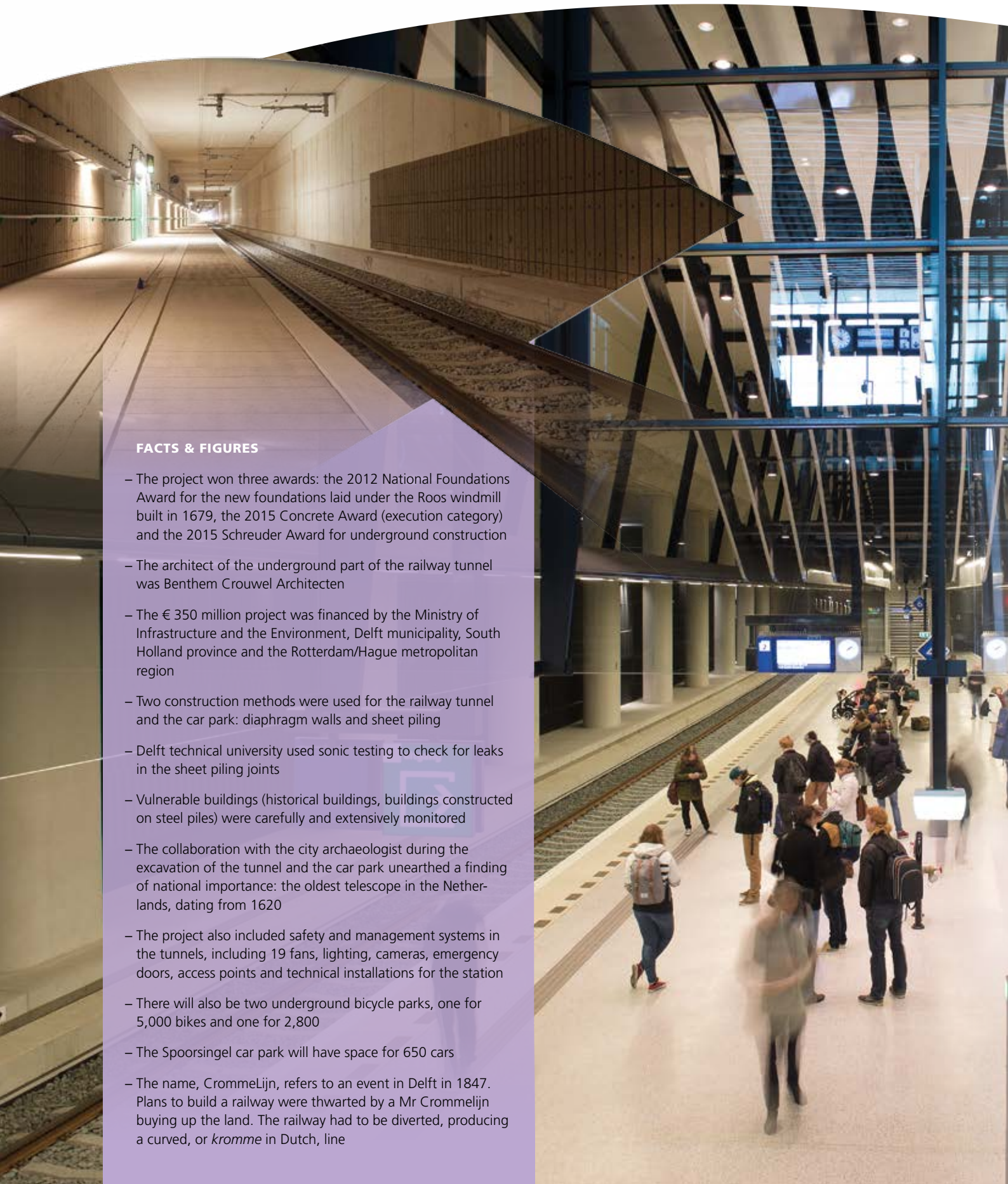
Water authorities and drinking water companies are increasingly concentrating on their core business: treating and supplying water. TBI has responded to this development with Aquanize, a cooperative platform involving Croon Elektrotechniek, Eekels, Mobilis and Wolter & Dros. Aquanize has everything in-house necessary for water projects: design, calculation, civil construction, mechanical engineering, electrical engineering and process automation. Aquanize's multidisciplinary approach proves its added value on larger water projects. The cooperation also produces technical innovations. To enlarge and renovate the central sewage treatment plant in Alblisserdam, for example, it developed a fully automated and very efficient treatment system known as Expandis that has cut energy consumption by 40%.

Under the name Datanize, Wolter & Dros and Croon Elektrotechniek are working on the sustainable design and construction of data centres. Together they can deliver all services required by the client, from design to performance-related maintenance.



OZIVE

The developments seen on the office market are also playing out on the historic buildings market. Here, too, clients are demanding an integrated approach. Under the name [Ozive](#), HEVO, Synchroon and Nico de Bont are working on repurposing projects for historic and characteristic buildings. By combining their knowledge, skills and experience in the field of repurposing, the partners are able to carry out integrated, multidisciplinary projects. To convert the Friso Barracks in Ede into [Akoesticum](#), a teaching centre for music, dance and theatre, Ozive is working with TBI partner Hazenberg Bouw. In 2015 Ozive was awarded the contract to develop the Royal Netherlands Engineering and Rolling Stock Factory in Utrecht into housing, bars and restaurants and amenities for creative businesses. Other major projects won by Ozive include the Mariënbosch monastery in Nijmegen, Parc Glorieux in Vught and the Lak factory in Oisterwijk.



FACTS & FIGURES

- The project won three awards: the 2012 National Foundations Award for the new foundations laid under the Roos windmill built in 1679, the 2015 Concrete Award (execution category) and the 2015 Schreuder Award for underground construction
- The architect of the underground part of the railway tunnel was Benthem Crouwel Architecten
- The € 350 million project was financed by the Ministry of Infrastructure and the Environment, Delft municipality, South Holland province and the Rotterdam/Hague metropolitan region
- Two construction methods were used for the railway tunnel and the car park: diaphragm walls and sheet piling
- Delft technical university used sonic testing to check for leaks in the sheet piling joints
- Vulnerable buildings (historical buildings, buildings constructed on steel piles) were carefully and extensively monitored
- The collaboration with the city archaeologist during the excavation of the tunnel and the car park unearthed a finding of national importance: the oldest telescope in the Netherlands, dating from 1620
- The project also included safety and management systems in the tunnels, including 19 fans, lighting, cameras, emergency doors, access points and technical installations for the station
- There will also be two underground bicycle parks, one for 5,000 bikes and one for 2,800
- The Spoorsingel car park will have space for 650 cars
- The name, CrommeLijn, refers to an event in Delft in 1847. Plans to build a railway were thwarted by a Mr Crommelijn buying up the land. The railway had to be diverted, producing a curved, or *kromme* in Dutch, line

ProRail

SPOORZONE DELFT PROJECT

'It's not any old award,' said Rick Pattipeilohy during the presentation of the Schreuder Award on 10 December 2015. The project director of Combinatie Crommelijn (CCL), the consortium carrying out the Delft Spoorzone project, said it recognised the hard work of the whole team. *'The jury was unanimous. We scored high marks on all four criteria – contribution to underground construction, risk management, practicability and social value.'*

Spoorzone Delft was one of the largest civil engineering works in the Netherlands. Delft municipality took the decision to replace the rail viaduct that ran through the centre of the city with an underground railway line and station in 2008. Four new tracks had to eliminate the bottleneck on the busiest railway in Europe. The Spanish architect and urban planner Joan Busquets was engaged to develop the master plan.

Delft's mega project

CCL, consisting of CFE, Mobilis and Dura Vermeer, were contracted to design and build the 2.3 kilometre long railway tunnel. The consortium was also awarded the contract to build the underground station and car park and to carry out a large part of Busquets' plans for the public space. The first trains rode through the Willem van Oranje tunnel in February.

The second tunnel, with another two railways, is planned for 2017. According to ProRail's project manager, Ad Broeders, the biggest challenge facing the project was and is, *'completing a huge and complicated building project subject to many conditions without causing significant inconvenience or damage to local residents and businesses.'* The railway tunnel had to be built in a densely populated part of the city with many historical buildings. *'The jury report says we scored well for technical inventiveness,'* says Broeders *'And we had to be inventive to preserve the two historical buildings on the route, the Roos windmill and the Beguine Tower.'*

Spoorzone Delft is one of the biggest civil engineering works in the Netherlands

According to the jury, the consortium pulled out all the stops to keep cars and public transport moving during the construction work. CCL had to apply complex construction methods and planning techniques. The jury praised the cooperation between the parties, *'By pooling the resources, inventiveness and interests of many parties they achieved a fantastic result.'*

FINANCIAL - *Maintaining a solid profile*

Operating income and results

IMPROVED QUALITY OF OPERATING INCOME

TBI strengthened the basis of its profitability in 2015. We improved the cost structure, managed more strictly with a view to earning a return appropriate to the risk profile of the projects in combination with strict control and a further streamlining of the processes within the organisation. These improvements will continue to feed into our results in the years ahead.

Operating income was 2.9% lower at € 1.557 billion (2014: € 1.603 billion). After adjustment for the disposal of activities during 2014 (Acto Informatisering B.V., Alfen B.V. and Fri-Jado Groep B.V.) operating income increased by € 108 million or 7.5%. The operating margin improved by 0.4 percentage point to 0.9%.

In the Construction & Development segment, our housing activities turned in strong growth figures thanks to the sharp rise in the housing market. The number of houses sold during the year was 61% higher. In total, 1,707 houses were sold, 1,507 of them to owner-occupiers.

The Engineering segment again suffered from persistent pressure on volumes and prices in the non-residential market, where there has still been no recovery. The Industrial and Marine & Offshore segments, by contrast, performed well. The Infrastructure segment successfully increased its operating income but the difficult market conditions meant its operating profit was lower than in 2014.

Business processes were again streamlined during the year, especially in the Engineering segment, and the size of the organisation was adapted to the volume of activities. The reorganisation costs amounted to € 11.2 million (2014: € 11.6 million).

A transition was also started to integrate Croon Elektrotechniek and Wolter & Dros in order to satisfy client demand even better.

Operating profit on ordinary activities (EBIT) after adjustment for non-operating costs increased by € 6.2 million to € 14.2 million (2014: € 8.0 million). Net financial expense declined from € 3.5 million in 2014 to € 2.2 million in 2015. The effective tax burden in 2015 was 10.1% (2014: 21.6%). The result from participating interests came to € 4.1 million (2014: € 7.9 million), consisting chiefly of profit on the sale of the remaining interest in Alfen B.V.

The net profit came to € 1.3 million (2014: € 1.4 million).

Net cash inflow from operating activities increased by € 69 million to € 43 million (2014: € 26 million cash outflow). This was the outcome mainly of the strict control of working capital.

Results

(in millions of euros)

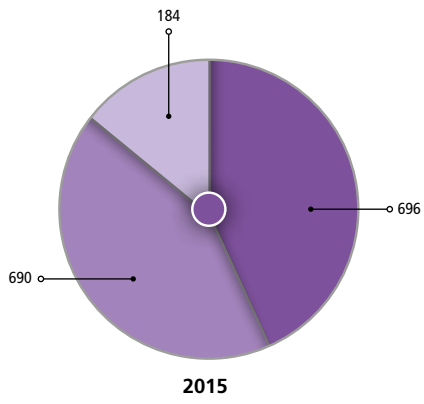
	2015	2014 after adjustment**	2014 before adjustment
Operating income	1,557	1,449	1,603
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	32.7	22.5	31.0
Operating profit on ordinary activities (EBIT)*	14.2	2.3	8.0
Reorganisation costs	-11.2	-10.4	-11.6
Impairments in value	-4.0	-1.5	-1.5
Operating profit (EBIT)	-1.0	-9.6	-5.1
Net profit	1.3	-2.1	1.4
Operating margin (%)	0.9	0.2	0.5

* From ordinary activities (before reorganisation costs and impairments).

** After adjustment for the disposal of Acto, Alfen and Fri-Jado.

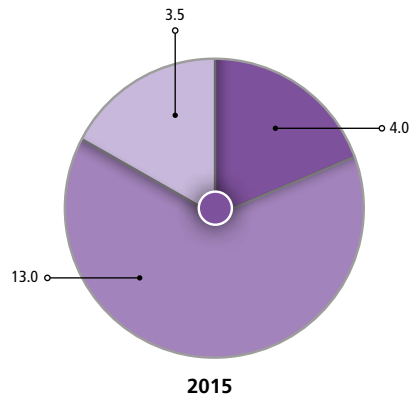
Operating income by segment

(in millions of euros)

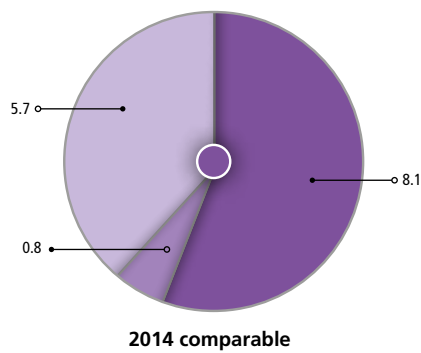
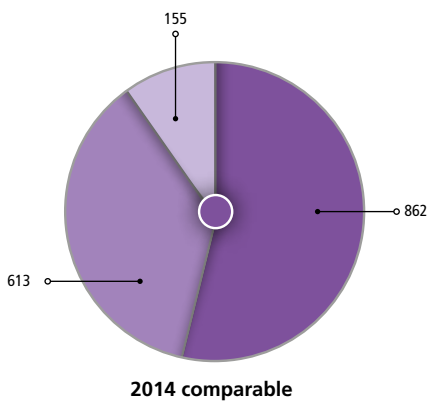
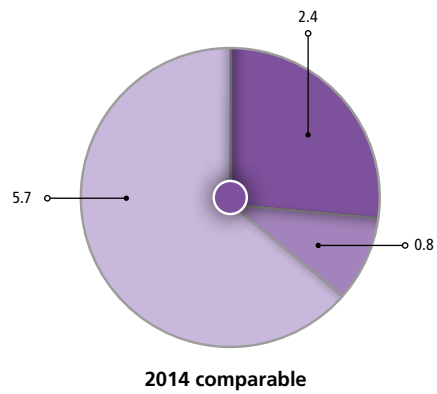
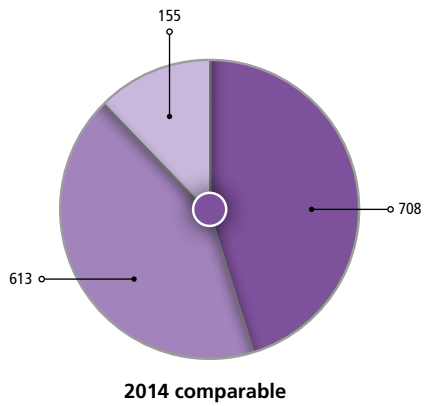


Operating profit by segment

(%)



- Engineering
- Construction
- Infrastructure



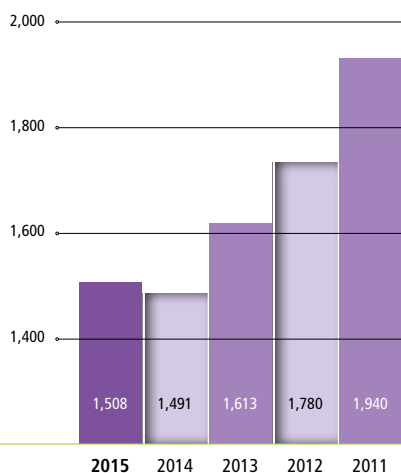
FINANCIAL - Maintaining a solid profile

Orders received and order book

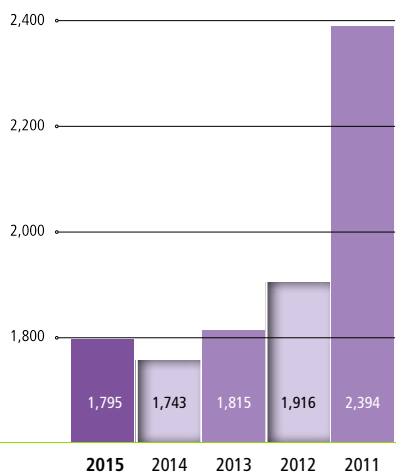
At € 1.5 billion, the value of orders received in 2015 was the same as in 2014.

