ANNUAL REPORT 2013

Financial Statements & other supplements

Royal HaskoningDHV
Enhancing Society Together

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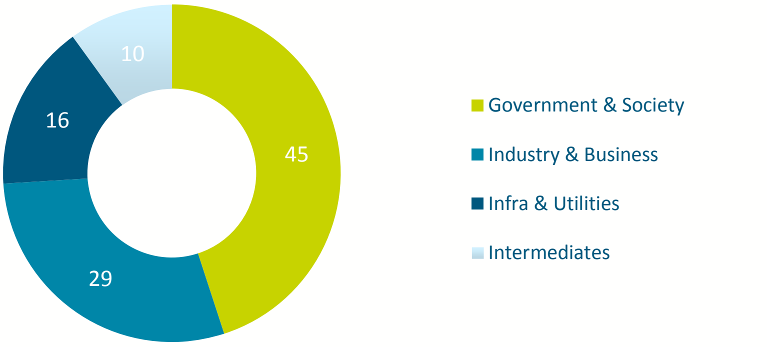
Contents

This book together with the Annual Report and CR Statements forms the Annual Report 2013.

Please visit royalhaskoningdhv.com/annualreport for a complete overview.

Key Figures

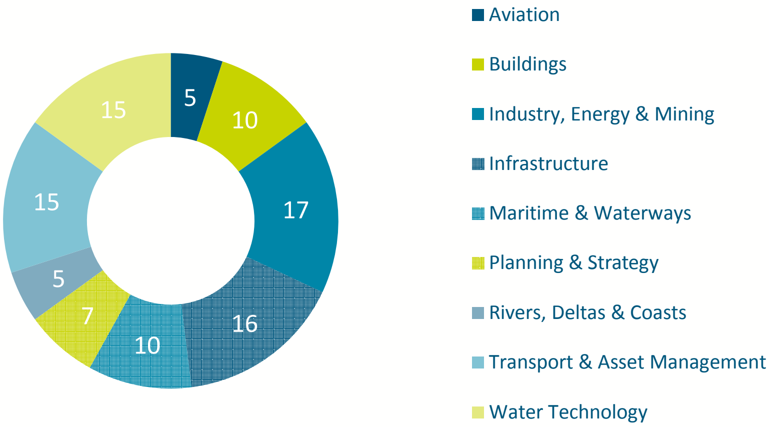
Turnover by client group (in %)



Revenue

€ 667 million

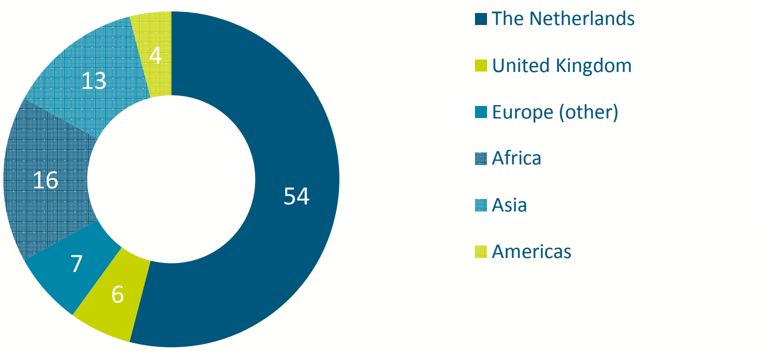
Turnover by market group (in %)



Average workforce

6,700

Turnover by region (in %)



Shareholders' equity

€ 104 million

(€ millions, unless stated otherwise)

	2013	2012
Net turnover	**651.4**	**704.0**
Revenue	**667.2**	**701.5**
Added Value	**508.3**	**531.2**
Results		
EBITA recurring	16.2	9.7
EBITA	6.1	(12.4)
Net result	(3.4)	(19.9)
Return on average shareholders' equity (%)	(3.1)	(15.3)
EBITA margin, recurring (%)	2.4	1.4
Earnings per share (€)	(0.68)	(3.98)
Balance Sheet		
Total assets	284.8	337.2
Shareholders' equity	103.6	110.1
Group equity	104.3	114.5
Group equity as percentage of total assets (%)	36.6	34.0
Financial Position		
Net working capital	25.3	33.2
Free cash flow	(20.2)	(18.3)
Workforce		
Number of staff (headcount per ultimo)	6,398	6,905

Definitions

Net turnover	Amounts invoiced to clients (excluding VAT)
Revenue	Net turnover adjusted for change in work in progress
Added value	Revenue less cost of work subcontracted and other external charges
EBITA recurring	EBITA excluding non-operational items
EBITA margin	EBITA / Revenue
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)
Free cash flow	Cash flow from operating and investing activities

Financial Statements 2013

Consolidated Balance Sheet

(before profit appropriation) *(€ thousands)*

Assets

	Note	2013		2012	
Fixed assets					
Intangible assets	3	46,115		50,737	
Tangible fixed assets	4	33,132		44,470	
Financial fixed assets	5	14,339		18,269	
			93,586		**113,476**
Current assets					
Work in progress	6	14,226		2,478	
Receivables	7	154,938		171,219	
Cash and cash equivalents	8	22,037		50,072	
			191,201		**223,769**
			284,787		**337,245**

