



# Financial Statements and other supplements to the Annual Report 2010 DHV Group

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#### Cover picture

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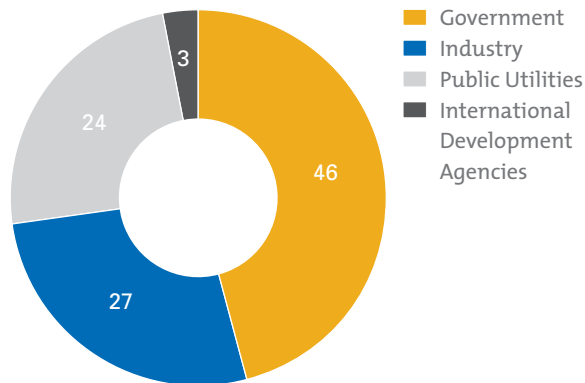
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Turnover by client group (in %)



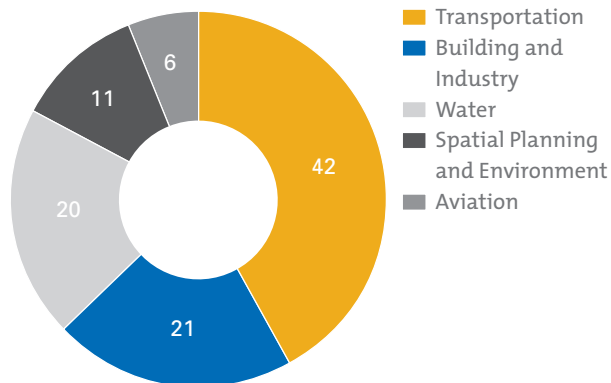
## Turnover

€ **469** million

## Workforce

**5331**

Turnover by market (in %)

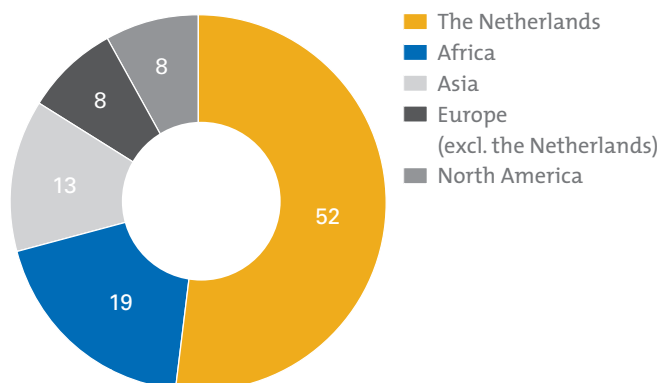


## Diversity

**17%**

female management

Turnover by region (in %)



## Shareholders' equity

€ **69** million

CO<sub>2</sub> emission per fte

**3660** kg

100% compensated

# Key Figures

	2010	2009	2008	2007	2006*
<b>Turnover</b>	468.7	480.8	467.7	395.0	351.6
<b>Added value</b>	345.8	346.5	325.3	274.8	269.4
<b>Results</b>					
EBITA recurring	10.2	17.2	21.3	15.6	13.8
EBITA	-4.8	14.1	20.8	13.0	13.2
Net result	-9.3	5.0	9.4	6.0	7.3
Return on average shareholders' equity (%)	-13.2	7.4	15.3	10.2	13.4
EBITA margin, recurring (%)	2.2	3.6	4.6	3.9	3.9
Earnings per share (€)	-1.93	1.04	1.97	1.24	1.39
Dividend per issued class B share (€)	-	0.40	0.70	0.45	0.50
<b>Capital employed</b>					
Total assets	243.3	242.0	231.9	191.7	163.4
Long-term capital	121.3	123.8	99.8	96.4	90.7
Shareholders' equity	68.5	72.5	63.2	59.9	58.3
Group equity	72.4	76.9	65.3	61.7	59.7
Group equity as a percentage of total assets (%)	29.8	31.8	28.2	32.2	36.5
<b>Financial position</b>					
Net working capital	15.2	8.1	26.2	19.9	20.1
Movement in net cash	-15.3	37.8	-23.6	-9.6	15.0
<b>Workforce</b>					
Number of staff ( <i>ultimo</i> )	5,331	5,497	5,320	4,730	4,353

(€ millions, unless otherwise stated)

## Definitions

Added value	Operating income less cost of work subcontracted and other external charges
EBITA recurring	EBITA excluding non-operational items
EBITA margin	EBITA / Turnover
Earnings per share	Net result / Number of ordinary shares issued
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Movement in net cash	Movement in cash and cash equivalents less amounts due to credit institutions

\* The 2006 figures include 18 months' results of the Africa region.

# Financial Statements 2010

## Consolidated Balance Sheet

Before appropriation of result

### Assets

	2010	2009
<b>Fixed assets</b>		
(2)   Intangible fixed assets	45,909	44,722
(3)   Tangible fixed assets	44,147	41,658
(4)   Financial fixed assets	6,365	4,673
(5)   Deferred taxation	2,113	1,704
	98,534	92,757
<b>Current assets</b>		
(6)   Work in progress	604	8,428
(7)   Receivables	119,505	115,134
(8)   Cash and cash equivalents	24,609	25,671
	144,718	149,233
	243,252	241,990

### Group equity and liabilities

	2010	2009
<b>Group equity</b>		
Shareholders' equity	68,542	72,500
Minority interest	3,879	4,426
	72,421	76,926
(9)   <b>Provisions</b>	11,265	3,402
(10)   <b>Long-term liabilities</b>	37,659	43,473
(11)   <b>Current liabilities</b>	121,907	118,189
	243,252	241,990

## Consolidated Profit and Loss Account

	2010	2009
(14)   <b>Net turnover</b>	468,676	480,824
Movement in work in progress	325	-499
<b>Total revenue</b>	<b>469,001</b>	<b>480,325</b>
Cost of work subcontracted and other external charges	123,220	133,810
(15)   Staff costs	237,686	229,746
Depreciation and amortization on tangible and intangible assets	15,213	10,385
(16)   Other operating costs	101,586	94,171
<b>Operating cost</b>	<b>477,705</b>	<b>468,112</b>
<b>Operating result</b>	<b>-8,704</b>	<b>12,213</b>
(17)   <b>Net interest expense</b>	<b>-3,171</b>	<b>-3,307</b>
<b>Result before taxation</b>	<b>-11,875</b>	<b>8,906</b>
(18)   <b>Taxation</b>	<b>1,612</b>	<b>-3,356</b>
Result on non-consolidated participating interests	658	581
<b>Result for the period</b>	<b>-9,605</b>	<b>6,131</b>
<b>Minority interest</b>	<b>265</b>	<b>-1,099</b>
<b>Net result</b>	<b>-9,340</b>	<b>5,032</b>

## Consolidated Statement of Changes in Equity

	Issued share capital	Share premium	Reserve exchange rate differences	Statutory reserves	Other reserves	Shareholders' equity	Minority interest	Group equity
<i>Balance at 1 January 2009</i>	504	2,229	-6,699	5,626	61,567	63,227	2,060	65,287
<b>Movements 2009</b>								
Reserve defined benefit pensions	-	-	-	-	602	602	-	602
Changes in statutory reserves	-	-	-	555	-555	-	-	-
Exchange rate differences	-	-	2,994	-	-	2,994	619	3,613
Result for the period	-	-	-	-	5,032	5,032	1,099	6,131
Dividend paid	-	-	-	-	-140	-140	-228	-368
Issue of shares	-	778	-	-	-	778	-	778
Expansion ownership	-	-	-	-	-	-	876	876
Other movements	-	549	-	-	-542	7	-	7
<b>Net movement 2009</b>	-	1,327	2,994	555	4,397	9,273	2,366	11,639
<i>Balance at 31 December 2009</i>	504	3,556	-3,705	6,181	65,964	72,500	4,426	76,926