The order book (the contract value still to be performed and contracts still to be awarded) increased by 6% to € 1.8 billion (31 December 2014: € 1.7 billion). Of the total order book, € 1.2 billion (approximately 66%) is expected to be completed in 2016. The remainder is available for production in 2016 and subsequent years.

Orders received
(in millions of euros)



Order book
(in millions of euros)



Balance sheet

Key balance sheet figures
(in millions of euros)

	2015	2014
Non-current assets	113	117
Capital expenditure	17	12
Investments in real estate portfolio	217	232
Investments in project development	190	212
Net working capital	48	72
Cash and cash equivalents	153	105
Shareholder's equity	247	246
Total assets	767	747
Solvency	32.2%	32.9%

The decline in non-current assets in comparison with 2014 was due to net investments (investments less divestments) in tangible and intangible fixed assets being lower than depreciation and amortisation in 2015. Net investments amounted to € 12.6 million (2014: € 7.9 million) and depreciation and amortisation to € 18.5 million (2014: € 23.1 million). Financial fixed assets increased by € 2 million.

Investments in the real estate portfolio (land positions, building rights, unsold houses under construction and unsold houses completed) amounted to € 217 million at year-end 2015 (year-end 2014: € 232 million). The € 15 million decline was the outcome of a € 22 million decline in investments in project development and a € 7.4 million increase in the stock of unsold houses still under construction and houses completed.

In 2015 we again concentrated on making more efficient use of our working capital. We reduced our net working capital to € 48 million (2014: € 72 million).

The cash position increased sharply by € 48 million. Cash and cash equivalents less current liabilities to credit institutions amounted to € 153 million (year-end 2014: € 105 million).

Shareholder's equity amounted to € 247 million as at 31 December 2015 (31 December 2014: € 246 million). In comparison with the previous year, shareholder's equity was € 1.1 million higher. The increase includes the net profit of € 1.2 million. Shareholder's equity was reduced by € 0.4 million on account of the dividend distribution to the shareholder.

TBI's financial position remained strong, with a solvency ratio of 32.2% (2014: 32.9%).

Net working capital

(in millions of euros)	2015	2014
Engineering	-8	-4
Construction and Development	-88	-76
Infrastructure	-38	-54
Investments in project development	190	212
Other	-8	-6
Solvency	48	72

Financing

Since 21 December 2015, TBI has had a new € 75 million committed revolving financing facility with three banks. The facility will expire in December 2020. The facility had not been drawn upon as at year-end 2015 (year-end 2014: nil). No use was made of the credit facility in 2015 (2014: average draw down € 8 million). The interest rate is based on EURIBOR, with the interest rate period being determined by the duration of the draw-down, plus a surcharge. The main security given is compliance with financial covenants (interest cover and senior debt cover). TBI satisfied these financial covenants in 2015.

TBI also has current account facilities with three banks to a total of € 30 million. Interest is payable on these facilities at EURIBOR plus a surcharge. These facilities are drawn down only to meet acute liquidity requirements. These facilities had not been drawn upon at either year-end 2014 or year-end 2015.

Engineering, Construction & Development and Infrastructure results

ENGINEERING

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

In the non-residential market, where volumes and prices are still under pressure, the number of contracts stabilised at a low level and results were behind expectations.

The infrastructure activities in the Engineering segment turned in a good result thanks to a substantial fall in the risk profile of several large projects (Coen Tunnel and the A15 Maasvlakte route). Performance on the Industrial and Marine & Offshore markets was also good.

The disposal of Acto, Alfen and Fri-Jado in 2014 reduced both operating income and operating profit in comparison with 2014.

TBI has six guarantee facilities with a total commitment of € 395 million (2014: € 440 million). As a result of the increased risk profile of the construction industry and the Basel III requirements for banks to hold capital buffers for guarantee facilities, banks are tending to increase the fees they charge for guarantees and/or lowering the guarantee facilities. The commitment was reduced by € 45 million during the year.

Owing to the headroom available in the guarantee facilities, this reduction does not affect TBI. The commitment is available to the TBI companies. With respect to bank guarantees, the TBI companies are subject to the guarantee policy of TBI Holdings B.V. The policy includes guidance on the maximum amounts and terms of the individual guarantees. Departures are permitted only with the prior approval of the Executive Board.

At the beginning of 2015 TBI financed some of its buildings by means of a € 30 million mortgage loan. The commitment remaining at the end of 2015 amounted to € 28 million, of which € 2 million fell due within one year.

After adjustment for these activities operating income fell by € 12 million in 2015 and EBIT from ordinary activities rose from € 2.4 million in 2014 to € 4.0 million in 2015. The margin was also wider thanks to better project management.

Results (in millions of euros)	2015	2014 after adjustment**	2014 before adjustment
Operating income	696	708	862
Operating profit before depreciation and amortisation*	11.8	12.7	21.2
Operating profit*	4.0	2.4	8.1
Margin	0.6%	0.3%	0.9%
Orders received	665	723	
Order book	696	743	

* From ordinary activities (before reorganisation costs and impairments).

** After adjustment for the disposal of Acto, Alfen and Fri-Jado.

FINANCIAL - Maintaining a solid profile

CONSTRUCTION & DEVELOPMENT

The recovery in the newbuild housing market that commenced at the end of 2014 continued throughout 2015. The outlook for 2016 is also good, which can be seen in the sharp increase in the order book in comparison with the previous year.

Conditions on the non-residential market remained difficult. There was a further reduction in the total volume. Contracts are increasingly being awarded by means of tendering, but competition is fierce, with pressure on prices as a result.

The recovery in the housing market meant both operating income and operating profit were considerably better than in 2014. The margin was also significantly wider, increasing from 0.1% in 2014 to 1.9% in 2015. Operating profit from ordinary activities was € 12.2 million higher at € 13.0 million. The real estate positions were analysed during the year and the value reduced by € 4.0 million (2014: € 1.5 million).

Results (in millions of euros)	2015	2014
Operating income	690	613
Operating profit before depreciation and amortisation*	18.9	6.8
Operating profit*	13.0	0.8
Margin	1.9%	0.1%
Orders received	709	601
Order book	906	783

* From ordinary activities (before reorganisation costs and impairments).

INFRASTRUCTURE

Operating income for 2015 was lifted by higher production in comparison with 2014.

Volumes and prices remained under pressure from spending cuts by central government and local and provincial authorities. The order book declined and margins were tighter than in 2014.

The activities in Denmark achieved a considerably higher operating profit. As TBI only recently started operating in this market, the group incurred start-up losses.

Operating profit from ordinary activities came to € 3.5 million, versus € 5.7 million in 2014.

Results (in millions of euros)	2015	2014
Operating income	184	155
Operating profit before depreciation and amortisation*	6,1	9,5
Operating profit*	3,5	5,7
Margin	1.9%	3.7%
Orders received	134	167
Order book	193	217

* From ordinary activities (before organisation costs and impairments).

PROSPECTS

2016 will be another dynamic year. Underlying demand on the housing market is strong and newbuild output will rise sharply. We will therefore continue to invest in the further development of our housing concepts. A cautious recovery is foreseen in the non-residential market, with opportunities in the redevelopment and transformation of existing properties. Engineering will benefit from the growing demand for multidisciplinary products and services and growth opportunities in the industrial and maritime sectors. The infrastructure sector will remain under pressure from lower public sector budgets and overcapacity in the market.

In addition to the continuous focus on project management and cost control, we will maintain our investments in innovative solutions in the field of product, process and concept development. We will make more and better use of the synergies generated by the multidisciplinary cooperation between TBI companies and respond more distinctively to the complex demands of our clients. With our solid financial position, we are in an excellent position to achieve further growth.

We will continue to optimise the portfolio through acquisitions and divestments. We expect staff numbers to stabilise at about 5,700 permanent employees in 2016. But we will also review the size of the staff establishment in relation to the order book and market developments during the year.

Given the size of the order book and current market developments, TBI expects to earn an operating income of € 1.6 billion in 2016. Operating profit on ordinary activities will again be influenced by pressure on prices in a number of markets relevant to the group.

*The Baroque park, Arnhem
(winner Golden Fenix 2015)*



future-proo

FACTS & FIGURES

- Laboratory building OI2 was erected on top of the underground car park that is also the site of the ACTA building, also built by J.P. Eesteren
- The building contains 1,800 m² of concrete, weighing about 4.5 million tonnes
- A fixed pattern of flexible, universal laboratory modules has been designed into the building to meet the ever-changing wishes of research programmes. The building can therefore facilitate future developments
- 1.7 million tonnes of steel were used in the building
- The façade is built from 'ClickBricks' (similar to Lego bricks). The bricks are stacked dry, without mortar, and no water is needed for cement
- The laboratory building contains 320,000 bricks. If laid next to each other they would stretch 75 kilometres and if stacked one on top of the other they would be 32 metres high
- If the building is ever demolished, the 320,000 bricks can simply be taken apart and re-used
- Eleven of the 13 floors are built as laboratories. The other floors house the air conditioning systems and technical installations that are necessary for the building
- Laboratory building OI2 contains 120 km of data cables, the distance from Amsterdam to Eindhoven
- The building contains 35,500 m² of hollowcore and aerated concrete slabs for the floors and roof, as big as 135 tennis courts



OI2 LABORATORY BUILDING PROJECT

Laboratory building OI2 will open its doors in early 2016 to 750 researcher and about 100 master's students of the Amsterdam Vrije Universiteit/VU, the University of Amsterdam and the VU Medical Centre. They will work in this research and teaching building on important social issues in the health and life sciences. The building includes many biochemical laboratories, offices and teaching rooms. Scientists and students from different disciplines will meet and share knowledge to accelerate research in these areas.

of laboratory building

J.P. van Eesteren, Wolter & Dros and Croon Elektrotechniek were responsible for both the building and the technical systems. Their integrated approach to the project gave the TBI companies a decisive advantage. They had agreed to complete the 13-storey building in 14 months and then start fitting out the laboratories. And they succeeded! On 29 May 2015, just over two years after construction started, the OI2 laboratory was handed over and the TBI companies could start fitting out the laboratories. According to Franc van Nunen, the director of Campusontwikkeling VU, *'The OI2 laboratory building was built on cooperation. For the benefit of the end users and also for the TBI builders. Watching the multidisciplinary TBI team evolve into a single partner with a strong integrated approach was inspirational.'*

EGM architecten designed the building as a large cube. Two openings cut through the building let ample natural light in. Sloping steel tubes, already dubbed Mikado sticks, bear the weight of the building at the holes. The steel tubes were assembled and welded to each other in the factory before being lifted into position by two cranes. This was anything but a simple job. *'The cranes were close to the air ambulances' flight path,'* explains J.P. van Eesteren's project manager, Erik Schipper. *'And the helicopter pilots had to warn the crane operators when they were coming in.'*

The OI2 laboratory building was built on cooperation

The new building has been developed as sustainably as possible. The design of the laboratories, for example, already takes account of changing research activities. Water from the Nieuwe Meer lake is used to cool the building and the Vrije Universiteit/VU/Medical Centre meets the other energy requirements. OI2 also has a green sedum roof that soaks up water and insulates the building.

Design and photos: EGM architecten



jp van eesteren | wolter & dros | croon | TBI

EMPLOYEES - *Attractive working conditions*

The work in our field of operations is becoming more complex, while knowledge and cooperation are growing in importance. To be and remain successful, we need the best people, talented people who are able to devise creative and innovative solutions. We therefore give top priority to personal development, and encourage and motivate entrepreneurship and personal initiative.

Goals (2015)	Results
Healthy and safe workplace	IF 3.1 (incident frequency) 4.1% sickness absenteeism
Good opportunities for talent development	86% appraisal interviews held
Healthy labour relations, committed employees	5.1% staff turnover at own request

TBI wants to be the best workplace for talent. We want to be one of the most attractive employers in our industry so that our people can perform to the best of their ability and we can attract and retain the right talents and successful professionals. This is why we are constantly looking for enterprising professionals, people who have a passion for construction and engineering, who can work and connect with each other. We want to offer our people an attractive and challenging workplace by creating the right conditions for optimal staff development, with healthy and safe working conditions, good labour relations and development opportunities at all our companies.

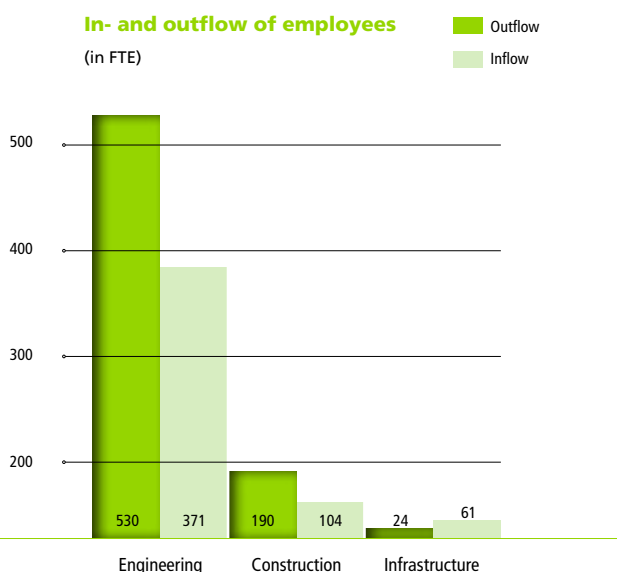
Attracting talent

We search very specifically for young talent, people who combine skills with good performance on large, complex projects. We therefore invested in recruiting talent at the technical universities of Delft, Twente and Eindhoven in 2015. We regularly organise guest lectures and workshops at these universities and we can see from the growing interest in TBI that this systematic approach is bearing fruit.

To let talent gain wide experience and to strengthen cooperation between TBI companies, it is becoming increasingly important that employees can move easily from one company in the group to another. To facilitate this mobility process we merged the HR departments of Construction & Development and Infrastructure in 2014. We took the next step in 2015 and set up a joint HR department for the Engineering companies. Employees will therefore have even better mobility opportunities. A joint vacancy portal was developed in 2015 that will give all employees information on the vacancies in the group as from the beginning of 2016.

Training and development

In 2015 we invested more than 46,000 hours and € 3.2 million (€ 578 per FTE) in staff training and development in 2015. The greater part related to occupational and professional training courses for our direct employees and to safety and quality courses.



Age category

(in %)

	Engineering	Construction	Infrastructure
< 20 year	0%	0%	0%
20-30 years	10%	9%	11%
30-40 years	23%	25%	22%
40-50 years	33%	29%	28%
> 50 years	33%	37%	39%
Total	100%	100%	100%



TBI academy facilitates the personal development of trainees, talents and top employees by offering management development courses. Knowledge transfer and leadership development are at the heart of the courses. Key themes are customer/market, meetings, connections, innovation, knowledge sharing and learning from each other. In 2015, 35 members of staff took part in a training programme at TBI academy. TBI academy works closely with Erasmus University, Rotterdam School of Management and De Baak.

A new programme provided by the TBI academy is the Integral Training Carousel. It teaches the competences that are necessary for successful integrated cooperation in the non-residential construction and infrastructure segments.

The Cash is King awareness programme introduced in 2014 was followed up last year with the Stay King of Cash programme for employees at all the TBI companies.

MEETING FOR MANAGERS AND TALENT

We again organised several meetings in 2015. Managers took part in inspiration sessions to discuss such issues as leadership and entrepreneurship. The Meet the Board lunch was held six times during the year. Small, talented groups of trainees and young professionals are invited to these meetings with the Executive Board.

Young, ambitious graduates are invited to join BIT: Bring It Together. This network platform was set up in 2015 to share knowledge and encourage the personal development of young employees. The lunches and network platform reveal talent and strengthen the bonds between the staff and the companies. The young talent network already has more than 150 members from the TBI companies.

INTRODUCTION TO ENGINEERING

It will probably be difficult to attract enough technically schooled employees in the near future. With the local involvement of TBI companies and facilities, various initiatives have been taken specifically to introduce potential employees to the engineering and construction professions. Several open days and company visits were organised. Croon Elektrotechniek, moreover, invested in Connetro again, an online game with about 10.000 users.