Shareholders' equity & liabilities

	Note	2013		2012	
Group equity					
Shareholders' equity	9	103,600		110,085	
Minority interest	10	654		4,456	
			104,254		**114,541**
Provisions	11		28,444		45,278
Non-current liabilities	12		8,267		36,957
Current liabilities	13		143,822		140,469
			284,787		**337,245**

Consolidated Income Statement

(€ thousands)

	Note	2013	2013	2012	2012
Net turnover	16		**651,406**		**704,028**
Change in work in progress			15,782		(2,496)
Revenue			**667,188**		**701,532**
Costs of work subcontracted and other external charges		158,853		170,359	
Salaries and wages	17	300,991		315,041	
Social security & pension contributions		63,241		67,517	
Depreciation and amortisation on tangible and intangible assets		14,094		15,741	
Other operating costs	19	127,759		149,216	
Operating expenses			**664,938**		**717,874**
Operating result			**2,250**		**(16,342)**
Interest income		950		1,452	
Interest costs		(3,898)		(3,488)	
Net interest expense			(2,948)		(2,036)
Result before tax			**(698)**		**(18,378)**
Income tax expense	22		(3,440)		(1,047)
Share of result of participating interests			779		501
Result after tax			**(3,359)**		**(18,924)**
Minority interest			(4)		(974)
Result for the year			**(3,363)**		**(19,898)**

Consolidated Cash Flow Statement

(€ thousands)

	Note	2013		2012	
Cash flow from operating activities					
Operating result			2,250		(16,342)
Adjustments for					
Amortisation and depreciation		14,094		15,742	
Non-cash items		(2,525)		0	
Change in provisions	11	(11,235)		7,148	
			334		22,890
Changes in working capital					
Work in progress	6	(10,883)		1,077	
Receivables	7	5,727		(2,805)	
Current liabilities	13	(11,384)		(7,126)	
			(16,540)		(8,854)
Cash generated from operations			(13,956)		(2,306)
Interest paid/received		(2,948)		(2,036)	
Income tax expense		1,554		(3,293)	
Dividends received	5	883		1,157	
			(511)		(4,172)
Net cash generated from operating activities			(14,467)		(6,478)
Cash flow from investing activities					
Investment in group companies			(2,552)		(4,572)
Purchase of intangible assets	3		(994)		(2,584)
Purchase/disposal of tangible fixed assets	4		(1,974)		(5,019)
Investment in/disposal of participating interests	5		(231)		313
Net cash used in investing activities			(5,751)		(11,862)
Cash flow from financing activities					
Proceeds from issuance / purchase of shares	28		(863)		(469)
Dividends paid			-		(5,845)
Proceeds from borrowings	12		-		2,703
Repayments of borrowings	12		(10,071)		(34)
Net cash used in financing activities			(10,934)		(3,645)
Net cash flows			**(31,152)**		**(21,985)**
Exchange gains/losses on cash and cash equivalents			(250)		(494)
Net increase/decrease in cash and cash			**(31,402)**		**(22,479)**
Movements in cash and cash equivalents can be broken down as follows:					
At 1 January			**44,314**		**66,793**
Movements during the year			(31,402)		(22,479)
At 31 December	8		**12,912**		**44,314**

Royal HaskoningDHV

Notes to the Consolidated Financial Statements

Summary of Significant Accounting Policies

1. General information

1.1 Operations

Royal HaskoningDHV is an independent, international engineering and project management consultancy with over 130 years of experience. Our professionals deliver their services in the fields of asset management, aviation, buildings, energy, industry, infrastructure, maritime, mining, strategy, transport, urban and rural planning, water management and water technology. Each year we contribute to the delivery of many projects around the world on behalf of their public and private sector clients.

1.2 Registered office & group structure

Koninklijke HaskoningDHV Groep B.V. has its registered office at Laan 1914 no. 35, 3818 EX Amersfoort, The Netherlands.

1.3 Changes in accounting policies

As from 1 January 2013, the revised IAS19R standard on employee benefits is applicable. Under this revised standard, actuarial gains and losses arising in defined benefit schemes are recognised immediately as a movement in equity. Previously these actuarial gains and losses were kept in the so-called corridor and subsequently recorded in the profit & loss account based on the remaining duration of the obligation.

Applying IAS19R is a change in accounting principles for which we have restated the balance sheet as per 31 December 2012: equity decreased with net € 13.6 million (€ 17.6 million minus an increase in deferred tax assets of € 4 million). Applying IAS19R also means a shift in the income statement of costs from operational expenses (pension costs) to financing expenses (interest). Since the impact is limited, we have not adjusted the comparative figures.

A further effect of applying IAS19R is that interest income on plan assets is based on the discount rate instead of the expected return on plan assets. This will typically increase the net interest cost in the profit & loss account.

1.4 Consolidation

The consolidation includes the financial information of Koninklijke HaskoningDHV Groep B.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Koninklijke HaskoningDHV Groep B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which Koninklijke HaskoningDHV Groep B.V. exercises control or whose central management it conducts are consolidated in full. Minority interests in group equity and group results are disclosed separately.