	Issued share capital	Share premium	Reserve exchange rate differences	Statutory reserves	Other reserves	Shareholders' equity	Minority interest	Group equity
<i>Balance at 1 January 2010</i>	504	3,556	-3,705	6,181	65,964	72,500	4,426	76,926
<b>Movements 2010</b>								
Changes in statutory reserves	-	-	-	2,696	-2,696	-	-	-
Exchange rate differences	-	-	5,172	-	-	5,172	695	5,867
Result for the period	-	-	-	-	-9,340	-9,340	-265	-9,605
Dividend paid	-	-	-	-	-97	-97	-	-97
Issue of shares	-	456	-	-	-	456	-	456
Expansion ownership	-	-	-	-	-	-	-977	-977
Other movements	-	-	-	-	-149	-149	-	-149
<b>Net movement 2010</b>	-	456	5,172	2,696	-12,282	-3,958	-547	-4,505
<i>Balance at 31 December 2010</i>	504	4,012	1,467	8,877	53,682	68,542	3,879	72,421

## Consolidated Cash Flow Statement

	2010	2009
<b>Cash flow from operating activities</b>		
Operating result	-8,704	12,213
Adjustments for		
- Amortization of intangible fixed assets	5,630	3,176
- Depreciation of tangible fixed assets	9,583	7,209
- Movement in provisions	7,417	-1,559
	<u>22,630</u>	<u>8,826</u>
Movement in working capital		
- Work in progress	7,824	5,827
- Receivables	965	7,509
- Current liabilities	-10,536	5,270
	<u>-1,747</u>	<u>18,606</u>
Net cash generated by business operations	12,179	39,645
Profit of non-consolidated participating interests	658	581
Interest paid	-3,171	-3,307
Taxation paid	-3,873	-6,157
	<u>-6,386</u>	<u>-8,883</u>
<i>Net cash generated by operating activities</i>	5,793	30,762
<b>Cash flow from investing activities</b>		
Acquisition of group companies	-3,274	-4,888
Additions to intangible fixed assets	-2,323	-3,255
Additions to tangible fixed assets	-11,061	-3,495
Investment in non-consolidated participating interests	-1,172	836
<i>Net cash utilised in investing activities</i>	<u>-17,830</u>	<u>-10,802</u>
<b>Cash flow from financing activities</b>		
Proceed from long-term loan raised	-	20,000
Repayment of long-term loans	-7,163	-3,449
Issue of shares	456	778
Dividend paid	-97	-368
<i>Net cash utilised in/generated from financing activities</i>	<u>-6,804</u>	<u>16,961</u>
Exchange rate differences	3,525	892
<b>Net decrease/increase in cash and cash equivalents</b>	<u>-15,316</u>	<u>37,813</u>
Cash and cash equivalents at 1 January	25,671	15,809
Amounts owed to credit institutions at 1 January	-2,713	-30,664
	<u>22,958</u>	<u>-14,855</u>
Cash and cash equivalents at 31 December	24,609	25,671
Amounts owed to credit institutions at 31 December	-16,967	-2,713
	<u>7,642</u>	<u>22,958</u>
Movement in net cash	-15,316	37,813

(€ thousands)

## Summary of Significant Accounting Policies

### 1.1 General

DHV is a leading international consultancy and engineering firm, providing services and innovative solutions in environment and sustainability, general buildings, manufacturing and industrial process, urban and regional development and water. The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the statutory provision of Part 9, Book 2 of the Netherlands Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in the Netherlands.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Part 9, Book 2 of the Netherlands Civil Code requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 1.17.

The financial statements of the consolidated Dutch group companies of DHV Holding B.V. are presented in accordance with the exemption as provided in Section 403(1), Book 2 of the Netherlands Civil Code.

### 1.3 Consolidation

#### a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Companies in which the group exercises joint control are consolidated on a pro rata basis, unless its interest is negligible. Subsidiaries are fully consolidated from the date on which control is acquired by the Group. They are de-consolidated from the date that control ceases or a decision is made to close its operational activities.

The monetary amount or its equivalent that was agreed for the acquisition of the business plus any directly attributable costs qualifies as the acquisition price. The excess of the cost of acquisition over the book value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the acquisition price is lower than the book value of the net

identifiable assets, the difference (i.e. negative goodwill) is offset against positive goodwill.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests the same as with parties external to the Group. Disposals to minority interests that result in gains and losses for the Group are recorded in the income statement. Purchases from minority interests can result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Minority interests in group equity are stated at the amount of the net interest in the group companies in question.

#### c) Non-consolidated participations

Non-consolidated participations are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in participations are accounted for using the equity method of accounting and are stated at their share in the net asset value, which is calculated based on the accounting policies that are in effect for these financial statements.

The Group's share of its participations' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in participation equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the participation.

#### d) Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint ventures are stated at their share in the net asset value. When the Group's share of losses are greater than its interest in the joint venture, further losses are not recognized unless the Group has incurred obligations or made payments on behalf of the joint venture.

The results from joint ventures which are regarded as an extension of DHV projects are recognized as operating profit.

## 1.4 Foreign currency translation

### a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the company's functional and presentation currency.

### b) Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

### c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- All resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

## 1.5 Intangible fixed assets

### a) Goodwill

Goodwill at acquisition of subsidiaries and non-consolidated participations is calculated in accordance with Note 1.3. Goodwill is amortized on a straight line basis over its estimated useful life of no more than 20 years. Separately recognized goodwill is tested for impairment if a triggering event occurs. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### b) Software

Software includes internally developed and purchased software. The estimated useful life of software is 3 - 8 years.

## 1.6 Tangible fixed assets

Land and buildings are stated at cost plus additional expenses, or manufacturing price less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis over the estimated life of the asset. Land is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The estimated average useful life by category is as follows:

Buildings	10 to 33 years
Computer hardware	3 to 5 years
Other fixed assets	3 to 10 years

The cost of major repairs to buildings is capitalized and depreciated over 5 to 10 years if such repairs should extend the life of a building.

## 1.7 Impairment of fixed assets

The Group assesses at every balance sheet date whether there is any evidence that a fixed asset is impaired. If any such evidence exists, the recoverable amount of the asset is determined. If it should prove to be impossible to determine the recoverable amount for the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. A loss qualifies as an impairment loss if the book value of an asset is higher than its recoverable amount; the recoverable amount is the higher of net realisable value and value in use.

If it is established that an impairment that was recognized in the past no longer exists or has decreased, the increased book value of the asset in question is not set any higher than the book value that would have been determined had no impairment been recognized for the asset.

## 1.8 Work in progress

Work in progress is stated at the selling price. For each project, profit is allocated by reference to the percentage of completion of the services provided as a proportion of the total service provision.

Expected losses and known risks are provided for in the period in which they become known and are credited against Work in progress. In addition, progress invoices and payments received in advance are also credited against Work in progress.

## 1.9 Receivables

Receivables are stated at face value net of any provision for doubtful debts. When a receivable is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the income statement.

### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included under amounts owed to credit institutions, which are disclosed as current liabilities on the balance sheet.

### 1.11 Shareholders' equity

The consideration paid for the repurchase of shares is deducted from other reserves, until such time that these shares are cancelled or sold. If shares are sold, any proceeds are added to the other reserves.

Costs directly related to the purchase, sale and/or issue of new shares are recognized directly in shareholders' equity net of any relevant tax effects. Other direct movements in shareholders' equity are also recognized net of any relevant tax effects.

### 1.12 Provisions

#### a) General

Provisions for professional indemnity claims, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

With the exception of the long-term employee benefits, provisions are stated at face value. Unless otherwise stated, provisions are of a long-term nature.

#### b) Long-term employee benefits

The Group has commitments for future benefits to employees based on their years of service. Independent actuaries calculate this provision annually based on the projected unit credit method. Actuarial gains or losses are recognized in the profit and loss account when they arise.