SOCIAL RETURN

TBI has a good reputation for the apprenticeships it offers. Most of the TBI companies are members of the Fundeon (construction) and/or Kenteq (engineering) knowledge centres. In total, the TBI companies provided more than 200 apprenticeships (2014: 470). Of them, 26 were in context of social return (2014: 73). The decline was due to the reorganisation of the Engineering segment. Several companies also explored ways to position themselves on the Social Return Performance Ladder.

EMPLOYEES - *Attractive working conditions*

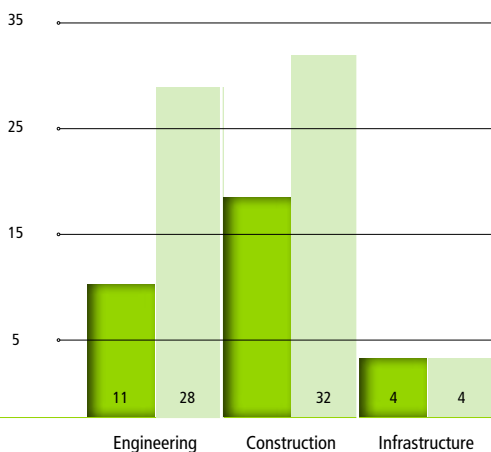
Health, safety and social policy

TBI seeks the healthiest and safest possible working environment. TBI was one of the signatories to the Construction Safety Governance Code. Our ambition is zero accidents; every accident is one too many. As part of our safety action plan, we therefore introduced the TBI Safety Guidelines in 2014. They complement the established management systems such as ISO 9001/14001, VCA** and OHSAS 18001. All workers and visitors to the building sites of TBI companies have been obliged to follow and sign the safety instructions since 2014. Safety awareness audits were carried out at all TBI companies in 2014.

Safe working practices are first nature to TBI. We see safety not as a package of measures but as a process of continuous improvement. To increase safety we influence behaviour and safety awareness, especially by paying personal attention and embedding safety at the highest level in the organisation. To support the TBI companies, we set up a Safety Council in 2015. It consists of personnel from the TBI companies and is chaired by the President of the Executive Board. Experiences with occupational accidents and dangerous situations are permanent points on the agenda of the Quality, Working Conditions and Environment meetings within TBI. One of the resources we use to increase safety awareness among the staff is an e-learning module. It was developed in 2015 and rolled out in early 2016. We increase safety awareness among suppliers and subcontractors by assessing them against safety criteria.

The number of lost-time incidents among our own staff and external workers in 2015 totalled 33 (2014: 73). The incident frequency (IF) came to 3.1 (2014: 6.1), thanks in part to strict management of safety behaviour and awareness. In addition to lost-time incidents, 170 other incidents were recorded during the year (2014: 178) and 1,031 near-incidents.

Number of lost-time accidents



REDUCING ABSENTEEISM

TBI wants to transform its absenteeism policy into an activation policy. We want our people to be aware of their own responsibility for their health and employability. Building on the positive experiences we enjoyed at Croon Elektrotechniek, we launched TBI Vital to roll out the approach at the other companies. TBI's sickness absenteeism rate fell to 4.1% based on calendar days in 2015 (2014: 4.4% based on working days). The fall occurred in all segments. The absenteeism rate due to work-related injuries remained largely unchanged at 1.7% (2014: 1.9%). In relation to the number of incidents – 33 (2014: 73) – this is a relatively high ratio. The injuries led to relatively long periods of absenteeism.

Labour relations

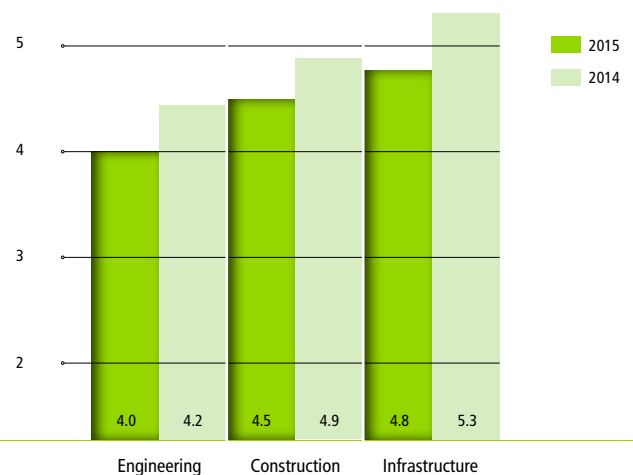
TBI sees good labour relations as an essential factor to achieve its ambition of offering the best working conditions to talent. If we are to attract and retain the best people, we have to make them a good offer. We therefore reviewed our employment conditions in 2015 and are using the results to set our own benchmark.

STAFF TURNOVER

The number of staff who leave our companies at their own request is an indication of labour relations. Of the more than 700 employees who left our companies, some 40% did so at their own request. Relative to the total number of employees, this is a turnover rate of 5.3% (2014: 4.7%). Most came from the Engineering segment.

Sick leave

(in %)





EMPLOYEE PARTICIPATION

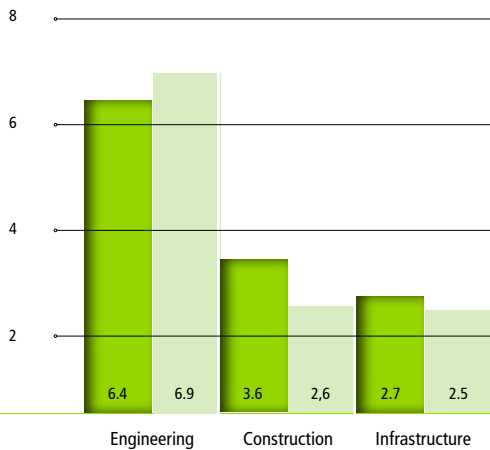
At TBI we believe that all employees have a right to appraisal, performance and assessment reviews. In total, 86% of the staff had such reviews with their superiors during 2015 (2014: 80%). The upward line seen in previous years was therefore continued. The increase was particularly sharp in the Engineering and Construction segments.

EMPLOYMENT CONDITIONS

All part-time and full-time employees enjoy the same employment conditions on a pro rata basis. All applicable collective bargaining agreements contain agreements on staff health and safety. They include complaint settlement procedures, training and instructions. Relations with external workers are also important. In total, we hired more than 500 external workers on a full time basis.

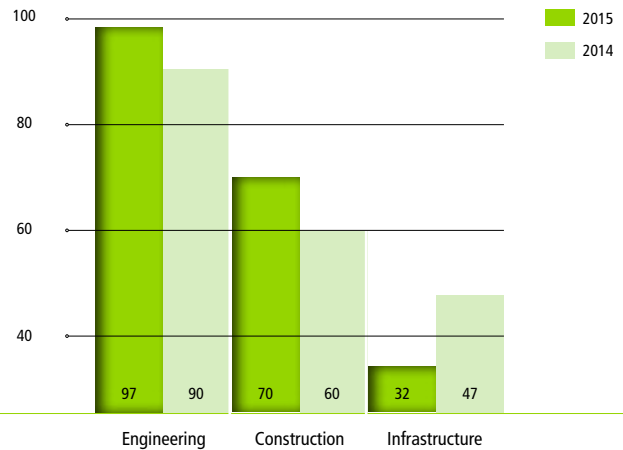
Leave request employee

(in %)



Appraisal interviews

(in %)





cooperat

FACTS & FIGURES

- The VSM method (Value Stream Mapping) halved the number of movements necessary to transport the stone blocks from the quarry to the top of the tower. VSM is a lean approach to analyse the flow of goods and information, and work more efficiently
- The restoration has to be completed for the 75th anniversary of the Battle of Arnhem in 2019
- As well as the major restoration of the tower, maintenance work is being carried out on the nave
- The church has many mediaeval sculptures but Walt Disney figures were carved above the clock face on the west side of the tower during the post-war reconstruction. Reverend Foeken was outraged and protested; sculptor Henk Vreeling carved a statue with a head very similar to Reverend Foeken's in the middle of Snow White's seven dwarfs
- About 650 m³ of stone was replaced, weighing about 1,000 tonnes
- The total cost was € 27 million
- A unique coding method was used during the construction work. Every block of natural stone was placed without the need for detailed plans. Some 21,500 unique codes were used during the project.



ST EUSEBIUS CHURCH PROJECT

The restoration of the St Eusebius Church in Arnhem, the largest natural stone restoration project currently taking place in the Netherlands, is anything but traditional. For the first time in history, the players in the supply chain have adopted an integrated approach and are working together as equals on a major restoration project in accordance with the lean method.

tion in the supply chain

The St Eusebius Church's 93-meter high tower was in urgent need of restoration. It had been destroyed during the Battle of Arnhem and then rebuilt after the Second World War. The inside of the tower was rebuilt using a brick skeleton and the outside had been dressed in Ettringen tuff stone. The tuff stone proved to be far more sensitive to damp and fluctuations in temperature than other types of tuff stone. Cracks appeared in the walls in the 1990s and the stone began to crumble and break off.

Nico de Bont began to restore the tower in 2011. Together with the client and partners in the supply chain, it drew up a restoration plan that relied on cooperation, knowledge sharing and being open to each other's ideas and solutions rather than traditional processes. It cut the restoration budget from € 65 million to € 27 million. Process improvement and supply integration during the restoration work shaved a further 10-12% off the cost.

'Lean restoration optimised the process and cut the costs'

Bringing all the specialisations together at an early stage in the process created added value for the client in the form of quality improvements and cost savings, efficiency and time gains. Supply chain integration encourages innovation in the construction process and leads to more research and a wider insight, but it also requires the trust and commitment of all the partners. To gain as much expertise as possible and learn from the successive phases, the restorers are not working from top to bottom but over the full height of the tower, from corner to corner and from side to side. Each phase is completed and evaluated when it is completed in order to learn as much as possible from it.

Trainees and apprentices at Nico de Bont also worked on the restoration of the tower and the church and learnt different restoration techniques. Specialised skills were handed down from generation to generation and preserved for the future.

Construction manager Peter Koelewijn of the St Eusebius Foundation says the church is the perfect home for the Arnhem School of Heritage, *'It's a place that brings together the innovative aspects of restoration in the widest sense of the word.'* He hosts seminars there for craftsmen from all over Europe. *'To share each other's knowledge of masonry, mortar mixes and how to preserve frescoes.'*

ENVIRONMENT - Reducing the impact

TBI is aware of the impact its activities have on the environment. We have a moral duty to care for the environment. All TBI companies therefore seek energy savings, use raw materials and waste conscientiously, and procure sustainably. The built environment accounts for about 40% of all energy consumption in the Netherlands and is responsible for 30% of all CO₂ emissions. Furthermore, about a quarter of the traffic on the roads is related to the construction industry. The construction industry is also a major consumer of materials: about half the timber in the Netherlands and nearly a third of the waste is related to construction activities. About 60% of operating income is related to the procurement of materials and services. The TBI companies can therefore have a positive influence on parties in the supply chain.

Goals (2015)	Results
Reduction in energy consumption and CO ₂ emissions (scope 1 and 2)	>28% reduction in CO ₂ emissions (relative to 2011) >28% reduction in energy consumption (relative to 2011)
Responsible use of raw materials and waste	71% of waste separated (2014: 63%)
Use of sustainable timber	>95% of timber used is certified as sustainable (2014: 92%)
Procurement activities take account of environmental performance	84% of suppliers assessed on environmental performance (2014: 80%)

Energy and CO₂

TBI wants to reduce the consumption of fossil fuels in the Netherlands and increase the consumption of renewable energy. We are making our own consumption more sustainable (scope 1 and 2) and encouraging our clients and suppliers to do likewise (scope 3).

CO₂ PERFORMANCE LADDER

Reducing energy consumption is a continuous concern for the TBI companies. They all retained their position on the CO₂-performance ladder in 2015. Their position on the performance ladder is an incentive for the companies to further reduce their energy consumption. It is also a fixed point in the TBI planning cycle. Managers are assessed on their measures to reduce energy consumption.

SIGNIFICANT DECLINE

TBI's total energy consumption in 2015 was 405 TJ (2014: 485 TJ). This caused the emission of 29 ktonnes of CO₂ (2014: 33.6 ktonnes). This decline in energy consumption and CO₂ emissions in absolute terms was due to the sale of the Fri-Jado subsidiary in 2014, the contraction of the vehicle fleet following reorganisations in the Engineering segment and a change in the allocation policy for leased vehicles. Relative to operating income, energy consumption was 258 TJ per million euros (2014: 303 TJ per million euros) and the CO₂ emission was 18 tonnes per million euros (2014: 21 tonnes per million euro). This decline in relative terms was due in part to the high energy intensity of Fri-Jado, the completion of the Sluiskil Tunnel project (a bored tunnel) and a reduction in the energy intensity of the leased vehicle fleet.

MOBILITY AND LOGISTICS

The vehicle fleet accounts for about 60% of TBI's carbon footprint. Its emissions are steadily falling (2015: 19.5 ktonnes; 2014: 22 ktonnes) thanks to the use of cleaner vehicles in combination with a further streamlining of the fleet following reorganisations and a change in allocation policy. Safer and cleaner driving styles were also permanent features of the E-Drive programme during the year.

TBI also took measures to make construction logistics more sustainable. The Amstelkwartier Hotel, for example, was a research project in the TKI (Top consortium for Knowledge and Innovation) programme. J.P. van Eesteren and other parties used it as a case study to improve construction logistics through cooperation and management in the supply chain.

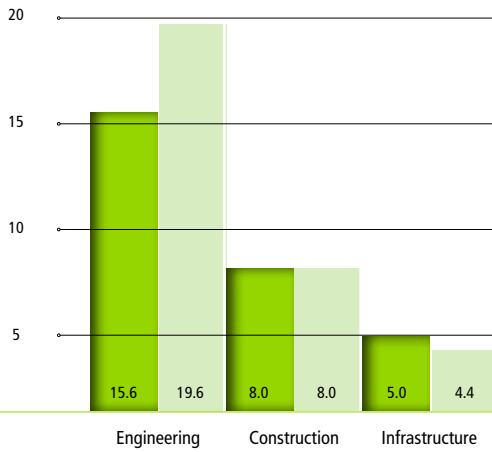
SUSTAINABLE BUILDING SITE

The TBI companies hold systematic talks on the sustainability of building sites, paying specific attention to safety and energy consumption. One outcome is a menu for sustainable building sites and a 'sustainable site hut'. The first steps were also taken to produce and use a hydrogen-fuelled generator to provide energy at the building sites.

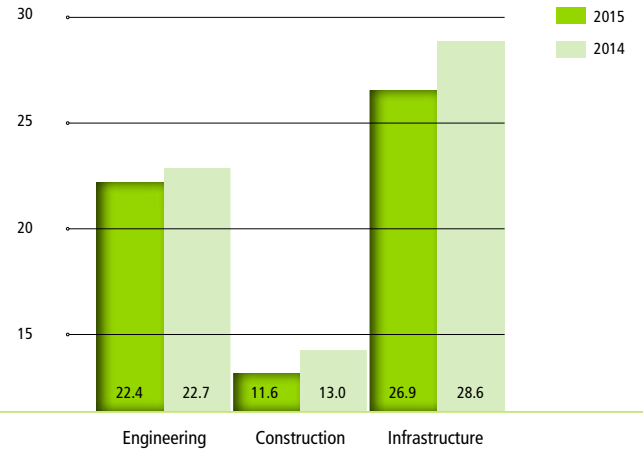


Installation charging poles,
BMW Netherlands

CO₂ emissions
(in kton)



CO₂ emissions compared with operating income
(tons/million euro)



ENVIRONMENT - *Reducing the impact*

Raw materials and supply chain cooperation

TBI wants to make more sustainable use of raw materials and waste, for example by buying products and raw materials more efficiently. We also want to facilitate the re-use of materials wherever possible and work with partners who share these ambitions.