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 recognised unless the Group has incurred obligations or made payments on behalf of the joint venture. The Group's interests in joint ventures are accounted for by proportionate consolidation in case this gives a better understanding.

Intercompany transactions, results and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are eliminated as well, unless such a loss qualifies as impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Since the income statement for 2013 of Koninklijke HaskoningDHV Groep B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Netherlands Civil Code.

The main consolidated companies are listed below, stating the percentage of ownership. For a full list of participating interests we refer to page 38.

HaskoningDHV Nederland B.V., Amersfoort,
The Netherlands (100%)
Haskoning UK Holdings Ltd,
Peterborough, UK (100%)
Haskoning International B.V., Nijmegen,
The Netherlands (100%)
Stewart Scott International Holdings Pty Ltd., Johannesburg,
South Africa (76.95%)

Furthermore we have included DHV Education Foundation as a consolidated company, given the fact that we have major influence on the decision-making in this foundation.

1.5 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of Koninklijke HaskoningDHV Groep B.V. [or the ultimate parent company] and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

1.6 Acquisitions and disposals of group companies

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised in the acquired company.

The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is disclosed under accruals and deferred income.
Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases and if they are classified as disposal groups held for sale.

1.7 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents and bank overdrafts, which are included in the current liabilities. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for acquired group companies was recognised as cash used in investing activities where it was settled in cash. Any cash and cash equivalents in acquired group companies were deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including financial leases, are not recognised in the cash flow statement. Payments of financial lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

1.8 Estimates

The preparation of financial statements in conformity with the relevant rules 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 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.

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.

Project valuation

Valuation of project related work in progress and receivables require management estimations with respect to its recoverability.

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.

Provisions

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

Summary of Significant Accounting Policies

2. Accounting policies for the balance sheet and income statement

2.1 General information

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.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Prior-year comparison

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.

2.3 Foreign currencies

Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Koninklijke HaskoningDHV Groep B.V.'s entities are measured using the currency of the primary economic environment in which the entity operates.

Transactions, receivables and debts

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 recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Translation differences on intra group long term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

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 recognised 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.

2.4 Intangible assets

Intangible assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount. For details on how to determine whether an intangible asset is impaired, please refer to note 2.7 below.

Goodwill

Goodwill at acquisition of subsidiaries and non-consolidated participations as calculated in accordance with note 1.6 is capitalised and amortized on a straight-line basis over its estimated useful life of no more than 15 years (acquisitions before 2012 are amortised in no more than 20 years).

Software

Software licences acquired are capitalised at acquisition cost and amortised over their estimated future useful lives (3 to 8 years). Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. When internally produced, such assets are capitalised if future economic benefits are probable and the expenditure can be reliably measured. Costs associated with maintaining computer software and research expenditure are recognised in the income statement.

2.5 Tangible fixed assets

Land and buildings are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Land is not depreciated. Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to note 2.7 below.

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.
The manufacturing price is comprised of the cost of raw materials and consumables, and also includes expenditure directly attributable to an asset's manufacturing, including installation costs.

The estimated average useful life by category is as follows:

Buildings	10 to 30 years
Computer hardware	3 to 5 years
Other fixed assets	3 to 5 years

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

2.6 Financial fixed assets

Investments in group companies and other minority interests with which the company can exert significant influence are valued according to the net asset value method as derived from the latest available financial data from these investments and interests. Significant influence is in any case defined as a shareholder's interest of more than 20%. Net asset value is calculated using the accounting policies applied in these financial statements. Associates whose financial information cannot be aligned to these policies are valued based on their own accounting policies.

Associates with an equity deficit are carried at nil. A provision is formed if and when Koninklijke HaskoningDHV Groep B.V. is fully or partially liable for the debts of the associate, or has the firm intention to allow the associate to pay its debts.

Associates acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Associates in which no significant influence can be exercised are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the income statement.

Amounts owed by associates disclosed under financial fixed assets are recognised initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently measured at amortised cost.

Deferred income tax assets are recognised to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements, on the understanding that deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and fiscal losses can be utilised.
Deferred income tax is determined using tax rates 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 realised.
Deferred income taxes are recognised at face value.

Other receivables disclosed under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost.

2.7 Impairment of non-current assets

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified.
An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the income statement.

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

Summary of Significant Accounting Policies

2.8 Work in progress

Work in progress is carried at contract revenue generated, which is comprised of contract costs incurred and attributable profits, based on percentage of completion. Where appropriate, recognised losses and progress billings are deducted from work in progress. In addition, progress invoices and payments received in advance are also credited against work in progress.

2.9 Receivables

Trade receivables are recognised at face value and subsequently measured at amortised costs, net of any provision for doubtful debts. When a receivable is uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the income statement.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are disclosed as current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

2.11 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 recognised directly in shareholders' equity net of any relevant tax effects. Other direct movements in shareholders' equity are also recognised net of any relevant tax effects.