#### c) Deferred income tax

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax is stated at nominal value.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

### 1.13 Long-term liabilities

Borrowings are recognized initially at nominal value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 1.14 Leases

#### a) Financial lease

The Group leases some of its fixed assets where it retains substantially all the risks and rewards of ownership of these assets. These assets are capitalised as soon as the lease contract is concluded at the lower of the fair value of the asset or the present value of the minimum lease instalments. Lease commitments are recognized as long-term liabilities exclusive of interest. The interest component is recognized in the profit and loss account proportionate to the lease instalments. The relevant assets are depreciated based on their estimated useful life or the lease period, if shorter.

#### b) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement.

### 1.15 Financial instruments

The Group hedges currency risks through the use of financial instruments. This hedging strategy is documented and tested annually. No financial instruments are held for trading purposes. Financial instruments are recorded at cost in the balance sheet. The market value included in the notes represents the difference between the face value and the fair value at the balance sheet date.

### 1.16 Revenue recognition

#### a) General

Profit represents income from services rendered less expenses and other costs attributable to the financial year. Gains or losses on transactions are recognized in the year in which they are posted.

Profit on orders is recognized in accordance with the percentage-of-completion (POC) method. It includes profit on

orders executed entirely for the Group's own account and risk as well as a share of the profit on orders executed together with partners.

Revenue from time and material contracts, typically from delivering design services, is recognized at the contractual rates, as labour hours are delivered and direct expenses incurred.

Revenue from fixed-price and percentage fee based contracts for delivering design services is recognized under the POC method. Under the POC method, revenue is generally recognized based on the services performed to date as a percentage of the total services to be performed.

Expected losses and known risks are provided for in the period in which they become known and are credited against Work in progress.

#### **b) Net turnover**

Turnover comprises the fair value of the consideration for the sale of goods and services to third parties, net of discounts and exclusive of value added tax attributable to activities performed during the reporting period.

#### **c) Movement work in progress**

At the balance sheet date, the invoicing of projects does not equal project costs or project results. The difference between these two amounts at 1 January and 31 December is shown separately as a part of total revenue.

#### **d) Operating costs**

Operating costs are allocated to the reporting period to which they relate.

#### **e) Government grants**

Operating grants are recognized as an income item in the profit and loss account in the year in which the subsidized costs are incurred, income is lost or a subsidized operating deficit has occurred. Grants are recognized as soon as it is likely that they will be received and the Group will comply with all attached conditions.

#### **f) Net interest expense**

Net interest expense comprise of interest received and paid, and are allocated to the period to which they relate.

#### **g) Dividend income**

Dividend income is recognized when the right to receive payment is established

#### **h) Dividend distribution**

Dividend distribution to shareholders is recognized as a liability in the Group's financial statements in the period

in which the dividends are approved by the company's shareholders.

### **1.17 Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### **a) Revenue recognition**

The Group uses the percentage-of-completion method (POC) in accounting for its fixed-price contracts to deliver design services. Use of the POC method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

#### **b) Goodwill**

Measurement of goodwill of an acquired company involves the use of estimates for determining the fair value at acquisition date. This mainly relates to the expected profits of the acquired company at the moment of acquisition. The fair value is based on discounted cash flows expected to be received.

#### **c) Provisions**

Provisions are measured at the best estimate of the amount that is necessary to settle the liability at the balance sheet date.

### **1.18 Cash flow**

The cash flow statement has been prepared using the indirect method. The financial resources in the cash flow statement consist of the cash and cash equivalents and the amounts owed to credit institutions which are included in the current liabilities. Cash flows in foreign currencies have been translated at the average exchange rates. The impact of the foreign currency translation is separately disclosed.

## Notes to the Consolidated Financial Statements

### 2 | Intangible fixed assets

	2010			2009		
	Goodwill	Software	Total	Goodwill	Software	Total
<b>Cost</b>						
<i>Balance at 1 January</i>	46,329	13,791	60,120	39,248	10,069	49,317
Additions	2,298	2,336	4,634	5,644	3,255	8,899
Disposals	-	-341	-341	-	-	-
Exchange rate movements	2,302	220	2,522	1,437	467	1,904
<i>Balance at 31 December</i>	50,929	16,006	66,935	46,329	13,791	60,120
<b>Amortization</b>						
<i>Balance at 1 January</i>	8,379	7,019	15,398	6,427	5,568	11,995
Amortization	2,514	1,726	4,240	1,862	1,314	3,176
Impairment adjustment	1,390	-	1,390	-	-	-
Disposals	-	-328	-328	-	-	-
Exchange rate movements	219	107	326	90	137	227
<i>Balance at 31 December</i>	12,502	8,524	21,026	8,379	7,019	15,398
<b>Book value</b>						
<i>1 January</i>	37,950	6,772	44,722	32,821	4,501	37,322
<i>31 December</i>	38,427	7,482	45,909	37,950	6,772	44,722

The impairment adjustment relates to Region Europe.

The book value of Goodwill is geographically divided as follows:

	2010	2009
Africa	13,777	11,520
North America	13,697	13,363
The Netherlands	7,126	8,587
Europe (excluding the Netherlands)	3,827	4,480
<b>Total</b>	<b>38,427</b>	<b>37,950</b>

## 3 | Tangible fixed assets

	2010				2009			
	Land and buildings	Computer hardware	Other fixed assets	Total	Land and buildings	Computer hardware	Other fixed assets	Total
<b>Cost</b>								
<i>Balance at 1 January</i>	50,614	20,615	29,982	101,211	49,244	19,111	28,301	96,656
Additions	7,976	909	2,371	11,256	1,403	1,447	1,582	4,432
Disposals	-637	-625	-927	-2,189	-111	-541	-811	-1,463
Exchange rate movements	193	872	1,335	2,400	78	598	910	1,586
<i>Balance at 31 December</i>	58,146	21,771	32,761	112,678	50,614	20,615	29,982	101,211
<b>Depreciation</b>								
<i>Balance at 1 January</i>	25,395	12,292	21,866	59,553	23,722	8,747	19,535	52,004
Depreciation	1,639	5,020	2,198	8,857	1,727	3,222	2,260	7,209
Impairment adjustment	-	726	-	726	-	-	-	-
Disposals	-463	-641	-890	-1,994	-65	-176	-285	-526
Exchange rate movements	27	649	713	1,389	11	499	356	866
<i>Balance at 31 December</i>	26,598	18,046	23,887	68,531	25,395	12,292	21,866	59,553
<b>Book value</b>								
<i>1 January</i>	25,219	8,323	8,116	41,658	25,522	10,364	8,766	44,652
<i>31 December</i>	31,548	3,725	8,874	44,147	25,219	8,323	8,116	41,658

The impairment adjustment is due to the non-realization of an expected increase in staff capacity.

Included in the depreciation of computer hardware is an amount of € 1.5 million due to a shortened depreciation period (2009: € nil).

Land is stated at cost, being € 5.0 million. Based on the most recent appraisal (2008), the actual value of the buildings is approximately € 48 million. Land and buildings with a book value of € 13.3 million are encumbered. Land and buildings with a book value of € 8.8 million are not yet in use and not depreciated. An undisclosed net reserve of € 19 million exists due to the market value of land and buildings exceeding its book value.

Tangible assets with the following book values are held under financial lease:

	2010				2009			
	Land and buildings	Computer hardware	Other fixed assets	Total	Land and buildings	Computer hardware	Other fixed assets	Total
	5,734	816	427	6,977	6,018	2,293	564	8,875

## 4 | Financial fixed assets

	2010			2009		
	Participating interests	Amounts owed by participating interests	Total	Participating interests	Amounts owed by participating interests	Total
<i>Balance at 1 January</i>	2,262	2,411	4,673	3,454	1,700	5,154
<i>Movement in book value</i>						
Investments	469	1,456	1,925	5	725	730
Disposals	-	-803	-803	-417	-230	-647
Exchange rate movements	189	331	520	139	216	355
Equity share income	884	-	884	219	-	219
Dividend distribution	-834	-	-834	-1,138	-	-1,138
	708	984	1,692	-1,192	711	-481
<i>Balance at 31 December</i>	2,970	3,395	6,365	2,262	2,411	4,673

Included in Equity share income is an amount of € 0.2 million (2009: € 0.4 million) recognized as operating loss in the income statement. For an overview of participating interests, refer to the section entitled 'Other information' on page 33.