WASTE MANAGEMENT

In total, we produced 25 ktonnes of waste (2014: 21 ktonnes). This increase was caused by a number of major infrastructure projects such as Spoorzone Delft and various transformation projects that produced a relatively large volume of waste. Of the total, 71% of the waste was separated before disposal (2014: 63%). The volume of waste may have increased, but so did the percentage that was separated. The largest gains were made by the TBI construction companies. They separated 60% of their waste (2014: 44%). In addition to the sharper focus on waste separation at the building sites, the growth in prefabrication had a positive effect.

PREVENTING ENVIRONMENTAL INCIDENTS

With more TBI companies working together more often, we have prepared standard formats for a TBI Health and Safety Plan and a TBI Quality Plan. They take full account of environmental factors in order to reduce the risk of incidents. New environmental legislation is and will remain a permanent feature in TBI's quality, working conditions and environmental meetings.

Circular initiatives

TBI companies do all they can to reduce the volume of waste and dispose of it responsibly. To construct the Amstelkwartier Hotel in Amsterdam, for example, we used concrete sourced from the renovation of the Overhoeks Tower (A'DAM Tower), another TBI project. The prefab concrete façade (5,000 tonnes) of the former Shell tower was removed and crushed by a recycling company into the raw material for the concrete used to build the Amstelkwartier Hotel.

TBI has started to work with Buurman, an organisation dedicated to recycling building materials. As part of the cooperation, DIY days have been organised at several building sites to make wooden furniture with future residents. Rejected or surplus building materials have also been put up for sale via Buurman's website.

SUSTAINABLE PROCUREMENT

Procurement is largely a decentralised activity within TBI, although there are standard agreements on the assessment of suppliers and subcontractors. More than a thousand companies were assessed in 2015. Some 84% of them were also assessed on their environmental performance (2014: 80%).

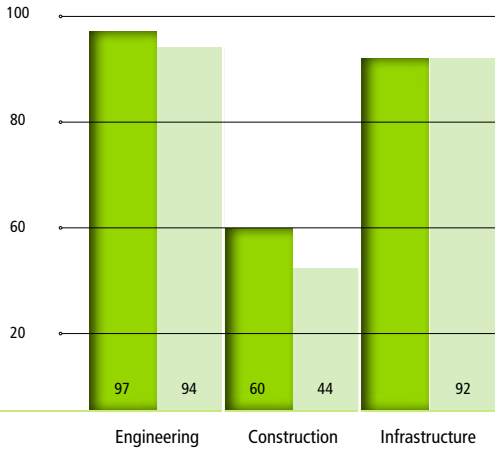
TBI has adopted the Manifesto on Socially Responsible Procurement and Business Practices issued by the Dutch Association for Purchasing Management (NEVI). We recognise the importance of environmental and social criteria when selecting products and are investing in the development of the new ISO standard for sustainable procurement: ISO 20400.

Repurposing Akoesticum, Ede



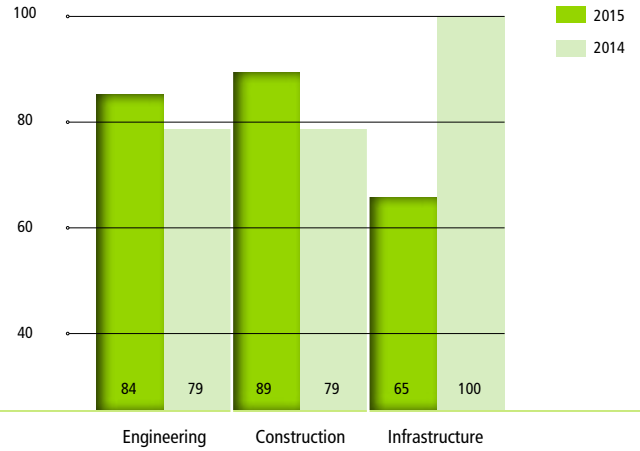
Waste separation percentage

(in kton)



Vendor ratings

(in% (including environmental performance))



We take account of the specific environmental criteria set for most product groups. From an environmental perspective, TBI's most important service and product groups are energy (gas and electricity), timber products, waste management, construction logistics and concrete products. TBI is actively taking measures to reduce its environmental impact.

USE OF SUSTAINABLE TIMBER

TBI is a signatory to the Construction and Timber Covenant and uses certified sustainable timber wherever possible. In total, 95% of the timber we used was FSC/FSC mix or PEFC certified as sustainable (2014: 92%). All the TBI construction companies that use timber are FSC certified. Project developments initiated by TBI use sustainable certified timber as a matter of course. More detailed information on our environmental performance is included in the *GRI G4 Content Index*.



Use of rest material, Vlaardings Geluk



FACTS & FIGURES

- Installation of emergency power supply (1.6 MW) for the hotel business, with the new generator set also backing up if the ship's current emergency generator (emergency power supply for Solas equipment, e.g. for navigation and lifts) fails for whatever reason
- A floating derrick placed a 60,000 kg deckhouse on the ship
- The emergency power supply was fitted and installed without any inconvenience to passengers. The system was positioned in three hours while the ship was moored at the cruise terminal and installed during sailing and in the dry dock
- The project stands out for its logistics and planning. As the work was not allowed to inconvenience the passengers in any way, everything had to be in the right place at the right time
- Croon Elektrotechnik is working more often in the international market. Its first contract related to a single cruise ship but the spin-offs from that project have made the company an international player in the worldwide cruise market
- There are now 24 cruise ships on the reference list for this type of project
- The largest unit to be fitted so far is a 2.6-MW generator set



MS ROTTERDAM

Very early in the morning of 7 April 2015 – before the sun had risen – the MS Rotterdam sailed into the Port of Rotterdam to continue its journey to Hamburg later in the day. In the intervening hours a 60,000-kg deckhouse was hoisted onto the ship. Antoin Kuenen, senior account manager at Croon Elektrotechniek, was there. *'It was a really special job. We've done it many times before but this time it was the sixth cruise ship and the flagship of the Holland America Line. It was moored a stone's throw from the old departure hall.'* While the passengers were going onshore, the work was taking place on the waterside. A floating derrick placed the prefab deckhouse, with the generator set and switch board already fitted by Croon Elektrotechniek, on the enormous ship.

carefree cruising

There have been several cases in recent years of cruise ships losing power and drifting aimlessly at sea with little if any power for air conditioning and other passenger comforts. *'If the power fails on a cruise ship, the back-up supply provides enough electricity to let the ship carry on sailing but there's none left over to power the hotel business,'* explains Kuenen. *'Several years ago Croon Elektrotechniek and a shipping company developed a practical solution: a deckhouse with a generator set and switchboards. The system can also act as a back-up for the on-board emergency generator, to power the sprinkler system and the like.'* To keep passenger satisfaction as high as possible, cruise operators like Holland America Line are deciding to fit back-up power supplies for the hotel side of their business and the sprinkler systems. As well as the MS Rotterdam, another six cruise ships have been lined up for a similar operation. Kuenen: *'And we are still working to win new clients.'*

'Always power on the MS Rotterdam'

Croon Elektrotechniek is used to placing large switchboards on ships. Installing a generator set and cabling is routine work. *'The challenge lay in the logistics,'* explains Kuenen. *'Most of the work took place in the engine room at the bottom of the ship and the passengers didn't notice a thing. The switchboard was lifted on board when the ship was in port and the cables were connected while we were at sea. The final step, putting the generator into operation, followed when the ship was in dry dock. Above all, it was a question of being in the right place at the right time.'*

Croon Elektrotechniek has fitted back-up power supplies for the hotel business in nearly all Holland America Line's fleet. Nearly all the cruise ships have been fitted with a deckhouse and generator set or comfort distribution panels have been fitted in order to increase redundancy in the system. The MS Rotterdam spent about three hours at the quayside. By the time the sun came out properly, it was already underway to the dry dock in Germany. Croon Elektrotechniek is also working on projects for other cruise companies, such as Carnival Corporation, the parent company of Holland America Line.

SOCIETY - Responsible and committed

TBI has laid down rules on the integrity and transparency of its business in the TBI Code of Conduct. We work throughout the Netherlands and are aware that people can be inconvenienced by our activities. We seek to minimise the hindrance by prioritising the organisation of the building sites and through clear communication with the local community. We also invest in socially relevant initiatives.

Goals	Results
Honest partner who works conscientiously (minimum number of breaches)	5 breaches of laws and regulations (fines) 13 breaches of the TBI Code of Conduct
Being a good neighbour (Considerate Constructors at all large building sites)	54 building sites observe the Considerate Constructors' Code of Conduct
Socially engaged company (no quantitative target)	€ 360,000 donated to social causes and initiatives

Integrity

We expect our people to deal expertly and professionally with the trust we place in them. The standards and values TBI observes must be recognisably applied in their day-to-day work. We have laid our standards and values down in the TBI Code of Conduct. The core values are social responsibility, integrity and care. We ensure compliance by setting a good example, continuously reiterating the standards and rules and integrating the rules into development programmes and training courses. The TBI Code of Conduct is an specific element in the individual contracts of employment we sign with every employee.

TBI CODE OF CONDUCT

The integrity policy was stepped up in 2015 with the establishment of an integrity steering group. It is made up of representatives of the companies who advise the Executive Board on integrity policy. Chaired by TBI Holding B.V.'s supervisor, it meets every three months to initiate and take the lead in integrity issues.

With the establishment of the steering group, we also increased the reporting frequency so that timely corrective measures can be taken. Every quarter, the supervisors report the number of requests for an explanation and/or approval and the number of suspected and actual breaches of the TBI Code of Conduct.

We received 259 reports concerning the TBI Code of Conduct in 2015. Most related to requests for prior approval of an action. Twenty reports concerned breaches of the Code, with 12 of them proving to be actual breaches. The number of alleged and actual breaches, like the number of requests for prior approval, was higher than in previous year. We consider this to be a sign of increased awareness of the subject.

LAWS AND REGULATIONS

TBI has tightened up its supervision of reports of breaches of laws and regulations by TBI companies. Five breaches led to fines totalling € 77,820. Four of them related to breaches of occupational health and safety laws and one to the employment of foreign nationals. There were no breaches, fines or warnings in respect of environmental or other laws.

More information on integrity is included in the [GRI G4 Content index](#).





TBI Construction Travel, Nepal

Respect for the community

The TBI companies take every effort to minimise the inconvenience caused by their activities to the local community. We want to be seen as a good neighbour. A good neighbour is environmentally aware, approachable, transparent and proactive.

CONSIDERATE CONSTRUCTORS

TBI has been a member of the Dutch Considerate Constructors scheme, *Bewuste Bouwers*, for several years. Building sites that follow the *Bewuste Bouwers'* Code of Considerate Practice go beyond the law to respect the community and give the utmost consideration to the safety and appearance of their sites. Thirty building projects were registered with *Bewuste Bouwers* during the year. The total number of current *Bewuste Bouwers* projects comes to 54. All audits were complete successfully. A combined project carried out by TBI Infra gained the highest score of the year: 30 points.

More information is included in the [GRI G4 Content index](#).

COMPLAINTS MANAGEMENT

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

Complaints about a particular project are managed in accordance with the project's quality plan. With more TBI companies working in cooperation with each other more often, a uniform format has been introduced for the quality plans. The expected quality improvements will also benefit the complaints handlers.

TRANSPARENCY

True to tradition, many sites were opened to the public on Construction Day in 2015. The A'DAM Tower site in Amsterdam was in the top five of the most visited building sites.

Several sites were also opened on special occasions. An observation platform, for example, was opened during the construction of the Maxima Bridge in Alphen aan de Rijn and neighbours and future residents of the *Vlaardings Geluk* housing development were invited to make furniture from surplus building materials. Opening building sites to future residents is growing in popularity, especially in the housing sector.

SOCIETY - Responsible and committed

Social investments

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

HABITAT FOR HUMANITY

TBI has been partnering Habitat for Humanity since 2014. Habitat has a vision of building a world in which everyone has a safe place to live. Twelve employees of TBI have made physical and financial contributions to the construction of houses in Nepal and El Salvador. TBI staff will have an opportunity to make similar contributions in 2016.

SOCIAL ENGAGEMENT

TBI companies demonstrate their social engagement in a variety of ways. They range from local cultural and social initiatives to the preservation of national cultural heritage. In total, we gave more than € 360,000 in donations and sponsorship to such social causes as Ride for the Roses, Roparun and Alp d' HuZes. Several members of staff also volunteered for social projects and educational activities.

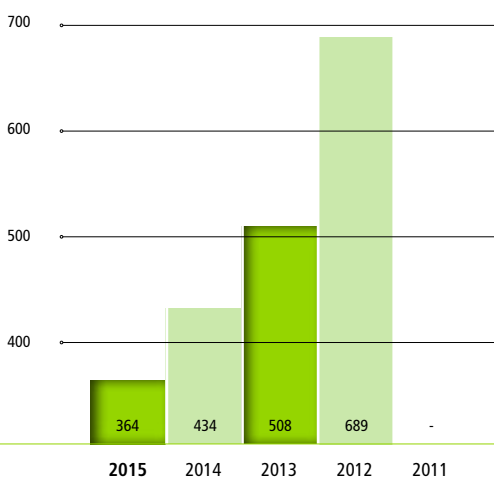
VACANT PROPERTIES

Synchroon takes measures to give properties that have been vacant for a long time a socially valuable use. The award-winning Aardvarken, a public work of art in Arnhem, deserves a special mention. It won the Golden Phoenix prize in the Urban Regeneration category. The former hospital in Deventer (a municipal monument) is housing civil society organisations (music school, artists, woodworking) until it is found a permanent use.

STUDY FUND

The TBI Study Fund promotes the schooling, study and education of the children of all employees of the TBI companies. It provides grants to all children wishing to pursue further education. More than 3,000 grant applications were received for the 2014/2015 academic year and 2,800 grants were awarded.

Investment in community-based initiatives
(in thousands of euro)



GOVERNANCE

Risk management

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

APPROACH TO RISK MANAGEMENT

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

- The long-term strategy is laid down in the Strategic Agenda 2015-2017. It is the starting point for the TBI companies' own plans and budgets. Risk management is an integral part of the operating plans and budgets.
- The management boards of the TBI companies are responsible for implementing the TBI group's Operating Plan. Their powers and responsibilities are laid down in an authorisation schedule and management instructions.
- The TBI companies periodically report on their progress to the Executive Board. Financial reports are assessed centrally and compared against approved budgets. Forecasts are checked every quarter and revised where necessary.
- The operating reports and results of the TBI companies are discussed every quarter, with the main risks and mitigating measures being subject to particular scrutiny.
- There is regular contact with the TBI companies between the quarterly meetings in order to discuss operating procedures and associated risks.
- The companies are monitored every month by means of monthly key figures.
- Cash positions are monitored every day.
- Reporting guidelines are laid down in the TBI Reporting Manual, which is based on applicable laws and regulations.
- TBI established an internal audit function in 2015. Pilot operational audits were carried out during the year. They will be followed up in 2016.

The risk management systems functioned satisfactorily during the year. There are no indications that they will not work satisfactorily in 2016. No significant changes are therefore foreseen.

TBI can give no guarantee that risks will not occur. Improving the internal systems remains a constant priority.

RESPONSIBILITY FOR RISK MANAGEMENT

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

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

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

RISK PREPAREDNESS

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

RISK CATEGORY	STRATEGIC PILLAR	RISK PREPAREDNESS AND EXPECTED RETURN
Strategic/market	Strengthen the market position	<ul style="list-style-type: none"> • Limited: Organic growth in existing markets and selective acquisitions. • High with regard to investments in innovation and cooperation.
Operational	Sustainable business	<ul style="list-style-type: none"> • Limited: focus on managing risks and the right balance between risks and returns. • Low with regard to safety issues.
Financial	Maintaining robust financial position	<ul style="list-style-type: none"> • Low with regard to financing, liquidity, credit, interest and currency risks.
Compliance	Integrity	<ul style="list-style-type: none"> • Low with regard to compliance with laws and regulations.