2.12 Minority interest

The minority interests as part of the group equity are stated at nominal value at the amount of the net participation in the relevant group companies. Where the group company in question has an equity deficit, the negative value and any other losses are not allocated to the minority interest, unless the minority interest holders have a constructive obligation, and are able, to clear the losses. As soon as the group company manages to post an equity surplus, profits are allocated to the minority interest.

2.13 Dividends

Dividend distribution to shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.14 Provisions

General information

Provisions are measured at the best estimate of the amount that is necessary to settle the liability at the balance sheet date. With the exception of the long-term employee benefits, provisions are stated at face value and charged against project result as much as possible. Unless otherwise stated, provisions are of a long-term nature.

Premiums are recognised as personnel costs when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not been paid yet are presented as liabilities.

Provisions for professional indemnity claims, restructuring costs and legal claims are recognised 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.

Pension benefits

The Koninklijke HaskoningDHV Groep B.V. has a number of pension schemes, including defined benefit pension schemes. A defined benefit pension scheme is understood to mean a scheme whereby the actuarial risk, including the investment risk, lies with the Group.

The pension provision included in the balance sheet is the present value of the pension commitments in respect of the defined benefit pension scheme with a deduction for the fair value of the plan assets. The pension provision is actuarially calculated each year by independent actuaries.

The present value of the commitment is the present value of the estimated future cash flows. This is calculated using interest rates that apply to high quality corporate bonds with a term approximately equal to the term of the related pension commitments.

Other provisions
For deferred income tax we refer to 2.6 on page 13.

The provision for jubilee benefits is measured at the present value of expected benefits payable during employment.

2.15 Non-current liabilities
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest 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.

2.16 Leases
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 capitalized 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 recognised as long-term liabilities exclusive of interest. The interest component is recognised 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.

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

2.17 Financial instruments
The Group hedges interest and currency risks through the use of financial instruments. The policy states that the cash flow of a transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss. This hedging strategy is documented and tested annually.

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:

- If as the hedged item is recognised at cost in the balance sheet, the derivate instrument is also stated at cost;
- As long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not re-measured. This applies, for instance, to hedging currency risks on future transactions;
- If the hedged item qualifies as a monetary item denominated in a foreign currency, the derivative instrument, where it has currency elements, is also stated at the spot rate at the balance sheet date.

The Company applies cost price hedge accounting to hedging fixed-interest risk on borrowings. The gain or loss relating to the ineffective portion is recognised in the income statement within finance costs.

The company also uses cost price hedge accounting for its forward exchange contracts intended for future purchases/ sales in foreign currencies. Where appropriate, the gain or loss relating to the ineffective portion of the change in value of forward exchange contracts is recognised in the income statement within operating costs.

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

Profit on orders is recognised 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 recognised 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 recognised under the POC method. Under the POC method, revenue is generally recognised based on the services performed to date as a percentage of the total services to be performed.

Summary of Significant Accounting Policies

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

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

2.19 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.

2.20 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.

2.21 Operating costs

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

2.22 Amortisation and depreciation

Intangible assets, including goodwill, are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Land and investment property are not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

2.23 Government grants

Operating grants are recognised 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 recognised as soon as it is likely that they will be received and the Group will comply with all attached conditions.

2.24 Employee benefits

Benefits payable on a regular basis

Wages, salaries and social security contributions payable pursuant to employment conditions are incorporated in the income statement to the extent that these are payable to employees.

Pensions

Koninklijke HaskoningDHV Groep B.V. has applied the liability method for pension plans. The premiums payable for the financial year are charged to the result. Changes in the pension provision are also charged to the result. The amount in the pension provision is the best estimate of the unfunded obligations as at balance sheet date.

Foreign pension plans comparable to the Dutch pension system are also accounted for using the liability method. Foreign pension plans that are not comparable to the Dutch pension system are accounted for at the best estimate of the obligation as at balance sheet date, based on generally accepted actuarial measurement principles. In the United Kingdom there is a 'defined benefit' scheme, which has been closed since 2005, which is further explained in note 11.

2.25 Finance income and costs

Interest paid and received

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

Dividends

Dividend income is recognised when the right to receive payment is established.

2.26 Income tax expense

Income tax is calculated on the profit/(loss) before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

(€ thousands)

3. Intangible assets

Movements in intangible fixed assets can be broken down as follows:

	Goodwill	Computer Software	Total
At 1 January 2013			
Cost	73,182	18,491	91,673
Accumulated impairment and amortisation	(28,770)	(12,166)	(40,936)
Book value	**44,412**	**6,325**	**50,737**
Movements			
Purchased	2,164	1,169	3,333
Sold	-	(175)	(175)
Exchange rate differences	(1,494)	(42)	(1,536)
Impairment	(235)	(362)	(597)
Amortisation	(3,660)	(1,987)	(5,647)
Balance	**(3,225)**	**(1,397)**	**(4,622)**
At 31 December 2013			
Cost	73,953	17,743	91,696
Accumulated impairment and amortisation	(32,766)	(12,815)	(45,581)
Book value	**41,187**	**4,928**	**46,115**
Amortisation rate	5 - 7 %	12 - 33 %	

An impairment charge of € 0.6 million was charged to the profit for the year.