## 5 | Deferred taxation

<i>Sources of deferral</i>	2010			2009		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Buildings	435	175	260	512	64	448
Projects	73	1,897	-1,824	244	433	-189
Provisions	2,243	228	2,015	410	35	375
Tax losses	1,162	-	1,162	641	-	641
Other	518	18	500	431	19	412
Pensions	-	-	-	17	-	17
<i>Balance at 31 December</i>	4,431	2,318	2,113	2,255	551	1,704

Deferred tax assets and liabilities are only offset when they relate to the same entity and taxation authority. Tax losses not valued amount to € 5.9 million (2009: € 5.8 million).

## 6 | Work in progress

	2010	2009
Balance of work in progress	44,967	45,156
Payments on account	-4,273	-5,160
	40,694	39,996
Invoiced in advance	-40,090	-31,568
	604	8,428

(€ thousands)

## 7 | Receivables

	2010		2009	
	Total	Falling due > 1 year	Total	Falling due > 1 year
Trade debtors	102,719	1,961	103,254	1,831
Participating interests	409	-	1,862	-
Other receivables	13,373	2,793	6,776	2,242
Prepayments	3,004	436	3,242	10
	<b>119,505</b>	<b>5,190</b>	<b>115,134</b>	<b>4,083</b>

The provision for doubtful debts was raised on the static method. For 2010, it amounted to € 5.9 million (2009: € 4.8 million).

## 8 | Cash and cash equivalents

Cash at bank and in hand does not include any deposits (2009: € nil). All bank accounts are at the disposal of the company.

## 9 | Provisions

	Restructuring	Long-term employee benefits	Other	Total
<i>Balance at 1 January</i>	1,020	916	1,466	3,402
<i>Movement</i>				
Additions	8,674	-	744	9,418
Withdrawals	-1,014	-	-578	-1,592
Exchange rate movements	-	-	37	37
<i>Balance at 31 December</i>	<b>8,680</b>	<b>916</b>	<b>1,669</b>	<b>11,265</b>

### Restructuring

The provision for restructuring is directly related to initiated reorganizations. The restructuring provision is made as soon as a detailed plan has been drawn up for a reorganization and this plan has been communicated to those affected.

The addition in 2010 is mainly related to the reorganization of the Netherlands based business.

The reorganization is expected to be completed by the end of 2011.

### Other provisions

Other provisions relate mainly to claims and obligations. The expected utilization period of these provisions is between one and five years.

## 10 | Long-term liabilities

	Due < 1 year	Due > 1 year	Due > 5 year	2010 Total due > 1 year	2009 Total due > 1 year
Mortgage loan	370	1,684	6,777	8,461	8,832
Finance lease	1,153	8,778	-	8,778	9,234
Other	4,177	19,216	1,204	20,420	25,407
	5,700	29,678	7,981	37,659	43,473

Repayment obligations due within 12 months of the end of the financial year are disclosed under current liabilities. The mortgage loan has a remaining term of 9 years. Fixed interest rates of 4.79% and 5.25% apply to amounts of € 4.8 million and € 4.4 million respectively.

On 30 March 2009, DHV Holding BV concluded an unsecured medium term loan facility of € 20 million with two banks in the Netherlands at an Euribor denominated interest rate. At 31 December 2010, the

outstanding balance was € 17 million. An amount of € 8.5 million is swapped to a fixed rate of 2.09%. The debt covenant for this facility states that the Net debt to EBITDA ratio must not exceed 2.5 and the interest cover ratio shall not be lower than 4.

At 31 December 2010, the EBITDA ratio is 1.9 and the interest cover ratio is 5.5.

## 11 | Current liabilities

	2010	2009
Amounts owed to credit institutions	16,967	2,713
Short-term portion of long-term liabilities	5,700	7,330
Trade creditors	38,399	42,081
Taxation and social security	16,095	17,652
Amounts owed to participating interests	2,096	1,970
Other liabilities	22,263	29,775
Accruals and deferred liabilities	20,387	16,668
	121,907	118,189

Bank overdraft and short-term loan facilities have been negotiated with credit institutions. The average interest rate in 2010 on these short-term facilities was 2.5% (2009: 2.9%). The facilities are unsecured except for pari passu clauses.

## 12 | Commitments not disclosed in the balance sheet

### Long-term commitments

Future commitments under operating lease agreements are as follows:

	2010	2009
Due within 1 year	11,829	11,769
Due within 1 to 5 years	24,956	31,649
Due after more than 5 years	3,391	4,185
	<b>40,176</b>	<b>47,603</b>

### Delayed acquisition cost

The Group has a commitment in respect of a contractual earn-out agreement towards the vendor of a certain business acquired in the past. The final payment date under this agreement, should all conditions be met, will be in 2012. No earn-out payments were made in 2010.

### Guarantees

At 31 December 2010 the Group had contingent liabilities in respect of guarantees provided to third parties arising in the ordinary course of business to the value of € 42.1 million (2009: € 39.8 million).

### Tax risks

By virtue of its operations in various countries, the Group incurs operational and/or tax claims. Where their effect can be reasonably estimated, such claims are provided for as soon as they arise. The existing provisions are considered sufficient to cover the potential consequences of pending claims.

### Declaration of liability

The company has issued a declaration of joint and several liability for most of the Dutch group companies as referred to in Section 403, Book 2 of the Netherlands Civil Code. The Company has also issued a letter of support to its operating subsidiary in Portugal. The Group is severally liable for all debts in the joint ventures referred to in the section entitled 'Other information'. In addition, the Group in the Netherlands is liable for any obligations arising under the Dutch Sequential Liability Act.

### Unrecognized liabilities

The Group is involved in a number of legal proceedings following from the normal course of business and has provided for expected costs and exposure.

## 13 | Financial instruments

### Financial instruments not disclosed and accounted for in the balance sheet

At 31 December 2010, the fair value of the forward exchange contracts amounted to € 0.6 million negative (2009: € 0.2 million negative).

### Interest rate risk

No financial instruments were employed to hedge the interest rate risk on the balance of net current assets and liabilities in the financial year 2010, except for the interest swap on the medium-term loan as disclosed in Note 10.

### Credit risk

The maximum credit risk for the instruments included in the balance sheet at 31 December 2010 is equal to their net book value. There is virtually no concentration of credit risk.

### Fair value of financial assets and liabilities

With the exception of long-term liabilities, the fair value is deemed to be equal to the book value. The fair value of the mortgage loan and the finance lease is approximately € 16.2 million (2009: € 16.2 million).

## 14 | Net turnover

*Turnover by region*

	2010	%	2009	%
The Netherlands	241,806	52	251,576	52
Africa	90,196	19	81,685	17
Asia	60,610	13	69,644	15
Europe (excluding the Netherlands)	39,216	8	45,182	9
North America	36,848	8	32,737	7
	<b>468,676</b>	<b>100</b>	<b>480,824</b>	<b>100</b>

*Turnover by market*

	2010	%	2009	%
Transportation	196,032	42	179,718	37
Building and Industry	98,699	21	96,334	20
Water	96,963	20	114,827	24
Spatial Planning and Environment	51,064	11	65,331	14
Aviation	25,918	6	24,614	5
	<b>468,676</b>	<b>100</b>	<b>480,824</b>	<b>100</b>

## 15 | Staff costs

	2010	%	2009	%
Salaries and wages	192,109	81	183,399	81
Social security costs	21,409	9	20,581	8
Pension costs	20,396	8	20,908	9
Profit sharing	3,772	2	4,858	2
	<b>237,686</b>	<b>100</b>	<b>229,746</b>	<b>100</b>

## Executive Board and Supervisory Board

The Executive and Supervisory Board directors were remunerated in 2010 as listed below. The amounts are exclusive of any expense allowances. For further details, refer to the Remuneration Report on our website ([dhvgroup.com/corporategovernance](http://dhvgroup.com/corporategovernance)).