GOVERNANCE

RISKS

The main risks are presented in the table below:

RISK CATEGORY: STRATEGIC / MARKET		
RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Changes in market conditions	• Balanced portfolio of activities spread across clients and market sectors.	Limited
	• Multidisciplinary cooperation.	
	• Variety of activities in various markets.	
	• Innovation / timely anticipation of new developments.	
Scarcity on the labour market for specialists	• Investments in position as a preferred employer by offering an attractive workplace with sufficient training and development opportunities and good employment conditions.	Limited
Increased competition	• Focus on client satisfaction and distinctive profile thanks to innovations and multidisciplinary cooperation.	Limited
Technological advances	• TBI companies work with each other and share knowledge through their own knowledge centres (TBI WOONlab, TBI kennisLAB) and with external knowledge institutions.	Limited

RISK CATEGORY: OPERATIONAL		
RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Project management and execution	• Constant focus on compliance with internal procedures for project management.	High
	• Responsibility for contract acceptance lies with the management boards of the TBI companies. Prior approval of the Executive Board is required for large projects or tenders with a high risk profile, in accordance with management instructions.	
	• Prior approval of the Executive Board is required for investments in land positions, the acceptance of long-term obligations, the start of sales and the start of project construction for the group's own risk and the financing of third-party projects during implementation.	
	• Special education and training program for project managers.	
Liability	• Insurance against project-related risks. The companies are supported by the Risk & Assurance Department. • Hierarchical legal structure with liability limited by 'article 403 declarations'.	Limited
Safety of staff and subcontractors	• Prevention is given highest priority and the safety policy covers personal conduct as a risk factor (awareness). Careful preparation of the work, analyses of near-incidents and toolbox meetings must minimise the risk.	High
	• Appropriate safety management systems under the responsibility of the TBI companies' management boards in accordance with TBI Safety Guidelines.	
	• Action to increase safety awareness among staff (e-learning).	

RISK CATEGORY: FINANCIAL

RISK	RISK MANAGEMENT MEASURE	IMPACT ON RESULTS
Financing and liquidity	<ul style="list-style-type: none"> Centralised external financing arrangements and internal financing structure. Credit lines are awarded to TBI companies on the basis of internal credit ratings. Projects are financed on a non-recourse basis. 	Limited
	<ul style="list-style-type: none"> Constant focus on optimising working capital management, in part through the awareness programmes Cash is King (2013) and Stay King of Cash (2015). 	
	<ul style="list-style-type: none"> Caution when entering into new investment obligations. 	
Credit	<ul style="list-style-type: none"> Information from accredited, specialised credit information agencies. 	Limited
	<ul style="list-style-type: none"> Risks are mitigated where necessary by credit insurance, bank guarantees and advance payments. 	
	<ul style="list-style-type: none"> The trade debtors at balance sheet date do not include any significant concentration of debtors in a limited number of market sectors. Some of the debtors are concentrated in the Dutch public sector. 	
Interest rates	<ul style="list-style-type: none"> In the light of the interest rate and risk profile of the interest-bearing loans, TBI does not consider it necessary to hedge interest rate risks by means of derivative financial instruments. 	Low
Foreign currency	<ul style="list-style-type: none"> TBI realises the greater part of its turnover in the Netherlands. 	Low
	<ul style="list-style-type: none"> TBI makes very limited use of derivatives, such as forward exchange contracts and currency options, and does not trade in derivatives. 	

RISK CATEGORY: COMPLIANCE

RISK	BEHEERSINGSMAATREGELEN	IMPACT ON RESULTS
Laws and regulations	<ul style="list-style-type: none"> TBI has introduced the TBI Code of Conduct for all employees. 	Limited
	<ul style="list-style-type: none"> Quarterly reports on risks and compliance. 	
	<ul style="list-style-type: none"> TBI companies follow industry codes of conduct, such as the SBIB code, NEPROM code and Bouwend Nederland code. 	
	<ul style="list-style-type: none"> Whistle blower scheme. 	
	<ul style="list-style-type: none"> Annual signing of the Letter of Representation by the management board members of the TBI companies. 	
Tax risks	<ul style="list-style-type: none"> TBI and the tax authorities have concluded a voluntary horizontal supervision agreement. TBI seeks a permanent up-to-date insight into relevant events and rapid decision-making. 	Limited
	<ul style="list-style-type: none"> The TBI companies are responsible for remitting VAT, salaries tax, social insurance contributions and corporation tax. Internal management and internal and external control systems are organised centrally. 	

GOVERNANCE

Corporate governance

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

TBI Holdings B.V. is a private company subject to the dual-board regime in the Netherlands. Its ultimate and only shareholder is Stichting TBI. This foundation has deliberately opted not to apply the 'mitigated dual-board regime'. This means that the members of the Executive Board are appointed by the Supervisory Board rather than by the Annual General Meeting.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

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

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

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

ORGANISATION OF THE COMPANY

Executive Board and company management boards

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

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

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

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

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

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

SUPERVISORY BOARD

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

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

COMMITTEES OF THE SUPERVISORY BOARD

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

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

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

Remuneration

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

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

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

FINANCIAL REPORTING

Audit of the annual accounts by the external auditor

The Annual General Meeting of Shareholders appoints the external auditor and awards the contract to audit the annual accounts prepared by the Executive Board. It does so on the recommendation of the Supervisory Board. The Annual General Meeting of 16 April 2015 reappointed the external auditor, PwC, for a period of one year.

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

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

Our financial reports are based on the principles of the applicable provisions laid down in Part 9, Book 2 of the Dutch Civil Code. The interpretation of legal provisions is assessed against the Guidelines for Annual Reporting in the Netherlands applying to financial years commencing on or after 1 January 2015.

Villa Vijverbos, Ammerzoden





GOVERNANCE

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

REGULATIONS AND THE TBI CODE OF CONDUCT

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

Report of the Supervisory Board

2015 was another challenging year for the company. The Executive Board again took measures to enhance the efficiency and effectiveness of the organisation.

They included the integration of Croon Elektrotechniek B.V. and Wolter & Dros B.V. The two companies are leaders in their markets but as a single unit will be better positioned to meet the changing client demand for integrated solutions. Support processes, such as HRM, One ICT and Finance, will also be more effective. Another significant measure was the formation of the Group Council, consisting of the five managing directors responsible for the clusters: Development, Housing, Non-residential, Engineering and Infrastructure. We held intensive talks with the Executive Board on all these developments.

At the Annual General Meeting of 16 April 2015 we bade farewell to Mr J.B. van Dongen after a term of 12 years. At the same meeting Mr M. Niggebrugge was appointed to the Supervisory Board as a member. We are extremely grateful to Mr van Dongen for his contribution to the group over many years. His term of office will be remembered by his unstinting commitment and dedication.

ACTIVITIES IN 2015

The Supervisory Board held five scheduled meetings with the Executive Board in 2015. Ahead of each of these meetings, the Supervisory Board met separately from the Executive Board to discuss the performance of the Executive Board as a whole and of its individual members and the performance of the Supervisory Board itself and its individual members. An important topic was the appointment of a successor to Mr van Dongen and the resultant nomination of Mr Niggebrugge. Other topics discussed included the remuneration of the members of the Executive Board, the progress made with the Strategic Agenda and the development of the company's results.

The Chairman of the Supervisory Board held regular informal meetings with the President of the Executive Board to discuss strategic and operational matters. The successive chairmen of the audit committee held regular talks with the member of the Executive Board responsible for finance and ICT.

Safety

Safety is also high on the Supervisory Board's agenda and was considered at every meeting. We took note of TNO's final report on the safety audits carried out at the company. Although the audits revealed that safety awareness had increased they also identified areas for improvement. Attention was drawn in general to working at height and working with electricity. Six e-learning modules were developed at the end of 2015 and will be offered to all staff in 2016. This is another way to ensure safety is constantly brought to everyone's attention. Despite all the safety equipment available to them, raising staff awareness remains an important priority.

Strategy

The Operating Plan 2015 was discussed as part of the Strategic Agenda 2015-2017 during the February meeting. The Strategic Plan sets clear targets with growth being a key goal alongside good employment practices and corporate responsibility.

Results

In the March, June, September and December meetings we discussed the financial performance at length with the Executive Board.

Ahead of these meetings, the results and the balance sheet were discussed by the audit committee. Fixed items were the results of larger projects, working capital management, the liquidity position, the level of indirect costs and, needless to say, profitability and solvency. The necessary reorganisations were also discussed.

Agreement was reached with the majority shareholder of Alfen B.V. at the end of 2015 on the sale of the remaining 30% interest in the company.

OTHER MATTERS

The March meeting discussed the compliance report 2014. It was concluded that the internally drafted TBI Code of Conduct was alive within the company but required constant attention.

The changes in the TBI Pension schemes were discussed in the light of the Pension Agreement 2015. The Executive Board opted for a cost neutral solution. The Supervisory Board whole-heartedly supported this decision.

Every meeting considered the proposed integration of Croon Elektrotechniek and Wolter & Dros. The Supervisory Board found that the process was being carried out with due care. Key aspects are the structure of the organisation, the normative cost structure and the strategy to be followed.

The scheduled meetings also discussed the sustainability indicators.

Two projects were visited in 2015, the Amstelskwartier Hotel and the A'DAM Tower. Special attention was paid to the sustainability and cradle-to-cradle concept of both projects.

It was decided to establish an internal audit function in 2015. An Internal Audit Charter was drafted and BDO carried out three audits during the year. An internal audit plan has been prepared for 2016.

The internal organisation was also discussed. With the appointment of a Group Council with responsibility for five clusters (Housing, Non-residential, Engineering, Infrastructure and Development), the Executive Board has broadened the responsibility for the entire group.

GOVERNANCE

With the exception of the housing cluster, which is headed by a director, the clusters are headed by the chairmen of large companies.

At the beginning of 2015, a number of the group's buildings were transferred to a separate company, TBI Bedrijfspanen B.V., and external hypothecated non-recourse financing was attracted of € 30 million.

Another important topic was the refinancing of the facility due to expire in December 2016. Financing for the next five years was assured at the end of 2015 by a banking syndicate consisting of ABN-AMRO, Rabobank and ING. The facility amounts to € 75 million, with € 30 million in current account.

At the beginning of 2016 Stichting TBI granted a 10-year € 25 million subordinated loan via TBI Beheer B.V.

The March 2015 meeting discussed the draft annual report for 2014, including the annual accounts and the internal report for 2014 of the Executive Board. The auditor's report for 2014 was also considered. These documents were discussed in detail by the audit committee before being presented to the Supervisory Board. On the basis of the Supervisory Board's consideration, it was decided to adopt the annual report for 2014 and submit it to the Annual General Meeting for approval. The annual report for 2014 was approved by the Annual General Meeting on 16 April 2015. The members of the Executive Board were accordingly discharged from liability for the policy conducted in 2014 and the members of the Supervisory Board for their supervision of the Executive Board during the year.

COMPOSITION AND MEETINGS OF THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board had three committees in 2015: the strategic committee, the nominations and remuneration committee and the audit committee.

Strategic committee

The strategic committee met with the Executive Board on two occasions in 2015 to discuss the progress made with the Strategic Agenda 2015-2017 and the preparation of the Strategic Agenda 2016-2018. The committee reflected on the condition of the market and the opportunities it offered.

As at 31 December 2015, the strategic committee consisted of:

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

Nominations and remuneration committee

The nominations and remuneration committee is tasked with making proposals to the Supervisory Board for the nomination of supervisory directors and executive directors. It also advises on the remuneration of the members of the Executive Board. It was concerned during the year chiefly with the nomination of a successor to Mr J.B. van Dongen on the Supervisory Board and a successor to Mr L.J. Pruis on the Executive Board.

As at 31 December 2015, the nominations and remuneration committee consisted of:

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

Audit committee

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

As at 31 December 2015, the audit committee consisted of:

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

The audit committee met on five occasions in the presence of the external auditor in 2015. It discussed the quarterly reports, the annual accounts for 2014, the auditor's report, the external auditor's audit plan for 2015 and the management letter.

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

The internal audit function was fulfilled by BDO Accountants. The audit committee took note of the three audits carried out in 2015 and discussed the audit plan for 2015 with BDO. The audit charter to guide the work of the internal auditor was discussed.

An important topic in 2015 was the One ICT master plan. It was discussed in detail by the audit committee and will be implemented in 2016.

Central Works Council

Members of the Supervisory Board attended several consultative meetings of the Central Works Council. Together with the Executive Board, the Supervisory Board held an informal meeting with the Central Works Council on 8 September 2015. The meeting included a presentation entitled Oil Tankers and Speedboats.

ANNUAL REPORT 2015 AND PROPOSED PROFIT APPROPRIATION

In accordance with article 22 (4) of the articles of association of TBI Holdings B.V., the annual report 2015 and the report of the Supervisory Directors will be submitted to the Annual General Meeting. The annual report, including the report of the Supervisory Directors and the annual accounts 2015, has been prepared by the Executive Board. The external auditor, PwC, has expressed an unqualified opinion on the annual accounts. The auditor's opinion is presented on pages 91 to 95 of this report.

We propose that the Annual General Meeting:

- adopt the annual accounts for 2015, including the proposed profit appropriation;
- discharge the members of the Executive Board from liability for the policy conducted during the 2015 financial year;
- discharge the members of the Supervisory Board from liability for their supervision of the policy conducted in 2015.

The audit committee has discussed the annual accounts and the annual report for 2015 in detail with the external auditor in the presence of the member of the Executive Board responsible for finance. The documents were also considered in a meeting of the full Supervisory Board and the full Executive Board that was attended by the external auditor. The quality of the internal risk management and control systems was also discussed.

TBI earned a net profit of € 1.3 million in 2015. The Supervisory Board has approved the profit appropriation proposed by the Executive Board. It is proposed that € 0.4 million be distributed in the form of a cash dividend to the shareholder and the remaining € 0.9 million be added to other reserves.

COMPOSITION AND PERFORMANCE OF THE EXECUTIVE BOARD

There was a change in the composition of the Executive Board during 2015. Mr P.J. Heijboer stood down in order to dedicate himself fully to the integration of Croon Elektrotechniek and Wolter & Dros as the intended chairman of the new merged company.

As at 31 December 2015 the Executive Board comprised the following members:

- D.A. Spering, voorzitter
- L.J. Pruis

The Supervisory Board evaluated the performance of the Executive Board and its individual members during 2015. In the Supervisory Board's opinion, the Executive Board has the required competences and works well as a team. This can be seen in the progress made with the themes in the Strategic Agenda, in the changes in internal management to strengthen the involvement of the TBI companies, and in the cohesion brought about within the group in general.

COMPOSITION AND INDEPENDENCE OF THE SUPERVISORY BOARD

As at 31 December 2015 the Supervisory Board comprised the following members:

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

The composition changed during the year as Mr J.B. van Dongen stood down on reaching the maximum term of office.

The maximum term of office of the supervisory directors is restricted under the articles of association to 12 years. All supervisory directors were independent within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code.

The Supervisory Board discussed the competences necessary for the proper performance of its own tasks in 2015 and carried out a self-evaluation.



GOVERNANCE

CORPORATE GOVERNANCE

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

CONCLUSION

The housing market recovered but conditions in the infrastructure and non-residential segments are still difficult. We accordingly had to take some painful measures in 2015 that led to uncertainty among many employees and their families. We are well aware of this. But the Executive Board could not avoid taking the measures in order to ensure the continuity of the TBI companies.

We have every confidence that TBI is in good shape and is on track to rise to the challenges it will face in 2016.

We would like to thank the Executive Board, the company managers and all employees for their dedication, the results they achieved and the strong foundations they laid for 2016 and later years.