The book value of Goodwill is geographically divided as follows:

	2013	2012
The Netherlands	11,848	13,270
United Kingdom	5,801	4,764
Europe (other)	2,172	2,327
Africa	10,223	11,519
Asia	3,535	3,589
Americas	7,608	8,943
Total	**41,187**	**44,412**

4. Tangible fixed assets

(€ thousands)

Movements in tangible fixed assets can be broken down as follows:

	Land and buildings	Furniture and fixtures	Hardware	Other fixed assets	Total
At 1 January 2013					
Cost	56,786	32,685	20,468	16,187	126,126
Accumulated impairment and depreciation	(30,799)	(26,690)	(15,149)	(9,018)	(81,656)
Book value	**25,987**	**5,995**	**5,319**	**7,169**	**44,470**
Movements					
Purchased	811	1,328	3,812	334	6,285
Sold	(8,756)	(505)	(13)	(43)	(9,317)
Reclassification	1,090	17	-	(1,107)	-
Exchange rate differences	(102)	(312)	(98)	(271)	(783)
Newly consolidated / deconsolidated	-	327	-	-	327
Depreciation	(1,973)	(1,609)	(3,355)	(913)	(7,850)
Balance	**(8,930)**	**(754)**	**346**	**(2,000)**	**(11,338)**
At 31 December 2013					
Cost	39,556	25,711	20,905	11,942	98,114
Accumulated impairment and depreciation	(22,499)	(20,470)	(15,240)	(6,773)	(64,982)
Book value	**17,057**	**5,241**	**5,665**	**5,169**	**33,132**
Depreciation rate	0 – 10 %	20 – 33 %	20 – 33 %	20 – 33 %	

Buildings with a value of € 7.9 million are mortgaged. Sale and lease back transactions in Europe resulted in a € 2.5 million incidental benefit in 2013. The actual value of the buildings, based on the most recent appraisal (2011) is well above the book value.

The book value of assets under financial lease is as follows:

Land and buildings	Furniture and fixtures	Hardware	Other fixed assets	Total
-	123	439	235	**797**

5. Financial fixed assets

(€ thousands)

Movements in financial fixed assets can be broken down as follows:

	Participating Interests	Loans to associates	Deferred income tax assets	Other financial fixed assets	Total
At 1 January 2013	**3,509**	**1,667**	**12,966**	**127**	**18,269**
Investments	221	-	-	610	831
Divestments / usage	(99)	-	(1,712)	(123)	(1,934)
Movement tax on pensions UK	-	-	(1,549)	-	(1,549)
Share of result of associates	2,113	-	-	-	2,113
Exchange differences	(310)	-	(75)	(10)	(395)
Newly consolidated / deconsolidated	-	(1,647)	(466)	-	(2,113)
Dividends	(883)	-	-	-	(883)
At 31 December 2013	**4,551**	**20**	**9,164**	**604**	**14,339**

Participating interest

Included in Share of result of associates is an amount of € 1.3 million (2012: € 0.0 million) recognised as operating result in the income statement. We refer to pages 38-40 for the company's interests in other companies.

Deferred income tax assets

Deferred income tax assets relate amongst others to unused tax losses.
Recognised and unrecognised deductible temporary differences and tax losses can be broken down as follows:

	2013 Deferred income tax assets	2012 Deferred income tax assets
Deductible temporary differences	1,262	1,299
Tax losses	4,879	6,985
Tax on pensions UK	3,023	4,682
	9,164	**12,966**

An amount of € 1.4 million of the € 9.2 million deferred tax asset is anticipated to be settled within 1 year.

Deferred tax assets and liabilities are only offset when they relate to the same entity and taxation authority.
The known tax losses not valued amount to € 23.5 million (2012: € 16.5 million).
The deferred tax asset for tax losses includes a deferred tax benefit of € 2.7 million for the liquidation of the entities in Portugal (expected to be finalized in 2014 – 2015).

Where the unrecognised deductible temporary differences and tax losses are concerned, it is not (yet) probable that these may be utilised against future taxable profits or set off against other tax liabilities.

Movement tax on pensions UK is related to the actuarial gain/(loss) on post-employment benefit obligations on the UK pension plan (defined benefit).

6. Work in progress

(€ thousands)

	2013	2012
Balance of work in progress	17,452	8,636
Payments on account	(3,226)	(6,158)
	14,226	**2,478**
Accrued balance of work in progress	84,979	64,181
Deferred balance of work in progress	(67,527)	(55,545)
	17,452	**8,636**

7. Receivables

	2013		2012	
	Total	**Overdue > 1 year**	**Total**	**Overdue > 1 year**
Trade receivables	136,545	6,205	138,197	4,877
Owed from participating interests	3,599	-	6,875	1,047
Corporate tax	233	47	3,186	141
Other receivables, prepayments and accrued income	14,561	607	22,961	742
Total	**154,938**	**6,859**	**171,219**	**6,807**

The fair value of the receivables approximates the book value, due to their short-term character.

	2013	2012
Trade receivables	152,685	158,455
Less: provision for bad debts	(16,140)	(20,258)
	136,545	**138,197**

All trade receivables fall due in less than one year.