				2010	2009
	Salary (incl. social security costs)	Variable	Pension	Total	Total
<i>(in €)</i>					
<i>Executive Board</i>					
B.M. van Ee, President	329,000	–	62,000	391,000	437,000
P.W. Besselink, Vice President	284,000	–	53,000	337,000	375,000
J.M. de Bakker, CFO <i>(from 1 June 2010)</i>	145,000	–	27,000	172,000	–
<i>Supervisory Board</i>					
W. van Vonno, Chairman				35,000	34,900
S. M. Dekker, Vice Chairman <i>(from 22 March 2010)</i>				26,900	26,900
J.H.M. Lindenbergh				29,600	29,500
A.P.M. van der Poel				29,000	26,900
C.P. Veerman <i>(from 22 March 2010)</i>				19,400	–
A.B.M. van der Plas, Vice Chairman <i>(until 22 March 2010)</i>				7,400	30,900

## Workforce by region

In the 2010 financial period there were on average 4,650 FTE's (2009: 4,868) employed by DHV Holding BV and its group companies. The average workforce by region is as follows:

<i>(in full-time equivalents)</i>	2010	%	2009	%
The Netherlands	2,000	43	2,182	45
Africa	986	21	984	20
Asia	792	17	844	17
Europe (excluding the Netherlands)	541	12	565	12
North America	331	7	293	6
	<u>4,650</u>	<u>100</u>	<u>4,868</u>	<u>100</u>

## 16 | Other operating costs

	2010	2009
Temporary staff	20,166	19,774
Office expenses	15,871	15,700
Travel and accommodation	15,559	14,736
Occupancy costs	15,023	13,123
Work by third parties	14,547	18,531
Other operating expenses	12,480	12,307
Restructuring costs	7,940	-
	<b>101,586</b>	<b>94,171</b>

Restructuring costs are related to the reorganization of the Netherlands based business and include provisions for staff redundancy and housing costs.

Included in Work by third parties are fees paid to the statutory auditor of the Group (PricewaterhouseCoopers Accountants N.V.) for professional services relating to:

	2010	2009
Audit fees - annual financial statements	548	615
Audit fees - other	99	73
Other services	68	29
	<b>715</b>	<b>717</b>

The abovementioned remuneration for services to the Company and its consolidated entities were provided by accounting firms and external accountants as mentioned in Section 1, part 1 of the Act 'Supervision Accountant Organizations'.

## 17 | Net interest expense

	2010	2009
Interest income	637	1,042
Interest expense	-3,808	-4,349
	<b>-3,171</b>	<b>-3,307</b>

## 18 | Taxation

	2010			2009		
	Gross amount	Taxation	%	Gross amount	Taxation	%
<i>Explanation effective tax rate</i>						
Result before taxation	-11,875	1,612	-13.6	8,906	3,356	37.7
Result non-consolidated participations	658			581		
<b>Group result before taxation</b>	<b>-11,217</b>	<b>1,612</b>	<b>-14.4</b>	<b>9,487</b>	<b>3,356</b>	<b>35.4</b>
Nominal tax rate in the Netherlands			25.5			25.5
Foreign tax rate differences			-4.8			2.7
Permanent non-taxable income			-0.6			-0.3
Permanent disallowed expenses			-11.8			8.2
Tax losses not recognized			1.6			5.9
Adjustments for previous years			4.5			-0.1
Impact of liquidating losses			-			-6.5
<b>Effective tax rate</b>			<b>14.4</b>			<b>35.4</b>
<i>Explanation tax expense</i>						
Current year		-1,084			4,995	
Adjustments for previous years		-192			-701	
Total current tax		-1,276			4,294	
Deferred tax		-396			-449	
<b>Total tax expense</b>		<b>-1,672</b>			<b>3,845</b>	
Tax recognized directly in Equity		60			-489	
<b>Tax expense per profit and loss account</b>		<b>-1,612</b>			<b>3,356</b>	

The 2010 tax expense has been positively influenced by € 0.8 million due to the Energy Investment Deduction in the Netherlands.

## 19 | Movements in consolidated investments

The following investments were made in 2010:

	Country	Holding at 01-01-2010	Acquired	Holding at 31-12-2010
Stewart Scott International Holdings (Pty) Ltd.	South Africa	70.0%	11.0%	81.0%
SEED Lda.	Mozambique	86.7%	13.3%	100.0%

## 20 | Related parties

Related parties comprise of participating interests, group companies, joint ventures, the Executive Board, the Supervisory Board and the Executive Council. Transactions with related parties are at arm's length.

### Participating interests

For a list of key participating interests, refer to the section 'Other information' on page 33. Transactions within the Group involve the mutual provision of project support services.

### Joint ventures

For a list of key joint ventures, refer to the section 'Other information' on page 33. Transactions between the Group and these joint ventures involve the mutual provision of project support services.

### Other group companies

For a list of Group companies in which a minority interest is held, refer to the section 'Other information' on page 33. Transactions between the Group and its minority interests primarily comprise the provision of project support services.

## Other related parties

### *DHV Foundation*

The Foundation holds about 91% of the ordinary shares. The Works Council, the Supervisory Board and the Executive Board jointly each appoint a member to the Foundation's Board.

### *DHV Trust Office*

The Trust Office holds 5% of the ordinary shares issued.

### *Priority Foundation DHV*

The Priority Foundation holds one priority share.

For further detail on the abovementioned related parties, refer to page 34.

## Company Balance Sheet

Before appropriation of result

### Assets

	2010	2009
<b>Fixed assets</b>		
(2)   Intangible fixed assets	19,238	19,649
(3)   Financial fixed assets	104,791	91,805
	124,029	111,454
<b>Current assets</b>		
Receivables from group companies	2,570	2,130
Other receivables	5,890	2,044
Cash and cash equivalents	16	44
	8,476	4,218
	132,505	115,672

### Equity and liabilities

	2010	2009
(4)   <b>Shareholders' equity</b>	68,542	72,500
(5)   <b>Provisions</b>	2,372	2,234
(6)   <b>Long-term liabilities</b>	14,000	17,000
(7)   <b>Current liabilities</b>	47,591	23,938
	132,505	115,672

## Company Profit and Loss Account

	2010	2009
Result from participating interests	-5,619	12,996
Balance of other income and expenditure after taxation	-3,721	-7,964
<b>Net result</b>	-9,340	5,032

The company profit and loss account has been prepared in accordance with the provisions of section 402 of Book 2 of the Netherlands Civil Code.

## Notes to the Company Financial Statements

### 1 | General

#### Basis of preparation

The company financial statements have been prepared in accordance with the provisions of Section 9, Book 2 of the Netherlands Civil Code.

#### Summary of significant accounting policies

The accounting policies of the Company are the same as for the Group.