Rotterdam, 15 March 2016

The Supervisory Board

A.L.M. Nelissen, voorzitter

E.H.M. van den Assem, vicevoorzitter

M. Niggebrugge

J.E. de Vries

D.J.B. de Wolff

Members of the executive Board as at 15 March 2016

D.A. SPERLING (60), CEO

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

L.J. PRUIS (63)

Nationality: Dutch
Appointed: October 2012
Position: Member of the Executive Board
Director TBI Bouw B.V.
Director TBI Techniek B.V.
Portfolio: Finance and ICT

CORPORATE STAFF

MS D. STAAL (43)

Director, Communications and Organisational Development

M.W.L. TROMM (52)

Head of Legal Affairs

GROUP COUNCIL

A.J.H. VAN BREUKELN (56)

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

P.J. HEIJBOER (52)

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

H. VAN KEULEN (56)

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

A. KNOOP (48)

Chairman of the Board of TBI Infra B.V. (Infrastructure)

J.H.A. VAAGS (54)

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

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

GOVERNANCE

Members of the Supervisory Board as at 15 March 2016

A.L.M. NELISSEN (67), CHAIRMAN

Nationality: Dutch
Appointed: September 2012, term ends in 2016 (eligible for reappointment)
Member of the audit committee
Member of the nominations and remuneration committee
Former position: Executive Board member, Dura Vermeer
Other supervisory directorships: Supervisory Board chairman, Brainport Development N.V.
Supervisory Board member, Van Nieuwpoort Groep N.V.
Supervisory Board member, Zuid Nederlandse Theater Maatschappij N.V.
Principal external positions: Executive Board member, Rijksmuseum Fonds
Supervisory Board member, St. Jeroen Bosch 500

E.H.M VAN DEN ASSEM (66), VICE-CHAIRMAN

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

M. NIGGEBRUGGE (66)

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

J.E. DE VRIES (59)

Nationality: Dutch
Appointed: April 2006, most recent reappointment in 2014, term ends in 2018
Member of the strategic committee
Position: Director, Investeringsmaatschappij Schansborg B.V.
Other supervisory directorships: Supervisory Board chairman, Itho-Daalderop B.V.
Supervisory Board member, Koninklijke Oosterhof Holman Beheer B.V.
Supervisory Board member, Investerings- en ontwikkelingsmaatschappij N.V. NOM

D.J.B. DE WOLFF (56)

Nationality: Dutch
Appointed: April 2013, term ends in 2017 (eligible for reappointment)
Chairwoman of the nominations and remuneration committee
Position: Partner, Stadhouders Advocaten, Utrecht
Former position: Member of the Senate of the States General
Principal external positions: Supervisory Board member, Stichting Lindenhout and Stichting Musea Arnhem

SCOPE AND RESPONSIBILITY

This is the first integrated annual report to be published by TBI Holdings B.V. In it, we report on our strategy and on economic, social, environmental and societal developments. The annual report is prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) G4 (Core) and complies with the Reporting Framework of the International Integrated Reporting Council (IIRC).

Reliability

The Executive Board was closely involved in the formulation of the content of this annual report and the outcome of the materiality analysis. This report was verified externally (limited assurance) by PricewaterhouseCoopers (PwC) and complies with the updated guidelines of the Global Reporting Initiative, GRI G4 (Core). This is TBI's fifth GRI-compliant report.

Availability

The annual report 2015 and the GRI G4 Index can be read online and can be downloaded in PDF format from annualreport.tbi.nl. The report is available in both Dutch and English. It was published on 15 April 2016.

Materiality

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

Scope

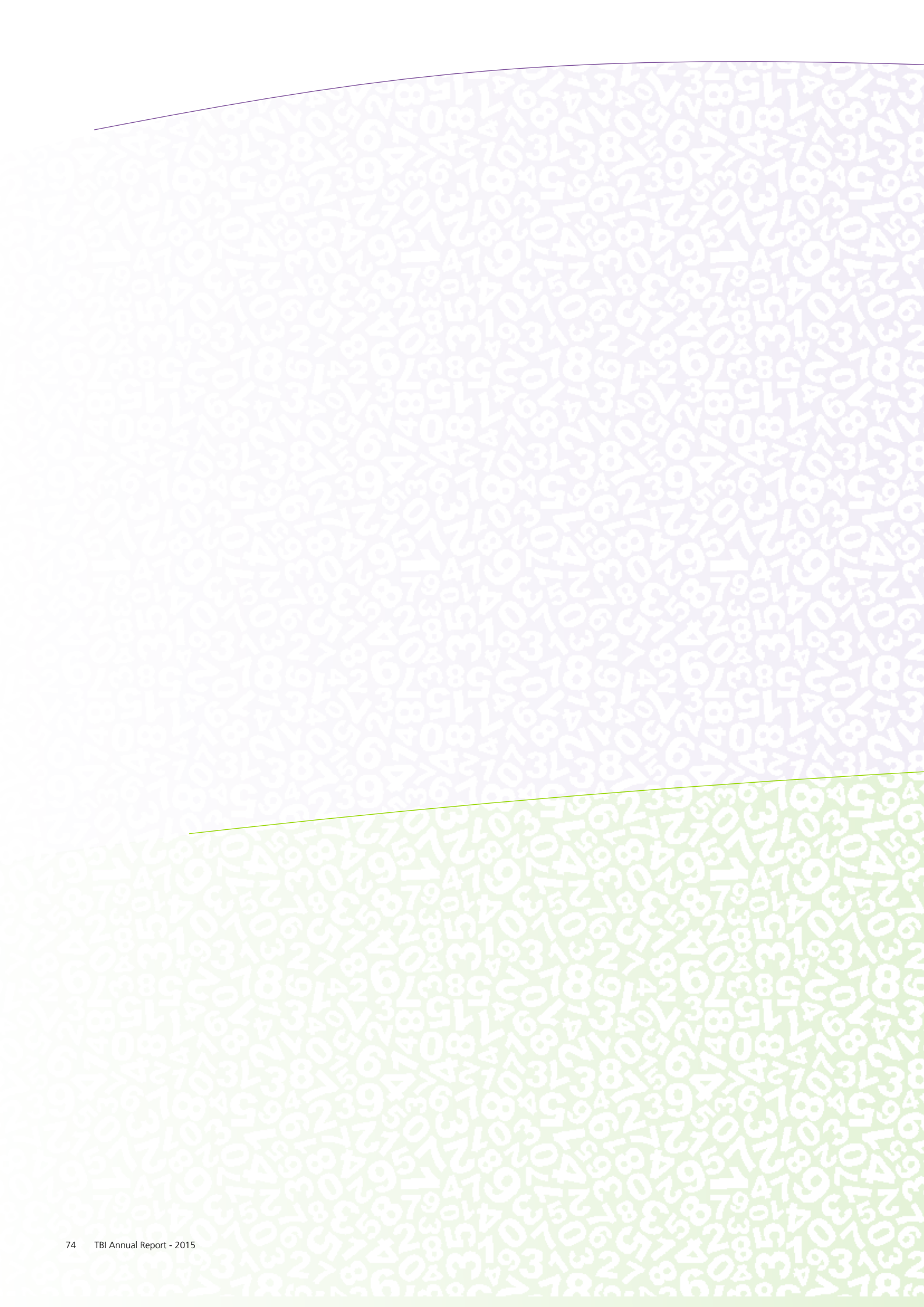
The report concerns the 2015 financial year, which ran from 1 January 2015 to 31 December 2015. The financial data it contains relate to all activities performed by TBI, both nationally and internationally. All non-financial data and performance-related information relate exclusively to TBI's activities in the Netherlands. Consortia, undertakings in which control is exercised jointly with third parties under a cooperation agreement, are reported pro rata to the TBI company's interest in each consortium. Data on entities in which TBI has a minority interest or does not control management policy are not taken into account.

Comparability

Many figures for 2015 in this report are compared with those for 2014. Owing to the sale of majority interests in the former TBI companies Acto, Alfen and Fri-Jado, the figures of these companies are no longer included in the consolidation as from 2015. The figures are therefore not directly comparable. All specific questions on the comparability of the data are answered in the text or in footnotes.

Measurement method and data collection

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



ANNUAL ACCOUNTS 2015

Consolidated Balance Sheet as at 31 December 2015	76
Consolidated Profit and Loss Account for 2015	77
Consolidated Statement of Cash Flows for 2015	78
Notes to the Consolidated Accounts	80
Notes to the Consolidated Balance Sheet	85
Notes to the Consolidated Profit and Loss Account	91
Company Balance Sheet as at 31 December 2015	94
Notes to the Company Accounts 2015	95
Other Information	99
Independent Auditor's Report	100
Assurance Report of the Independent Auditor	102

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

(before profit appropriation, in thousands of euros)

		31 December 2015	31 December 2014
Non-current assets			
Intangible assets	(1)	2,219	2,642
Tangible assets	(2)	98,916	103,867
Financial assets	(3)	<u>12,017</u>	<u>10,053</u>
		113,152	116,562
Current assets			
Inventories	(4)	224,232	241,201
Work in progress for third parties	(5)	–	–
Receivables	(6)	262,954	265,709
Cash and cash equivalents	(7)	<u>166,473</u>	<u>123,414</u>
		653,659	630,324
Total assets		<u>766,811</u>	<u>746,886</u>
Group equity			
Shareholder's equity	(8)	247,008	245,883
Minority interests		<u>113</u>	<u>117</u>
		247,121	246,000
Provisions	(9)	13,776	23,408
Non-current liabilities	(10)	52,512	24,681
Current liabilities	(11)	<u>453,402</u>	<u>452,797</u>
Total liabilities		<u>766,811</u>	<u>746,886</u>

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2015

(in thousands of euros)

		2015	2014
Net Revenue		1,462,585	1,957,287
Change in balance sheet value work in progress		94,112	-354,563
Operating revenue	(12)	<u>1,556,697</u>	<u>1,602,724</u>
Operating costs			
Cost of raw materials and consumables, subcontracted work		-1,033,965	-1,008,502
Wages and salaries	(13)	-297,256	-339,170
Social security charges		-54,967	-62,452
Pension obligations	(14)	-31,308	-37,915
Depreciation and amortisation charges	(15)	-18,523	-23,054
Impairment charges on current assets		-3,950	-1,508
Other operating costs		-117,698	-135,253
		<u>-1,557,667</u>	<u>-1,607,854</u>
Operating result		-970	-5,130
Interest and similar income		1,415	1,063
Interest and similar expense		-3,570	-4,529
Result from normal activities before tax		<u>-3,125</u>	<u>-8,596</u>
Taxation on result	(16)	316	1,857
Result from participating interests	(17)	4,096	7,905
Result from normal activities after tax		<u>1,287</u>	<u>1,166</u>
Minority interest in result of group companies		-19	234
Net result		<u>1,268</u>	<u>1,400</u>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2015

(in thousands of euros)

		2015	2014
Operating profit		-970	-5,130
Adjustment for:			
– amortisation and depreciation charges	(15)	18,523	23,054
– impairment charges on current assets	(4)	3,950	1,508
– changes in provisions	(9)	-9,632	-9,063
Changes in working capital (excluding cash and credit institutions):			
– inventories	(4)	13,018	1,048
– work in progress	(5)	-28,405	3,246
– receivables	(6)	2,735	-12,155
– other liabilities	(11)	33,400	-16,428
		<u>20,748</u>	<u>24,289</u>
Cash flow from ordinary activities		32,619	-13,920
Interest received		1,415	1,073
Interest paid		-4,865	-4,534
Dividends received	(3)	108	229
Income tax	(16)	337	1,358
		<u>-3,005</u>	<u>-1,874</u>
Cash flow from operating activities		29,614	-15,794
Investments in non-current intangible assets	(1)	-779	-1,625
Capital expenditure on non-current tangible assets	(2)	-17,197	-12,533
Investments in non-current financial assets	(3)	-3,707	-5,407
Divestment of non-current intangible assets	(1)	678	5,774
Divestment of non-current tangible assets	(2)	5,286	-
Divestment of non-current financial assets	(17)	6,180	23,220
		<u>-9,539</u>	<u>9,429</u>
Cash flow from investing activities		-9,539	9,429
Received from non-current liabilities		27,831	-
Repayment of non-current liabilities		-	-1,786
Received from credit institutions		-	22,591
Repayment of credit institutions		-4,427	-40,000
Dividends paid		-420	-
		<u>21,650</u>	<u>-18,354</u>
Cash flow from financing activities		21,650	-18,354
Net cash flow for the year		43,059	-25,560
Foreign exchange and translation differences on cash		-	-
Net increase/(decrease) in cash and cash equivalents		43,059	-25,560

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2015

(in thousands of euros)

	2015	2014
Changes in cash and cash equivalents:		
– Cash and cash equivalents at beginning of year	123,414	148,974
– Changes	<u>43,059</u>	<u>–25,560</u>
Cash and cash equivalents at end of year	(7) <u>166,473</u>	<u>123,414</u>
Of which changes in construction consortia and other business combinations during the year	3,045	–8,903

NOTES TO THE CONSOLIDATED ACCOUNTS

GENERAL

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

ACCOUNTING POLICIES

Presentation of the annual accounts

The consolidated accounts of TBI Holdings B.V. are prepared in accordance with the applicable provisions of Part 9, Book 2, of the Dutch Civil Code. The interpretation of the statutory provisions has been checked against the Guidelines for Annual Reporting in the Netherlands issued by the Netherlands Council for Annual Reporting, applying to financial years commencing on or after 1 January 2015.

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

The accounting policy for goodwill has been changed from that applied in the previous year. With effect from the 2015 financial year, goodwill is capitalised and amortised over its useful life. Until the end of the previous year, goodwill had been written off directly against shareholder's equity. Other accounting policies are unchanged.

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

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

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

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

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

Consolidation

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

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

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

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

Acquisition and divestment of group companies

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

There was no change in the consolidation circle in 2015.

Associated parties

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

Foreign currency

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

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

Valuation

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

Impairment of non-current assets

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

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

Non-current intangible assets

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

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

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

Non-current tangible assets

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

Buildings	2½ to 4 percent
Plant and machinery	10 to 20 percent
Other operating assets	20 percent

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

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

Non-current financial assets

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

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

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

Inventories

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

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

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

NOTES TO THE CONSOLIDATED ACCOUNTS

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

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

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

Work in progress for third parties

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

Receivables

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

Cash and cash equivalents

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

Liabilities

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

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

Provisions

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

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

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

The provision for long service payments consists of the present value of payments made to mark employee anniversaries. Calculation of this provision takes account of the probability of employees leaving and a discount rate of 3.0% (2014: 4.0%).

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

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

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

Financial instruments and financial risk management

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

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

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

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

MARKET RISK

Currency risk

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

Price risk

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

Interest rate and cash flow risks

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

CREDIT RISK

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

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

Liquidity risk

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

Profit or loss determination

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

Operating income

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED ACCOUNTS

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

Operating costs

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

Operating leases

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

Staff remuneration

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

The cost of pension schemes is equal, in principle, to the pension contributions payable to pension funds and insurance companies over the period. A liability is recognised for pension contributions not paid as at balance sheet date. Contributions paid in excess of contributions due as at balance sheet date are recognised as accrued income in so far as they will be repaid by the pension funds and/or insurance companies concerned or will be set off against future contributions. A provision is also recognised as at balance sheet date for existing additional obligations to pension funds, insurance companies and employees if it is likely that the settlement of those obligations will entail an outflow of funds that can be reliably estimated. The existence of additional obligations is determined on the basis of the administration agreement with the pension funds and insurance companies and the pension agreement with the employees and other implicit or explicit undertakings given to employees. The provision is valued at the best estimate of the amounts needed to settle the obligations as at balance sheet date.