8. Cash and cash equivalents

All cash and cash equivalents are at free disposal.

9. Shareholders’ equity

For details to equity, please refer to the notes to the company financial statements on pages 30-33.

10. Minority interest

(€ thousands)

Movements in the minority interest can be broken down as follows:

	2013	2012
At 1 January	**4,456**	**3,117**
Newly de- / consolidated	(3,298)	1,017
Profit for the year	4	973
Dividends	-	(370)
Exchange differences	(508)	(281)
At 31 December	**654**	**4,456**

The minority interest decreased because of the sale of SSI Mafuri, the repurchase of shares in Steward Scott International from Sangena Investments and the addition of DHV Education Foundation.

11. Provisions

Movements in provisions were as follows:

	Pensions	Re-organisation	Long-term employee benefits	Other provisions	Total
At 1 January 2013	**20,857**	**18,988**	**3,349**	**2,084**	**45,278**
Additions	619	12,954	179	369	14,121
Withdrawals	(109)	(24,172)	(331)	(909)	(25,521)
Movement UK pensions	(4,762)	-	-	-	(4,762)
Reclassification	-	1,641	-	-	1,641
Release to profit & loss account	(15)	(689)	(942)	(26)	(1,672)
Exchange differences	(586)	(15)	-	(40)	(641)
At 31 December 2013	**16,004**	**8,707**	**2,255**	**1,478**	**28,444**

Of the provisions, € 19.5 million qualifies as long-term (in effect for more than one year).

Pensions

Obligations are recognised as at balance sheet date for unfunded obligations resulting from contractual arrangements with pension funds and from obligations to employees in the United Kingdom. These obligations are based on actuarial calculations, in which the following assumptions are made:

- Discount rate of 4.60% per annum
- Inflation rate of 2.40% to 3.40% per annum
- Mortality/life table: 100% of S1PxA CMI_2013 [1.00%]

Following the completion of the triennial valuation of the scheme as at 31 October 2012, the level of regular deficit funding increased to £1.1 million per annum from the start of 2014 and increased thereafter by 3% per annum, plus additional annual contributions of £0.02 million per year to a maximum of £0.1 million per annum thereafter, until completion of the next review. Accruals for new benefits in the plan ceased on 30 June 2005 at which time all remaining active members became deferred members.

The related cost during the year includes an interest charge of € 0.9 million (2012: € 0.5 million) and the annual amortisation of actuarial losses of € nil million (2012: € 0.4 million). Under IAS19R the interest charge is calculated as the net deficit multiplied by the discount rate.

Reorganisation

The provision for reorganisation is directly related to initiated reorganisations. The provision is made as soon as a detailed plan has been drawn up for a reorganisation and this plan has been communicated to those affected. The movements in 2013 are mainly related to the reorganisation of the Netherlands and Poland based business and to the winding down of Portugal.

Other provisions

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

12. Non-current liabilities

(€ thousands)

	At 31 December 2013	Repayment obligation in 2014	Remaining term > 1 year	Remaining term > 5 years
Mortgage loans	7,649	418	7,231	5,272
Loans	12,840	12,340	500	500
Financial lease liabilities	775	239	536	-
	21,264	**12,997**	**8,267**	**5,772**

Mortgage loans

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 6 years. A fixed interest rate of 4.79% applies to an amount of € 4.0 million. An Euribor denominated interest rate (as of 31 December 2013) applies to an amount of € 3.7 million.

Loan/Guarantee facility

Koninklijke HaskoningDHV Groep B.V. has a secured loan/guarantee facility of € 115 million with two banks in the Netherlands at an Euribor denominated interest rate. A part of € 9 million has already been repaid in 2011 and 2012.

As of 1 January 2013 this facility and a loan/guarantee facility of € 30 million have been integrated to a secured loan/guarantee facility of € 132 million. This integrated facility consists of a revolving credit facility (€ 32 million), an overdraft facility (€ 20 million), a multipurpose facility (€ 20 million) and a guarantee facility (€ 60 million). A part of € 3 million has been repaid in 2013. This loan/guarantee facility will have to be refinanced in 2014.
The credit margin on the loans is based on the leverage ratio; a lower leverage ratio results in a lower credit margin. An amount of € 17 million is swapped to a fixed rate of 1.67%.

The debt covenant for this facility states that the leverage ratio must not exceed 2.5 at 31 December 2013 and the interest coverage ratio shall not be lower than 4.0. At 31 December 2013, the leverage ratio (net debt/EBITDA) is 0.5 and the interest coverage ratio is 8.9.

13. Current liabilities

	2013	2012
Amounts owed to credit institutions	9,125	5,758
Short term part of non-current liabilities	12,997	843
Trade payables	44,311	40,171
Other taxes & social security contributions	31,544	32,132
Owed to participating interests	311	227
Pensions	1,633	2,096
Other debts, accruals and deferred income	43,901	59,242
	143,822	**140,469**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

14. Guarantees

At 31 December 2013 the Group had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of € 54 million.