### 2 | Intangible fixed assets

<i>Goodwill</i>	<b>2010</b>	<b>2009</b>
<b>Cost</b>		
<i>Balance at 1 January</i>	26,694	24,759
Additions	2,298	1,935
<i>Balance at 31 December</i>	28,992	26,694
<b>Amortization</b>		
<i>Balance at 1 January</i>	7,045	5,840
Amortization	1,319	1,205
Impairment adjustment	1,390	-
<i>Balance at 31 December</i>	9,754	7,045
<b>Book value</b>		
<i>1 January</i>	19,649	18,919
<i>31 December</i>	19,238	19,649

### 3 | Financial fixed assets

	2010				2009			
	Participating interests in group companies	Other participating interests	Amounts owed by group companies	Total	Participating interests in group companies	Other participating interests	Amounts owed by group companies	Total
<i>Balance at 1 January</i>	74,865	98	16,842	91,805	74,392	99	19,468	93,959
<i>Movement in book value</i>								
Acquisitions/loans issued	1,827	95	34,365	36,287	6,293	-	23,744	30,037
Disposals/loan repayments	-	-	-15,126	-15,126	-	-3	-26,482	-26,485
Exchange rate movements	4,788	-	1,181	5,969	2,882	-	112	2,994
Result of participations	-5,560	-59	-	-5,619	12,994	2	-	12,996
Dividend of participations	-8,272	-	-	-8,272	-21,696	-	-	-21,696
Other movements	-253	-	-	-253	-	-	-	-
	-7,470	36	20,420	12,986	473	-1	-2,626	-2,154
<i>Balance at 31 December</i>	67,395	134	37,262	104,791	74,865	98	16,842	91,805

### 4 | Shareholders' equity

The authorised share capital amounts to € 2,500,000 divided into 25,000,000 shares of € 0.10 each,

of which	ordinary shares (class A and B)	24,579,990
	cumulative preference shares	420,000
	priority shares	10

The issued share capital amounts to € 503,628 divided into 5,036,282 shares of € 0.10 each,

of which	ordinary shares (class A and B)	5,036,281
	cumulative preference shares	-
	priority shares	1

For more information on the Company's shareholding structure, refer to page 34.

## Statement of changes in shareholders' equity

	Issued share capital	Share premium	Reserve exchange rate differences	Statutory reserves	Other reserves	Total
<i>Balance at 1 January 2009</i>	504	2,229	-6,699	5,626	61,567	63,227
<b>Movements 2009</b>						
Reserve defined benefit pensions	-	-	-	-	602	602
Changes in statutory reserves	-	-	-	555	-555	-
Exchange rate differences	-	-	2,994	-	-	2,994
Result for the period	-	-	-	-	5,032	5,032
Dividend paid	-	-	-	-	-140	-140
Issue of shares	-	778	-	-	-	778
Other movements	-	549	-	-	-542	7
<b>Net movement 2009</b>	-	1,327	2,994	555	4,397	9,273
<i>Balance at 31 December 2009</i>	504	3,556	-3,705	6,181	65,964	72,500

	Issued share capital	Share premium	Reserve exchange rate differences	Statutory reserves	Other reserves	Total
<i>Balance at 1 January 2010</i>	504	3,556	-3,705	6,181	65,964	72,500
<b>Movements 2010</b>						
Changes in statutory reserves	-	-	-	2,696	-2,696	-
Exchange rate differences	-	-	5,172	-	-	5,172
Result for the period	-	-	-	-	-9,340	-9,340
Dividend paid	-	-	-	-	-97	-97
Issue of shares	-	456	-	-	-	456
Other movements	-	-	-	-	-149	-149
<b>Net movement 2010</b>	-	456	5,172	2,696	-12,282	-3,958
<i>Balance at 31 December 2010</i>	504	4,012	1,467	8,877	53,682	68,542

## Statutory reserves

	Reserve for participating interests
<i>Balance at 1 January</i>	6,181
<b>Movements 2010</b>	
Transfer to other reserves	–
Transfer from other reserves	2,696
<b>Net movement 2010</b>	2,696
<i>Balance at 31 December</i>	8,877

The statutory reserve is formed for undistributed profits of participating interests which can not be distributed.

## Dividend proposal

### *Profit appropriation 2009*

In the Annual General Meeting of Shareholders of 22 March 2010 the profit of 2009 was distributed as follows:

Distributed to ordinary shareholders	97
Transfer to other reserves	4,935
<b>Profit after taxation</b>	5,032

## 5 | Provisions

	2010	2009
Other	2,372	2,234

In the other provisions an amount of € 0.9 million is included for long-term employee benefits. The remaining part is mainly related to claims and obligations.

## 6 | Long-term liabilities

	Due < 1 year	Due > 1 year	Due > 5 year	2010 Total due > 1 year	2009 Total due > 1 year
Other	3,000	14,000	–	14,000	17,000

On 30 March 2009, DHV Holding BV concluded an unsecured medium term loan facility of € 20 million with two banks in the Netherlands. For the terms and conditions of this facility, refer to Note 10 of the Group Financial statements on page 18.

## 7 | Current liabilities

	2010	2009
Amounts owed to credit institutions	40,322	16,908
Short-term portion of long-term liabilities	3,000	3,000
Amounts owed to group companies	1,972	256
Trade creditors	365	587
Taxation and social security	174	255
Other liabilities	850	1,073
Accruals and deferred liabilities	908	1,859
	<b>47,591</b>	<b>23,938</b>

Amersfoort, 23 February 2011  
The Netherlands

*Executive Board*

B.M. van Ee, President  
P.W. Besselink, Vice President  
J.M. de Bakker, CFO

*Supervisory Board*

W. van Vonno, Chairman  
S. M. Dekker, Vice Chairman  
J.H.M. Lindenberg  
A.P.M. van der Poel  
C.P. Veerman

## Other information

### Independent auditor's report

#### To: the General Meeting of Shareholders of DHV Holding B.V.

##### Report on the financial statements

We have audited the accompanying financial statements 2010 as set out on pages 6 to 30 of DHV Holding B.V., Amersfoort, which comprise the consolidated and company balance sheet as at 31 December 2010, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

##### Management board's responsibility

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

##### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

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

##### Opinion

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

##### Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' 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 under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

*Amsterdam, The Netherlands, 23 February 2011*

*PricewaterhouseCoopers Accountants N.V.  
P.R. Baart RA*

## Profit appropriation

### Articles of association provisions governing profit appropriation

Article 22 of the Articles of Association contains the following provisions of profit appropriation:

- 1 The profit shall be at the disposal of the Annual General Meeting.
- 2 The profit shall be distributed proportionally to the holders of A and B shares. The Annual General Meeting may decide to deviate from a proportional distribution of profit.
- 3 Profit shall be distributed only if shareholders' equity exceeds the paid-up and called-up capital plus the statutory reserves.
- 4 The Annual General Meeting may decide to pay interim dividends.
- 5 The Annual General Meeting may decide to make distributions on A and B shares chargeable to a reserve.

### Proposed profit appropriation

It will be proposed to the Annual General Meeting of Shareholders not to distribute a dividend to the holders of B shares. The Executive Board proposes that no dividend be distributed to holders of A shares. The net loss of € 9,340,000 will be deducted from other reserves.

## Participating Interests

The following is a list of consolidated participating interests (unless otherwise stated, all interests are 100%):

DHV B.V.	Amersfoort, the Netherlands
DHV Bouw en Industrie B.V.	Eindhoven and Amersfoort, the Netherlands
DHV Canada Holding Inc.	Saint John, Canada, including:
Delcan Group Inc.	Toronto, Canada (40%)*
InterVISTAS Consulting Inc.	Vancouver, Canada (70%)
DHV China B.V.	Amersfoort, the Netherlands, including:
DHV (Beijing) Environmental Engineering Co. Ltd.	Beijing, China
DHV Engineering Consultancy Co. Ltd.	Shanghai, China
DHV C.R. spol s.r.o.	Prague, Czech Republic
DHV Global Engineering Center B.V.	Amersfoort, the Netherlands
DHV Holding Africa (Pty) Ltd.	Johannesburg, South Africa
DHV Holdings USA Inc.	Wilmington, Delaware, United States of America including:
InterVISTAS Consulting LLC	Washington D.C., United States of America (70%)
DHV India Private Ltd.	New Delhi, India
DHV NPC B.V.	Amersfoort, the Netherlands
DHV Planetek Co. Ltd.	Kaohsiung, Taiwan R.O.C. (49%)
DHV Polska Sp. z o.o.	Warsaw, Poland, including:
Hydroprojekt Sp. z o.o.	Warsaw, Poland
DHV SGPS S.A.	Algés, Portugal, including:
DHV S.A.	Algés, Portugal
DHV Vietnam Company Ltd.	Hanoi, Vietnam
NACO, Netherlands Airport Consultants B.V.	The Hague, the Netherlands
Prokom Sp. z o.o.	Warsaw, Poland
PT DHV Indonesia	Jakarta, Indonesia (85%)
PT Mitra Lingkungan Dutaconsult	Jakarta, Indonesia (77.4%)
SEED Lda.	Maputo, Mozambique
Stewart Scott International Holdings (Pty) Ltd.	Johannesburg, South Africa (81%)
Turgis Technology (Pty) Ltd.	Johannesburg, South Africa
Turgis Consulting Ltd.	York, United Kingdom