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

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

Interest income and expense

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

Result from participating interests

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

Taxes

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

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

Statement of cash flows

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

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

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

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

NOTES TO THE CONSOLIDATED BALANCE SHEET

(in thousands of euros)

1 NON-CURRENT INTANGIBLE ASSETS

	Development costs
As at 1 January 2015	
Cost of acquisition or production	6,800
Accumulated impairments and amortisation	-4,158
Book value	2,642
Changes in book value	
Investments	779
Divestments	-135
Consolidations and deconsolidations etc.	30
Amortisation	-1,097
Balance	-423
As at 31 December 2015	
Cost of acquisition or production	6,932
Accumulated impairments and amortisation	-4,713
Book value	2,219

2 NON-CURRENT TANGIBLE ASSETS

	Land and buildings	Plant and machinery	Other non-current tangible assets	Advance payments etc.	Total
As at 1 January 2015					
Cost of acquisition or production	111,135	81,652	135,430	509	328,726
Accumulated impairments and depreciation	-52,802	-60,100	-111,957	-	-224,859
Book value	58,333	21,552	23,473	509	103,867
Changes in book value					
Additions	2,629	5,374	9,135	59	17,197
Divestments	-2,885	-1,480	-457	-465	-5,287
Depreciation	-3,903	-4,341	-9,182	-	-17,426
Consolidations, deconsolidations, etc.	586	-	-21	-	565
Reclassification	-	-	57	-57	-
Balance	-3,573	-447	-468	-463	-4,951
As at 31 December 2015					
Cost of acquisition or production	111,225	80,684	141,734	46	333,689
Accumulated impairments and depreciation	-56,465	-59,579	-118,729	-	-234,773
Book value	54,760	21,105	23,005	46	98,916

NOTES TO THE CONSOLIDATED BALANCE SHEET

3 NON-CURRENT FINANCIAL ASSETS

The changes in non-current financial assets are:

	Non-consolidated participating interests	Loans granted	Other non-current financial assets	Total
As at 1 January 2015	6,069	3,983	1	10,053
Changes in 2015				
Profit distributions and dividends received	-108	-	-	-108
Share in result for the year	1,288	-	-	1,288
Loans granted to non-consolidated	-	610	-	610
Investments	657	-	1,200	1,857
Divestments	-1,683	-	-	-1,683
Balance	154	610	1,200	1,964
As at 31 December 2015	6,223	4,593	1,201	12,017

The principal consolidated participating interests at year-end 2015 are shown in the Operational Structure of TBI. In accordance with statutory requirements, a list of consolidated and non-consolidated participating interests, the main construction consortia and other business combinations has been filed for inspection with the Commercial Register of the Chamber of Commerce in Rotterdam. TBI disposed of the remaining interest (30.45%) in Alfen B.V. during the year.

In 2014 TBI Techniek B.V. granted a loan to a non-consolidated participating interest with a principal of € 3.983 million. Interest is payable on the loan at 7%. The loan and accumulated interest are due on 18 December 2019 at the latest.

4 INVENTORIES

	31 December 2015	31 December 2014
Raw materials and consumables	4,142	5,160
Work in progress and semi-manufactures	172	149
Finished products and goods for resale	3,101	4,209
Housing under construction	13,778	11,853
Completed housing, etc.	13,063	7,614
Land positions, etc.	189,976	212,216
	224,232	241,201

TBI carries out projects developed by third parties or arising from its own project development activities. Investments in project development activities included under stocks relate to work in progress (Land positions, etc.), capitalised construction and development costs of the unsold part of work in progress (Housing under construction) and projects already completed (Completed housing, etc.). The item Land positions relates chiefly to land positions acquired in the Netherlands for development in the near future. In the light of market conditions and expectations, TBI analysed its real estate positions in 2015. The analyses focused on the riskiest positions, predominantly in land and associated plan development costs. On the basis of these analyses based on a residual land value method, TBI concluded in 2015 that the expected future realisable value of a number of positions needed to be permanently written down. These impairment charges amounted to € 4.0 million (2014: € 1.5 million).

5 WORK IN PROGRESS FOR THIRD PARTIES

Work in progress for third parties as at 31 December:

	31 December 2015	31 December 2014
Work in progress for third parties		
Costs including profits based on percentage of completion,		
less provisions for losses	2,104,050	2,009,938
Less: invoiced instalments	<u>-2,160,227</u>	<u>-2,094,520</u>
	-56,177	-84,582
Recognised under current liabilities	<u>56,177</u>	<u>84,582</u>
Balance	<u>-</u>	<u>-</u>

The composition is as follows:

	31 December 2015	31 December 2014
Balance of work in progress for third parties greater than invoiced instalments	141,345	61,644
Balance of work in progress for third parties less than invoiced instalments	<u>-197,522</u>	<u>-146,226</u>
	-56,177	-84,582

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

6 RECEIVABLES

	31 December 2015	31 December 2014
Trade debtors	200,916	193,523
Income tax	472	441
Deferred tax assets	9,695	7,887
Other receivables	48,143	59,977
Prepayments and accrued income	<u>3,728</u>	<u>3,881</u>
	<u>262,954</u>	<u>265,709</u>

Receivables have a term of less than one year. Deferred tax assets have an expected term of between one and three years. The fair value of receivables approximates their book value on account of their short-term nature and the fact that provisions have been formed for doubtful debts where necessary.

7 CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Banks	166,406	121,489
Deposits	-	1,812
Cash	<u>67</u>	<u>113</u>
	<u>166,473</u>	<u>123,414</u>

NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents is readily disposable with the exception of approximately € 22.1 million (31 December 2014: € 19.1 million) held by general partnerships that is consolidated on a pro rata basis under other participating interests. Dutch bank balances also include the balances of frozen G accounts amounting to approximately € 4.4 million (31 December 2014: € 3.1 million). Deposits have a term of less than one year.

8 SHAREHOLDER'S EQUITY

	31 December 2015	31 December 2014
Issued capital	45,378	45,378
Reserves	200,362	199,105
Unappropriated profit	1,268	1,400
	<u>247,008</u>	<u>245,883</u>

The authorised capital consists of 2,250,000 ordinary € 100 shares, of which 453,780 have been issued and are fully paid up. The share premium created on the payment of shares cannot be distributed free of tax. Further information on the composition of shareholder's equity and movements in it is provided in the notes to the company balance sheet.

9 PROVISIONS

	Long-service commitments	Guarantee commitments	Reorganisation	Other	Total
As at 1 January 2015	3,751	9,677	7,474	2,506	23,408
Changes in 2015					
Addition	256	1,123	11,174	251	12,804
Withdrawals	-112	-4,656	-16,377	-1,210	-22,355
Change in discount rate	352	-	-	-	352
Other changes	-	461	-472	-422	-433
Balance	496	-3,072	-5,675	-1,381	-9,632
As at 31 December 2015	<u>4,247</u>	<u>6,605</u>	<u>1,799</u>	<u>1,125</u>	<u>13,776</u>

The terms of provisions are:

	31 December 2015			31 December 2014		
	< 1 year	1 – 5 year	> 5 year	< 1 year	1 – 5 year	> 5 year
Provisions (x € 1 million)	6.7	4.4	2.7	11.3	9.4	2.7

10 NON-CURRENT LIABILITIES

The non-current liability is a long-term project financing facility concluded by group companies. The interest rate is based on one-month EURIBOR plus 3%. In addition, non-recourse financing of € 30 million has been concluded in respect of some of the buildings. Of this amount, € 26 million had been recognised as a non-current liability and € 2 million as a current liability as at year-end 2015. This facility carries a fixed interest rate of 2.95%.

Repayments falling due within one year are recognised under current liabilities. Collateral security has been provided in the form of a first right of mortgage, pledges of sales and rental contracts and group guarantees. The non-current liabilities have the following terms:

	31 December 2015		31 December 2014	
	1 – 5 year	> 5 year	1 – 5 year	> 5 year
Non-current liabilities (x € 1 million)	50.0	2.5	13.3	11.4

11 CURRENT LIABILITIES, ACCRUALS AND DEFERRED LIABILITIES

	31 December 2015	31 December 2014
Credit institutions	14,062	18,489
Trade creditors	232,880	215,667
Taxes and social insurance contributions	39,049	30,336
Other participating interests	–	366
Work in progress for third parties	56,177	84,582
Personnel costs	39,729	40,564
Pension contributions	4,590	696
Other liabilities	56,627	54,607
Accruals and deferred liabilities	10,288	7,490
	<u>453,402</u>	<u>452,797</u>

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

Credit facilities

TBI concluded a € 75 million two-year committed Revolving Credit Facility (RCF) as at 21 December 2015. It also has uncommitted bilateral current account facilities of € 30 million to cover short-term liquidity shortages. The two facilities are documented in a single agreement. The facilities are spread equally over three banks, ABN AMRO, ING and Rabobank. The banking syndicate is the same as that for the previous facility, with the exception of RBS. RBS has announced that it will terminate its activities in the Netherlands in the course of 2016 and is therefore no longer a member of the syndicate.

No use had been made of these facilities as at 31 December 2015 or as at 31 December 2014. The facilities were not drawn down in 2015 (the average draw down in 2014 had been € 8 million). The interest rate is linked to EURIBOR plus a surcharge. The EURIBOR rate is determined by the chosen term of the draw down.

As under the previous RCF, the principal security is the satisfaction of financial covenants (interest cover ratio and senior debt cover ratio). These ratios were satisfied in 2015.

OFF BALANCE SHEET COMMITMENTS

	31 December 2015	31 December 2014
Bank guarantees and securities		
Guarantees for letters of intent	13,725	12,421
Guarantees for work performance	143,534	146,869
Guarantees for advance payments received	55,787	57,463
Other	11,652	12,222
	<u>224,698</u>	<u>228,975</u>

	31 December 2015			31 December 2014		
	< 1 year	1 – 5 year	> 5 year	< 1 year	1 – 5 year	> 5 year
Other (x € 1 million)						
Leases	18.8	31.3	1.4	18.7	27.1	0.1
Rental agreements, etc.	8.6	25.2	11.5	9.8	23.6	9.6
Land purchase commitments	11.4	12.5	–	12.6	18.7	–

NOTES TO THE CONSOLIDATED BALANCE SHEET

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

	2015
Minimum lease payments	31,796
Conditional lease payments	-
Sub-lease income	<u>-557</u>
	<u>31,239</u>

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

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

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of euros, unless stated otherwise)

	Engineering		Construction		Infrastructure		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Segmental information								
by area of activity								
(in millions of euros)								
External	692	844	690	612	174	147	1.557	1.603
Internal	4	18	-	1	10	8	-	-
Total	696	862	690	613	184	155	1.557	1.603
Earnings before depreciation and amortisation*	11.8	21.2	18.9	6.8	6.1	9.5	32.7	31.0
Operating profit*	4.0	8.1	13.0	0.8	3.5	5.7	14.2	8.0
Operating margin								
Operating profit / turnover	0.6%	0.9%	1.9%	0.1%	1.9%	3.7%	0.9%	0.5%
Capital expenditure	6.5	6.2	7.7	3.3	2.7	2.8	17.2	12.3
Investments in intangible fixed assets	-	0.7	0.6	0.5	0.1	0.1	0.8	1.3
Depreciation of tangible fixed assets	7.7	12.2	5.0	5.2	2.6	3.8	17.4	21.4
Amortisation of intangible fixed assets	0.1	0.9	0.9	0.7	-	-	1.1	1.7
Order book								
Written orders	591	665	675	645	140	194	1,406	1,504
Pipeline orders	105	78	231	138	53	23	389	239
	696	743	906	783	193	217	1,795	1,743

* Excluding impairment charges and reorganisation costs.

12 NET TURNOVER

	2015	2014
Geographical spread of net revenue		
Netherlands	1,424,578	1,888,390
Other EU countries	14,579	30,320
Rest of Europe	523	1,089
Outside Europe	22,905	37,488
	1,462,585	1,957,287

13 EMPLOYEES

	2015	2014
Average number of employees by activity:		
Engineering	3,975	5,088
Construction	1,377	1,423
Infrastructure	375	422
Other	47	34
	5,774	6,967

In 2015, 262 of the average number of employees worked outside the Netherlands (2014: 248).

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

14 PENSIONS

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

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

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

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

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

The funding rate of the Pension Fund for Construction also declined in 2015. This pension fund, however, is not underfunded. The pensions of active members were increased by 0.20% on 1 January 2015 and those of passive members by 0.15%. Pensions were not increased on 1 January 2016.

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

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

	2015	2014
Amortisation of non-current intangible assets	1,097	1,696
Depreciation of non-current tangible assets	17,426	21,358
	<u>18,523</u>	<u>23,054</u>
Amortisation of non-current intangible assets		
Development	1,097	1,696
	<u>1,097</u>	<u>1,696</u>
Depreciation of non-current tangible assets		
Land and buildings	3,903	4,011
Plant and machinery	4,341	5,341
Other non-current operating assets	9,182	12,006
	<u>17,426</u>	<u>21,358</u>

16 TAXATION

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

The effective tax rate for the year was 10.1% (2014: 21.6%). The relationship between the average effective tax rate and the statutory corporation tax rate is as follows:

(as a percentage)	2015	2014
Corporation tax rate	25.0	25.0
Taxation on profit from participations	4.8	–
Liquidation loss	–	–2.2
Non-deductible costs	–8.9	–3.0
Non-standard foreign tax burden	–5.0	–
Prior-year tax correction	–3.2	–
Tax facilities, etc.	–2.6	1.8
Effective tax rate	10.1	21.6

17 RESULT FROM PARTICIPATING INTERESTS

The result from participating interests includes the profit from non-consolidated participating interests of € 1.3 million (2014 loss: € 0.3 million) and the profit on the sale of participating interests of € 2.7 million (2014: € 8.2 million). The profit for 2015 relates to the sale of the interest in Alfen B.V. (30.45%).

Derivative financial instruments

The fair value of forward exchange contracts concluded is negligible.

Research and development costs

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

Reorganisation costs

The persistently weak market conditions and outlook, particularly in the commercial building sector, in combination with economic developments have exerted significant pressure on the results of many companies in the construction industry. With a view to maintaining profitability and the continuity of TBI, a number of TBI companies have adapted their cost structure and organisations to the volume of activity expected in the years ahead. The related reorganisation costs for the year amounted to € 11.2 million (2014: € 11.6 million).

Remuneration of executive and supervisory directors

The remuneration of current and former members of the Executive Board, including social insurance costs and pensions but excluding the 'crisis levy' paid by the company in 2015, amounted to € 1.385 million (2014: € 2.611 million). The remuneration of members of the Supervisory Board amounted to € 0.238 million (2014: € 0.229 million).

Auditor's fee

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

	2015	2014
Audit of the consolidated accounts	1,000	925
Other audit engagements	75	85
Tax advice	4	4
Other non-audit services	113	118
	1,192	1,132

As in the previous year, the other services related principally to advice on working capital management and ICT.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

(before profit appropriation, in thousands of euros)

(in millions of euros)	31 December 2015	31 December 2014
Non-current assets		
Tangible assets	(1) 475	226
Financial assets	(2) <u>336,059</u>	<u>317,764</u>
	336,534	317,990
Current assets		
Receivables	(3) 12,457	9,941
Cash and cash equivalents	(4) <u>111,009</u>	<u>67,056</u>
	123,466	76,997
Total assets	<u>460,000</u>	<u>394,987</u>
Shareholder's equity (5)		
Issued capital	45,378	45,378
Share premium reserve	7,683	7,683
Statutory reserves	2,440	2,683
Other reserves	190,239	188,739
Profit for the year	<u>1,268</u>	<u>1,400</u>
	247,008	245,883
Provisions	(6) 608	1,036
Current liabilities, accruals and deferred liabilities	(7) <u>212,384</u>	<u>148,068</u>
Total liabilities	<u>460,000</u>	<u>394,987</u>

COMPANY PROFIT AND LOSS ACCOUNT FOR 2015

(in thousands of euros)

	2015	2014
Result from participating interests after tax	15,412	14,022
Other income and expenditure after tax	<u>-14,144</u>	<u>-12,622</u>
	<u>1,268</u>	<u>1,400</u>

NOTES TO THE COMPANY ACCOUNTS 2015

GENERAL

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

COMPANY BALANCE SHEET

1 NON-CURRENT TANGIBLE ASSETS

Non-current tangible assets consist of other fixed assets.

2 NON-CURRENT FINANCIAL ASSETS

	31 December 2015	31 December 2014	
Share in group companies	335,216	317,759	
Other participating interests	843	5	
	<u>336,059</u>	<u>317,764</u>	
Changes during the year:			
	Share in group companies	Other participating interests	Total
As at 1 January 2015	<u>317,759</u>	5	<u>317,764</u>
Changes in 2015			
Net profit for 2015	15,412	–	15,412
Dividends received	–18,371	–	–18,371
Investments	18,639	838	19,477
Other changes	1,777	–	1,777
Balance	<u>17,457</u>	838	<u>1,777</u>
As at 31 December 2015	<u>335,216</u>	843	<u>336,059</u>

The principal consolidated participating interests at year-end 2015 are shown in the Operational Structure of TBI. In accordance with statutory requirements, a list of consolidated and non-consolidated participating interests, the main construction consortia and other business combinations has been filed for inspection with the Commercial Register of the Chamber of Commerce in Rotterdam.

NOTES TO THE COMPANY ACCOUNTS 2015

3 RECEIVABLES

	31 December 2015	31 December 2014
Debtors	129	759
Taxes	10,208	8,439
Other receivables, prepayments and accrued income	2,120	743
	<u>12,457</u>	<u>9,941</u>

The receivables have a term of less than one year.