15. Commitments and contingencies not included in the balance sheet

(Long-term) financial obligations

At the balance sheet date, the Company has forward contracts to hedge foreign currency risks against the euro. The total value of the contracts on the expiry date is € 1.0 million positive. The contracts expire in the next three years.

At the balance date, the Company has interest rate swaps to hedge the interest rate risk. The total value of the contracts at balance date is € 0.2 million negative.

For further information on risks we refer to the Risk profile on pages 42-43.

Operational leases

The total rental commitments agreed with third parties for real estate property amount to € 37.7 million.
The commitment for the coming year totals € 13.7 million. An amount of € 24.4 million has a term of more than five years.

The total lease commitments agreed with third parties for cars amount to € 11.8 million. The commitment for the coming year totals € 5.3 million.

The obligations from operational leases at the end of the reporting period can be specified as follows:

	(€ thousands)
No later than 1 year	18,689
Later than 1 year and no later than 5 years	28,691
Later than 5 years	2,089
	49,469

Contingent liabilities

The Company in the Netherlands is liable for any obligations arising under the Dutch Sequential Liability Act.

In exceptional cases the Company issued guarantees to customers of operating companies regarding the implementation of projects.

The Company executes certain projects in partnership with other parties. Based on contractual agreements, the Company bears joint and several liability for the contractual obligations of the partnership resulting from these projects.

Tax group liabilities

The Company forms a tax entity for VAT and income tax in the Netherlands with a number of group companies (see page 34). Under the standard conditions, the Company and its fellow members of the tax group are jointly and severally liable for any taxes owed by the group.

By virtue of its operations in various countries, the Company 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.

Contingencies

The Company is involved in certain legal proceedings relating to its projects. Provisions have been created for these in so far as the Executive Board considers these necessary.

Share Plan

For details about the company's share plan we refer to note 28 on page 32.

16. Net turnover

(€ thousands)

	2013	2012
The Netherlands	351,223	369,618
United Kingdom	38,975	40,052
Europe (other)	47,841	48,097
Africa	103,709	126,191
Asia	83,281	99,700
Americas	26,377	20,370
	651,406	**704,028**

See key figures for % segmentation of turnover by client group, market group and region.

17. Short-term employee benefits

	2013	2012
Salaries and wages	300,991	315,041
Social security contributions	30,967	33,628
Pension contributions	32,274	33,889
	364,232	**382,558**

Included in salaries and wages is an amount of € 0.3 million (2012: € 0.3 million) for the Dutch crisis levy.

18. Director's remuneration

Current and former Executive board members:	Base salary	One off	Social premiums / other allowances	Variable	Pensions	2013 Total	2012 Total
E. Oostwegel, chair	354		12	35	59	460	407
B.M. van Ee (employed until 01-12-2013)	344	585	10	38	69	1,046	431
J.M. de Bakker, CFO	325		11	33	68	437	356
P.W. Besselink	325		11	33	65	434	378
H.J.D. Rowe	325		46	33	57	461	441
F. Heemskerk (employed until 01-04-2013)	72		3		13	88	387
						2,926	**2,400**

The one-off payment consists of one annual salary and financial settlement of other contractual obligations.

(€ thousands)

	2013	2012
Current and former Supervisory board members:		
J.A.P. van Oosten, chair	45	29
W. van Vonno, vice chair	40	36
J. Bout	35	29
S.M. Dekker	30	30
M.T.H. de Gaay Fortman	30	26
J.H.M. Lindenbergh	35	34
A.P.M. van der Poel	35	34
K.G. de Vries	35	26
J.J.M. Veraart (member until 31-12-2012)	-	30
J.B. Opschoor (member until 31-12-2012)	-	21
	285	**295**

19. Other operating costs

	2013	2012
Temporary staff	23,197	16,623
Office expenses	28,425	27,826
Travel and accommodation	23,954	24,923
Occupancy costs	22,849	27,433
Work by third parties	9,075	7,062
Other operating expenses	10,281	23,250
Restructuring & merger costs and other one-off items	9,978	22,099
	127,759	**149,216**

Restructuring costs include provisions for staff redundancy and vacant office space.

Included in other operating costs is a loss on exchange rate differences of € 2.7 million (2012: profit of € 0.9 million).

Included in other operating costs is an amount of € 4.0 million (2012: € 6.3 million) for merger costs.

Audit fees

(€ thousands)

The following audit fees were expensed in the income statement in the reported period (included in Work by third parties) to the statutory auditor of the Group (PricewaterhouseCoopers Accountants N.V.).

	2013	2012
Audit fees – annual accounts PwC	450	676
Audit fees – other	138	125
Fiscal services	208	165
Other services	46	170
	842	**1,136**

20. Related party transactions

No non-market conform related party transactions.

21. Number of employees

During the year 2013 on average 6,652 (2012: 7,109) employees were employed by the Group. The headcount per end of year is split by the following regions:

	2013	2012
The Netherlands	3,237	3,633
United Kingdom	561	584
Europe (other)	434	557
Africa	1,187	1,108
Asia	920	969
Americas	59	54
	6,398	**6,905**

22. Income tax expense

The income tax expense of € 3.4 million can be broken down as follows:

	2013	2012
Result before tax	(698)	(18,378)
Income tax expense	3,440	1,047
Effective tax rate	-492.8 %	-5.7 %
Applicable tax rate	25.0 %	25.0 %

The applicable tax rate is based on the relative proportion of the group companies' contribution to profit and tax rates ruling in the countries concerned.