\* consolidated proportionately

## Joint Ventures

Braamhoek Consultants Joint Venture	Johannesburg, South Africa (33%)
HR / DHV vof	Amersfoort, the Netherlands (50%)
Infracflex B.V.	Utrecht, the Netherlands (33%)
Ingenieursbureau Vathorst vof	Amersfoort, the Netherlands (50%)
Protected Storage Engineers vof	Rotterdam, the Netherlands (50%)
TEC vof	Veenendaal, the Netherlands (33%)

## Other Group companies

DHV MED Ltd.	Netanya, Israel (37%)
SADECO	Jeddah, Saudi Arabia (49%)

Under the provision of section 363 of Book 2 of the Netherlands Civil Code, several companies in which DHV holds only minor interests have not been listed.

# Shareholding Structure

DHV Holding B.V. has three shareholders: the DHV Foundation, the DHV Priority Foundation, and the DHV Trust Office. The Stichting DHV (DHV Foundation) has a controlling majority of the shares. The majority of the Board members are independent individuals. The Stichting Prioriteit DHV (DHV Priority Foundation) has one priority share controlling major strategic decisions and substantial changes in the shareholding structure. Management (Supervisory and Executive Board) and labor (the Works Council) each have two members on the Board and these members appoint an independent chairperson. The Stichting Administratiekantoor DHV (DHV Trust Office) administers the depositary receipts for shares issued to staff members.

## Stichting DHV (DHV Foundation)

Objective: to manage the A shares in DHV Holding B.V.

Composition of the Board:

- 1) H. Zwarts, (Chair) appointed by 2+3+4+5
- 2) H.H.F. Wijffels, appointed by EB/SB\*
- 3) M.P. van Gemund, appointed by the WC\*
- 4) A.W. Veenman, appointed by 2+3
- 5) M. Usta, appointed by 2+3

This foundation holds 4,580,000 A shares, which is approximately 91% of the ordinary shares issued.

## Stichting Prioriteit DHV (DHV Priority Foundation)

Objective: to manage the priority shares of DHV Holding B.V.

Composition of the Board:

- 1) A.B.M. van der Plas (Chair), appointed by 2+3+4+5
- 2) V. Prins, appointed by the EB/SB
- 3) B.M. van Ee, appointed by the EB/SB
- 4) J.A.M. Tromp, appointed by the WC
- 5) G.J.P.J. Laseur, appointed by the WC

This foundation holds one priority share in DHV Holding B.V., which gives it the right of prior approval over any decisions regarding the issue and transfer of DHV Holding B.V. shares, mergers, public offerings, amendments to the articles and the winding-up of DHV Holding B.V., as well as amendments to the articles and the winding-up of the DHV Foundation and the disposal of A shares by the DHV Foundation.

## Stichting Administratiekantoor DHV (DHV Trust Office)

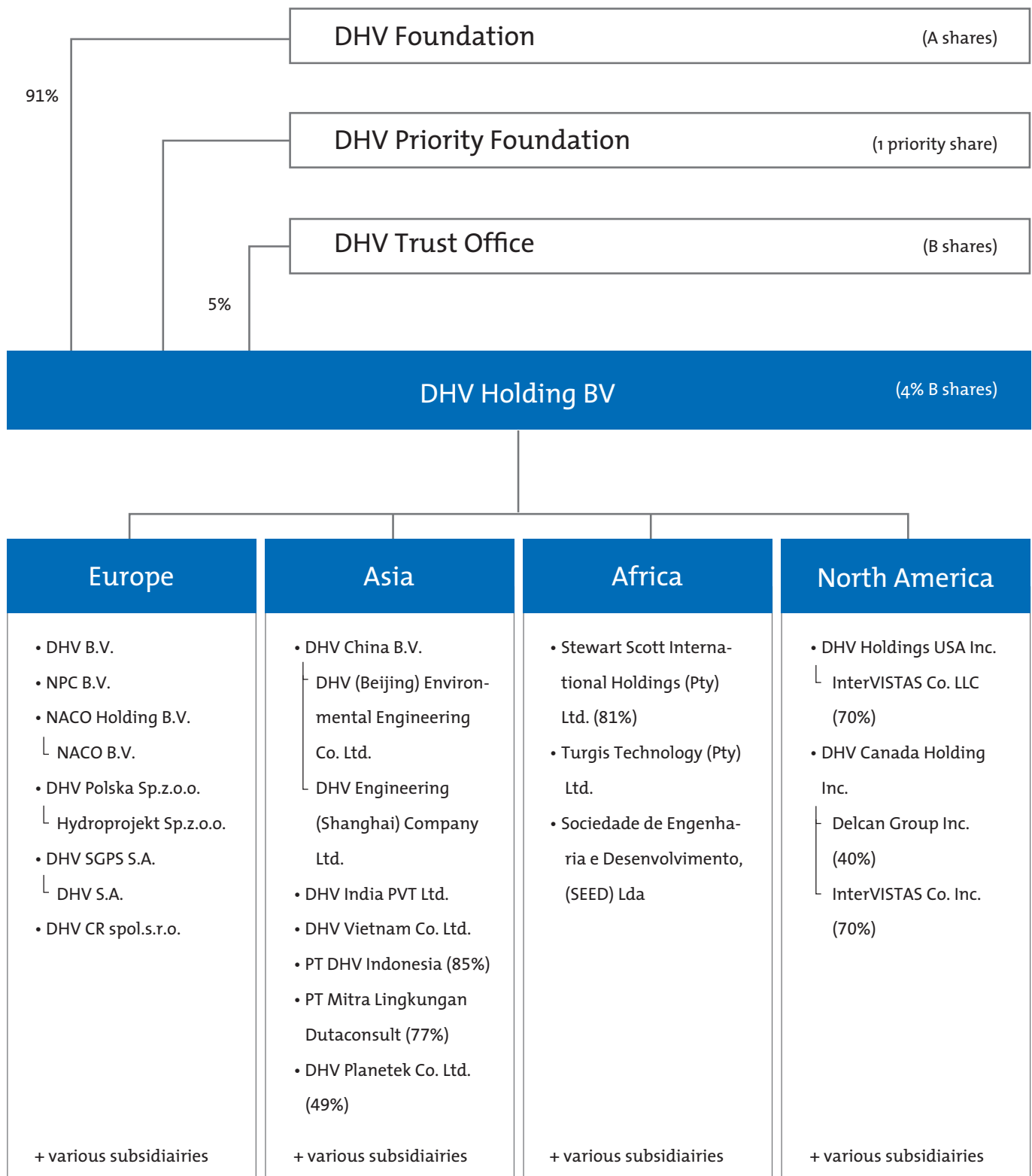
Objective: to manage the B shares in DHV Holding B.V., and to issue depositary receipts for shares to eligible DHV Group staff members.