4 CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Cash	1	2
Banks	111,008	67,054
	<u>111,009</u>	<u>67,056</u>

Cash and cash equivalents are readily disposable.

5 SHAREHOLDER'S EQUITY

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

	Issued capital	Share premium reserve	Statutory reserves	Other reserves	Unappropriated profit	Total
Shareholder's equity						
As at 1 January 2014	<u>45,378</u>	<u>7,683</u>	<u>5,178</u>	<u>199,565</u>	<u>-13,147</u>	<u>244,657</u>
Addition to reserves	-	-	-	-13,147	13,147	-
Dividend 2013	-	-	-	-	-	-
Profit for 2014	-	-	-	-	1,400	1,400
Goodwill	-	-	-	-654	-	-654
Exchange differences and other changes	-	-	-2,495	2,975	-	480
As at 31 December 2014	<u>45,378</u>	<u>7,683</u>	<u>2,683</u>	<u>188,739</u>	<u>1,400</u>	<u>245,883</u>
Addition to reserves	-	-	-	980	-980	-
Dividend 2014	-	-	-	-	-420	-420
Profit for 2015	-	-	-	-	1,268	1,268
Exchange differences and other changes	-	-	-243	520	-	277
As at 31 December 2015	<u>45,378</u>	<u>7,683</u>	<u>2,440</u>	<u>190,239</u>	<u>1,268</u>	<u>247,008</u>

Of the statutory reserves, an amount of € 0.1 million relates to exchange differences at participating interests and an amount of € 2.3 million to the cost of developing non-current intangible assets. Under article 389 (8) and article 365 (2) of Part 9, Book 2 of the Dutch Civil Code (statutory reserves), these amounts are not freely distributable.

In April 2015 the Annual General Meeting of Shareholders, acting on a recommendation of the Supervisory Board, decided to adopt the annual accounts for 2014 without change. In accordance with the company's articles of association it was decided to distribute a cash dividend of € 0.4 million to the shareholder and to add the remaining € 1.0 million to other reserves.

The net profit for 2015 was € 1.3 million. The Executive Board proposes that a cash dividend be distributed to the shareholder of € 0.4 million and the remaining € 0.9 million be added to other reserves.

6 PROVISIONS

	Tax liabilities	Other	Total
As at 1 January 2015	658	378	1,036
Changes in 2015			
Addition	–	69	69
Withdrawals	–497	–	–497
Balance	–497	69	–428
As at 31 December 2015	161	447	608

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

7 CURRENT LIABILITIES, ACCRUALS AND DEFERRED LIABILITIES

	31 December 2015	31 December 2014
Payable to group companies	206,145	141,785
Other liabilities, accruals and deferred liabilities	6,239	6,283
	212,384	148,068

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

TBI acts as a banker for its subsidiaries. The funds that are not required by the subsidiaries for their day-to-day operations can be placed in a financing account with the company. The interest payable on this instant access current account is based on the base rate set by commercial banks plus a surcharge. The average interest rate in 2015 was 2.6% (2014: 2.9%). For the sake of completeness, reference is made to the notes to current liabilities, accruals and deferred liabilities in the consolidated accounts.

NOTES TO THE COMPANY ACCOUNTS 2015

Off balance sheet commitments

The company had issued group guarantees, chiefly to project clients, in place of bank guarantees to an amount of € 43.8 million as at year-end 2015 (year-end 2014: € 43.3 million).

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

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

Company profit and loss account

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

Financial income and expense from transactions with group companies

TBI Holdings B.V. acts as internal banker within the group. In principle, the operating companies deposit funds they do not need for their day-to-day operations with TBI. The interest payable on the instant access current account is based on the base rate set by commercial banks plus a surcharge. The financial income arising from these transactions with group companies amounted to € 4.0 million (2014: € 4.6 million). The financial expense arising from transactions amounted to € 5.1 million (2014: € 5.7 million).

Related party transactions

TBI Holdings B.V. paid the reorganisation costs incurred by a number of TBI companies in 2015. As a result, € 9.4 million (2014: € 7.6 million) was charged to the profit and loss account.

The company employed an average staff of 41 in 2015 (2014: 34). As in 2014, all staff worked in the Netherlands.

Rotterdam, 15 March 2016

Supervisory Board

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

Executive Board

D.A. Sperling, chairman
L.J. Pruis

OTHER INFORMATION

PROVISIONS OF THE ARTICLES OF ASSOCIATION ON PROFIT APPROPRIATION

Article 24

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

Appropriation of the profit for 2014

In April 2015 the Annual General Meeting of Shareholders, acting on a recommendation of the Supervisory Board, decided to adopt the annual accounts for 2014 without change. In accordance with the company's articles of association, it was decided to distribute a cash dividend of € 0.4 million to the shareholder and add the remaining € 1.0 million to other reserves.

Proposed appropriation of the profit for 2015

The net profit for 2015 amounted to € 1.3 million. The Executive Board proposes that a cash dividend be distributed to the shareholder of € 0.4 million and the remaining € 0.9 million be added to other reserves.

Subsequent events

In January 2016, TBI Beheer B.V. granted a ten-year 5% subordinated loan to TBI Holdings B.V.

INDEPENDENT AUDITOR'S REPORT AND ASSURANCE REPORT

GENERAL

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

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENTS 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of TBI Holdings B.V. as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of TBI Holdings B.V., Rotterdam ('the company'). The financial statements include the consolidated financial statements of TBI Holdings B.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2015;
- the consolidated and company profit and loss account for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

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

The basis for our opinion

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

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

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

Responsibilities of the management board and the supervisory board

The management board is responsible for:

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

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

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

INDEPENDENT AUDITOR'S REPORT

Our responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Our report on the management board report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and the other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

INDEPENDENT ASSURANCE REPORT

T0: the General Meeting and Supervisory Board of TBI Holdings B.V.

The Board of Management of TBI Holdings B.V. engaged us to provide limited assurance on certain information ('the non-financial information') in the TBI Annual Report 2015 (leading to a 'conclusion'). We believe these procedures fulfil the rational objective as disclosed by TBI Holdings B.V. in the paragraph 'Reliability'.

Our conclusion

Based on the review procedures we have performed and the evidence we have obtained, we conclude that with respect to the non-financial information as presented in the chapters 'About TBI', 'Stakeholder dialogue', 'Employees – Attractive work place', 'Environment – Reducing impact' and 'Society – Responsible and committed' in the TBI Annual Report 2015 ('the Report'), nothing has come to our attention that causes us to believe that the non-financial information does not provide, in all material respects, a reliable and appropriate presentation of:

- the policy of TBI Holdings B.V. concerning the sustainable development in the reporting year 2015; and
- the activities, events and performance of TBI Holdings B.V. concerning the sustainable development during the reporting year 2015, in accordance with TBI Holdings B.V.'s reporting criteria.

This conclusion is to be read in the context of the remainder of our report.

What we are assuring

We have reviewed the non-financial information as presented in the chapters 'About TBI', 'Stakeholder dialogue', 'Employees – Attractive work place', 'Environment – Reducing impact' and 'Society – Responsible and committed' in the Annual Report 2015 of TBI Holdings B.V., Rotterdam. The non-financial information in the Report contains a presentation of:

- the policy of TBI Holdings B.V. concerning the sustainable development in the reporting year 2015;
- the activities, events and performance of TBI Holdings B.V. concerning the sustainable development during the reporting year 2015; and
- the reporting scope of the non-financial information, as defined by management in the paragraph 'Scope and responsibilities'.

A review is focused on obtaining limited assurance. The procedures performed in obtaining limited assurance are aimed on the plausibility of information which does not require exhaustive gathering of evidence as in engagements focused on obtaining reasonable assurance through audit procedures. The procedures performed consisted primarily of making inquiries of management and others within TBI Holdings B.V., as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently, a review engagement provides less assurance than an audit.

THE BASIS FOR OUR CONCLUSION

Professional and ethical standards applied

We conducted our assurance engagement in accordance with Dutch law, including Standard 3810N 'Assurance engagements relating to sustainability reports' (hereafter 'Standard 3810N'). Our responsibilities under this standard are further described in the "Our responsibilities" section of this report.

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

Limitations in our scope

The Report contains prospective information, such as ambitions, strategy, targets, expectations and projections. Inherent to this information is that actual future results may be different from the prospective information and therefore it may be uncertain. We do not provide any assurance on the assumptions and feasibility of this prospective information.

Reporting criteria

TBI Holdings B.V. developed its reporting criteria on the basis of the G4 Guidelines of the Global Reporting Initiative (GRI), which are disclosed together with detailed information on the reporting scope in the paragraph 'Scope and responsibilities'. We consider the reporting criteria to be relevant and appropriate for our review.

Understanding reporting and measurement methodologies

The information in the scope of this assurance engagement needs to be read and understood together with the reporting criteria, for which TBI Holdings B.V. is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

OUR ASSURANCE APPROACH

Materiality

We set thresholds for materiality at the planning stage and reassessed them during the engagement. These helped us to determine the nature, timing and extent of our procedures and to evaluate the effect of identified misstatements on the information presented, both individually and in aggregate. Based on our professional judgement, we determined specific materiality levels for each element of the non-financial information. When determining our materiality thresholds, we considered the relevance of information for both the stakeholders and the organisation based on the materiality analysis of TBI Holdings B.V. (as presented in the paragraph 'Material themes')

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Report.

Our main procedures included the following:

- performing an external environment analysis and obtaining an understanding of the relevant social issues, relevant laws and regulations and the characteristics of the organisation;
- evaluating the acceptability of the reporting policies and consistent application of this, such as assessment of the outcomes of the stakeholder dialogue, the reasonableness of estimates made by management, as well as evaluating the overall presentation of the Report;
- understanding the design and implementation of systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the Report;
- interviewing management and relevant staff at corporate and local level responsible for the sustainability strategy and policies;
- interviewing relevant staff responsible for providing the information for the Report, carrying out internal control procedures on the data and the consolidation of the data in the Report;
- on a sample basis, reviewing relevant information and internal and external documentation in order to assess the reliability of the information in the Report;
- analytical review of the data and trends;
- reviewing internal and external documentation to determine whether the non-financial information, including the disclosure, presentation and assertions made in the Report, is substantiated adequately;
- assessing the consistency of the non-financial information and the information in the Report not in scope for this Assurance Report;
- assessing whether the non-financial information has been prepared 'in accordance' with the Sustainability Reporting Guidelines version G4 of GRI.

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

RESPONSIBILITIES

The Board of Management's responsibilities

The Board of Management of TBI Holdings B.V. is responsible for the preparation of the non-financial information in the Report in accordance with TBI Holdings B.V.'s reporting criteria, including the identification of the stakeholders and the determination of material subjects. Furthermore, the Board of Management is responsible for such internal control necessary to enable the preparation of non-financial information, that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the Report based on our assurance engagement in accordance with Standard 3810N. This requires that we comply with ethical requirements and that we plan and perform our work to obtain limited assurance about whether the non-financial information is free from material misstatement.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant for the preparation of the non-financial information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An assurance engagement aimed on providing limited assurance also includes evaluating the appropriateness of the reporting framework used and the reasonableness of estimates made by management as well as evaluating the overall presentation of the non-financial information and the Report.

Rotterdam, 16 March 2016

PricewaterhouseCoopers Accountants N.V.

Original has been signed by

M.R.G. Adriaansens

(This assurance report is a translation of the original assurance report accompanying the original Annual Report 2015, both stated in Dutch. This original assurance report can be found on the website of TBI Holdings B.V.)

APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2015 OF TBI HOLDINGS B.V.

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

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

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

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

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

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

MANAGEMENT BOARDS OF THE TBI COMPANIES

as at 15 March 2016

CONSTRUCTION

Croonwolter&dros B.V.
Croon Elektrotechniek B.V.
Eekels Technology B.V.
Ingenieursbureau
Wolter & Dros B.V.
Comfort Partners
WTH Vloerverwarming B.V.

Management Board

P.J. Heijboer, F.J.A. Haring
L.B. Koek, Croonwolter&dros B.V.
H. de Haan, L.H.J.D. Brom
J.M. Kuling, J.M.C Jungbeker
Croonwolter&dros B.V.
J.P. Voogt, J.A.S. Berendsen
R.A. Heuperman

Website

www.croon.nl
www.eekels.com
www.wolterendros.nl
www.comfort-partners.nl
www.wth.nl

CONSTRUCTION & DEVELOPMENT

J.P. van Eesteren B.V.
ERA Contour B.V.
Groothuis Wonen B.V.
Hazenberg Bouw B.V.
Aannemingsbedrijf
Nico de Bont B.V.
Koopmans Bouwgroep B.V.
MDB B.V.
Voorbij Prefab B.V.

J.H.A. Vaags, M. Peppel,
A. van Lunteren
B. Seekles, J.J.L. Heijdra,
J.P. van Zomeren
J.J.M. Waegemaekers
B.N.W. de Bont, S.J.F. de Wit
Hazenberg Bouw B.V.
H.C. Smit
A.J.C.J. van de Loo
J.H.S. Mulkens

www.jpvaneesteren.nl
www.eracontour.nl
www.groothuis.nl
www.hazenberg.nl
www.nicodebont.nl
www.koopmans.nl
www.mdb.nl
www.voorbijprefab.nl

HEVO B.V.
Synchroon B.V.
TBI Vastgoed B.V.

E.R. van der Sluis
A.J.H. van Breukelen, H.J. van Dam
TBI Holdings B.V.

www.hevo.nl
www.synchroon.nl

INFRASTRUCTURE

TBI Infra B.V.
Mobilis B.V.
Servicis B.V.
Timmermans Infratechniek B.V.
Voorbij Funderingstechniek B.V.

A. Knoop, R.J. Feijen
A. Knoop, J. de Jong
TBI Infra B.V.
TBI Infra B.V.
TBI Infra B.V.

www.tbi-infra.nl
www.mobilis.nl
www.servicis.nl
www.timmermans-infra.nl
www.voorbij-funderingstechniek.nl

GLOSSARY

CURRENT RATIO

The ratio of current assets to current liabilities.

DBFMO

Design Build Finance Maintain Operate.

EMPLOYEE

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

EXTERNAL STAFF

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

INCIDENT FREQUENCY

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

INVESTED CAPITAL

Tangible and intangible fixed assets, net working capital and restricted cash at bank and in hand.

LOST-TIME INCIDENT

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

OPERATING INCOME

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

OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)

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

OPERATING PROFIT ON ORDINARY ACTIVITIES

Operating profit before the deduction of reorganisation costs and impairments in the value of real estate positions.

ORDER BOOK

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

PROFIT ON ORDINARY OPERATIONS

Operating profit, interest and the result from unconsolidated participating interests

PROJECTS WITH SUSTAINABILITY SPECIFICATIONS

Projects with demonstrable sustainability specification set by third parties.

SICKNESS ABSENTEEISM

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

SOCIAL INVESTMENTS

Financial resources applied to donations and sponsorship.

SOLVENCY RATIO

Shareholder's equity as a percentage of total assets.

SUSTAINABLE TIMBER

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

TBI CODE OF CONDUCT

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

WASTE SEPARATION

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

CREDITS

Editing and production

TBI Holdings B.V., Rotterdam

Concept, text development and realisation

Jonkergouw & van den Akker, Amsterdam

© photography

Studio Image & Motion, Eelke Dekker,
Laurens Kuipers Fotografie,
André Roosenburg Fotografie,
Kinetic Vision, Studio Split Second,
BMW Nederland

Correspondence address

TBI Holdings B.V.
Post Box 23134
3001 KC Rotterdam
The Netherlands

Office address

Wilhelminaplein 37
3072 DE Rotterdam
The Netherlands

Telephone

+31(0)10 – 290 85 00

Fax

+31(0)10 – 486 57 88

E-mail

redactie@tbi.nl

Annual report homepage

annualreport.tbi.nl

Copyright

TBI Holdings B.V., Rotterdam

April 2016

This is an English translation of the original Dutch annual report. In the event of inconsistencies between the two versions, the Dutch language version will prevail.