Composition of the Board:

- 1) M. de Veer (Chair)
- 2) F.T. van der Molen
- 3) M.J. Vermeulen

The officers are appointed by the general meeting of holders of depositary receipts. This foundation holds 270,350 B shares, which is approximately 5% of the ordinary shares issued. DHV Holding B.V. holds 185,931 B shares which is approximately 4% of the ordinary shares issued.

# Legal Structure DHV Group



Unless otherwise stated, all interests are 100%.

A complete overview of all participating interests can be obtained through our Legal Affairs department (T +31 33 468 3730).

# Risks and Risk Management

The DHV Group bases its risk management on the principles of the Dutch Corporate Governance Code and our Business Framework, which, in turn, is based on the COSO Enterprise Risk Management Framework. Ultimately, it is the Executive Board's responsibility to manage risks, promote risk awareness and identify, address, and monitor risks.

## Internal Control and Risk Management Systems

Internal Control and Risk Management Systems are used to promote risk awareness and identify, address and monitor risks. At least five times a year, the Supervisory Board meets with the Executive Board to review issues such as strategy, acquisitions, results and risks. The Audit Committee monitors compliance with financial rules and regulations, as well as the quality and operation of the internal control systems and risk management measures. In 2010 the Committee's review covered: quality of project management and high-risk projects, implementation of a new business information system, ICT, the Business Framework, including the BIMS compliance system and the audit charter. The Supervisory Board meets at least twice a year with external auditors who are appointed annually by the shareholders. The Internal Audit department reports directly to the CFO and follows a program that is approved by the Executive Board. The Internal Audit department's activities focus on specific aspects of the internal control systems and procedures. Its findings and recommendations are reviewed by the Audit Committee.

The Group has developed a wide range of tools for the planning, implementation, and adjustment of its business processes and projects:

- The DHV Group Strategy Paper, a 5 year plan, guides the medium term plans and the annual plans, including budgets. During the annual planning period, scenarios are tested to enable a swift reaction to changing circumstances.
- The annual plans are implemented by management after approval by the Executive Board and review by the Supervisory Board. The levels of authority and responsibility are defined in the Authority Matrix and Group policies.
- Progress is quarterly reported and discussed by the Executive Board with the responsible management and controllers. Mutual consultations also frequently take place between the Executive Board and management. Controllers have a dual reporting: directly to the CFO who is a member of the Executive Board and –operationally- to the unit management.
- Reporting guidelines and formats are laid down in the Corporate Financial Manual, with the most current version available to the Group via intranet.
- The Business Framework is the reference against which the control, planning and risk management process for projects and business components can be assessed.

## Risks

The DHV Group is vulnerable to risks in the following categories: market including capacity (staff), operational, financial, and compliance. Virtually all risks are associated with the execution of projects.

## Market Risks and Management

The public sector is the DHV Group's largest client group. Material changes in national and international political priorities, in central or local administrations, and in legal and regulatory frameworks can affect long-term plans and ongoing projects and may lead to increased competition, exposing the Group to risks. In addition the current economic conditions have impacted the results and also present a risk to the Group for the next few years. Projects may be delayed or cancelled, stricter credit conditions may be applied and the creditworthiness of private clients and the public sector might deteriorate. In order to brace ourselves for this situation we are focusing our attention on optimizing staff and staff flexibility, firmly managing our cash position, driving down costs and reacting quickly to changing circumstances. The Group does have activities in countries that are considered politically unstable, but they account for only a small percentage of turnover.

Market risks are mitigated by spreading sales over various geographical regions and client groups. Prompt response to anticipated political developments and changes in legal and regulatory environments (portfolio management) can further reduce these risks.

## Operational Risks and Management

These risks are primarily related to the generally used contract conditions that govern the services of the DHV Group. These conditions are regularly reviewed and revised as needed. Operational risks occur during contract execution and include various kinds of risks and claims that basically result from errors in project execution, delays in project implementation, underperforming subcontractor and/or subconsultants, and insufficient communication with the client. Continuous assessment of the quality of its partners takes place, which is also adequately covered by requiring contractual assurances from partners and subcontractors.

In order to optimize mitigation of the operational risks the internal project management procedures have been tightened and the Group wide Project Management Manual, based on PMI, was implemented in 2010. Review will be done on a regular basis. The managers are responsible for project acceptance, in accordance with the limits set out in the authority matrix. Additionally projects of a defined nature

and or above a certain value require prior advice from the respective regional Tender Board, which reviews specific risks. Quality systems, related procedures and guidelines are implemented in accordance with ISO 9001 (2000 certification). Project implementation risks are also covered by adequate corporate and professional liability policies.

To ensure reliable operations of the global ICT systems, the ICT system has partially been outsourced to an international ICT service provider. In 2010 a new Management Information System was successfully implemented.

Legal Disputes between the DHV Group, clients, staff members and other stakeholders may arise during the course of activities. The Group is involved in a number of legal proceedings following from the normal course of business and has provided for expected costs and exposure.

### Financial Risks and Management

Foreign exchange risks are limited since revenues and expenditures are made in the same currency, in principle. The remaining foreign exchange risks are hedged where possible. The amount of short-term interest-bearing liabilities is small, thus minimizing interest risks. If required, interest-hedging instruments will be used. Long-term liabilities carry long-term, fixed interest rates. Several of the short-term interest-bearing liabilities are consolidated into a medium-term loan.

The DHV Group's financing requirements for working capital are highly seasonal: strong fluctuations could increase the risk of illiquidity and to cover this risk credit agreements were signed with its banks.

The DHV Group's largest investments outside the Netherlands are its shareholdings in the Canadian, South African, and Polish subsidiaries. Translation risks are relatively minor and are therefore not hedged. Goodwill payments have been capitalized since 2002 and, in principle, are being amortized over a twenty-year period. Impairment tests will determine the current fair value of the investment. If and when necessary, based on an impairment test, an additional component of the goodwill will be impaired.

A small number of pension schemes, with a limited interest, is based on defined benefit plans. All other pension plans are based on a collective 'defined contribution' plan. As a result, the Group's exposure to pension risks is limited.

Taxes are included in the annual financial statements, based in part on substantiated estimates. These numbers may differ from the final assessments made by the tax authorities.

### Compliance Risks and Management

Doing business in a socially responsible manner and with integrity is increasingly important for the reputation of the DHV Group. Non-compliance with local legal and regulatory prescriptions may damage a company's reputation and thus might have a great impact on its results.

The following measures have been taken to mitigate compliance risks:

- The DHV Group implemented a new Global Code of Business Principles which describes the Group's values and behavioral standards for DHV employees in general terms.
- The DHV Group has instituted a Business Integrity Management System which lays down clear guidelines and rules of conduct regarding integrity. BIMS helps to conduct our global business in accordance with the highest standards of integrity. The system reflects the continuous effort to improve compliance with our Business Principles and consists of elements like the Business Principles, strict management commitments, quarterly reports and Letters of Representation etc. BIMS is kept under continuous review and changes are implemented when necessary.
  - In 2010 an external compliance audit was successfully completed and resulted in the award of the ACTIVE AC Certificate by the Ethic Intelligence International Institute. The recommendations of this audit are implemented.
  - In 2010 the whistle-blower scheme was enhanced by launching the Speak Up Line which protects those that draw attention to business conduct that conflicts with our business integrity principles.
  - Increasingly, client contracts include a Declaration of Integrity. This is a standard requirement in contracts with new partners and sub consultants.
  - In 2010 the agent contracts were improved in line with the Group's integrity policy.
- Every quarter, risk and compliance matters are reported.
- Every year managers sign a Letter of Representation in which they explicitly accept responsibility for compliance with internal rules and external legal and regulatory stipulations.
- The Compliance Officer monitors observance of the Business Integrity Principles.

The Executive Board believes that the abovementioned measures provide appropriate certainty that there are no significant inaccuracies.

Our mission is to provide multidisciplinary services for the sustainable development of our living environment, in a close relationship with clients, employees, and partners, based on mutual loyalty, while providing a solid return to our shareholders.

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