The difference between the effective tax rate and the applicable tax rate in 2013 is due to:

	% variance	€K variance
(1) Permanent differences (amortisation of goodwill, non-taxable income, other)	-206%	1,440
(2) Exclusion of deferred income tax assets in respect of losses for current/past year(s)	-382%	2,667
(3) Adjustment of the deferred income tax asset relating to Portugal	-102%	713
(4) Release of the general tax provision	143%	(1,000)
(5) Other	29%	(205)
Total difference	-518%	3,615

23. Movement in consolidated investments

The following investments and divestment were made in 2013:

	Country	Holding at 01-01-2013	Acquired / divested	Holding at 31-12-2013
Acquisitions				
Integrated Project Management Services Ltd.	United Kingdom	0%	100%	***100%***
Divestments / liquidations				
Haskoning Consultants, Architects and Engineers (Tianjin) Co., Ltd.	China	100%	100%	***0%***
SSI Mafuri	South Africa	64%	64%	***0%***

Company Balance Sheet as at 31 December 2013

(before profit appropriation) *(€ thousands)*

Assets

	Note	2013		2012	
Fixed assets					
Intangible assets	25	16,463		17,797	
Financial fixed assets	26	141,458		144,066	
			157,921		**161,863**
Current assets					
Receivables	27	11,809		11,640	
Cash and cash equivalents		7		45	
			11,816		**11,685**
			169,737		**173,548**

Shareholders' equity and liabilities

	Note	2013		2012	
Shareholders' equity					
Issued share capital	28	5,000		5,000	
Share premium		-		-	
Reserve for translation differences		(8,832)		(3,398)	
Legal and statutory reserves		4,724		3,511	
Other reserves		106,071		124,870	
Undistributed result		(3,363)		(19,898)	
			103,600		**110,085**
Provisions	29		972		2,681
Non-current liabilities	30		-		20,000
Current liabilities	31		65,165		40,782
			169,737		**173,548**

Company Income Statement for 2013

(€ thousands)

	Note	2013	2012
Share of result of participating interests after tax		1,600	(14,524)
Company result after tax		(4,963)	(5,374)
Result for the year		**(3,363)**	**(19,898)**

Notes to the Company Financial Statements

24. General information

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.
The accounting policies for the company financial statements and the consolidated financial statements are the same.

Group companies are stated at net asset value in accordance with Note 2.7 to the consolidated financial statements.

For accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement on pages 10 to 16.

25. Intangible assets

Movements in intangible fixed assets (goodwill) can be broken down as follows:

(€ thousands)

	Total
At January 2013	
Cost	28,319
Accumulated impairment and amortisation	(10,522)
Book value	**17,797**
Movements	
Purchased	-
Sold	-
Exchange rate differences	-
Newly consolidated / deconsolidated	-
Impairment	-
Amortisation	(1,334)
Balance	**(1,334)**
At 31 December 2013	
Cost	28,319
Accumulated impairment and amortisation	(11,856)
Book value	**16,463**
Amortisation rate	5%

26. Financial fixed assets

Movements in financial fixed assets can be broken down as follows:

(€ thousands)

	Participating Interests	Loans to associates	Deferred income Tax assets	Other financial fixed assets	Total
At 1 January 2013	**97,905**	**39,286**	**6,762**	**113**	**144,066**
Investments	227	575	(2,727)	272	(1,653)
Share of result of associates	1,600	-	-	-	1,600
Exchange differences	(5,113)	(308)	-	39	(5,382)
Dividends	(345)	-	-	-	(345)
Other movements	3,172	-	-	-	3,172
At 31 December 2013	**97,446**	**39,553**	**4,035**	**424**	**141,458**

Participating interests

Some of the participating interests have a negative equity value. In 2014 a loan of € 2.8 million will be converted into share capital for one of these participating interests.

The participating interests are 100% related to group companies. For a full list of participating interests we refer to pages 38-40.

Loans to associates

Receivables from associates include a loan to HaskoningDHV Nederland B.V. amounting to € 15.4 million, to Haskoning International B.V. amounting to € 12.7 million and to Haskoning Advies Beheer B.V. amounting to € 3.1 million, which has been agreed on an arm's length basis. The loans, which are subject to a variable interest rate (usually Euribor 1 month) plus credit margin (which differs per associate), have a remaining duration of more than 1 year. Nothing has been agreed in respect of repayment and securities.

The interest income on loans to associates amounted to € 1.4 million (2012: € 1.0 million).

General

The fair value of the financial fixed assets approximates the book value.
For further information on risks we refer to pages 42-43.

27. Receivables

	2013	2012
Owed from group companies / subsidiaries	8,202	5,988
Corporate tax	2,395	3,855
Receivables Stichting SBAH & STAD	-	795
Other receivables, prepayments and accrued income	1,212	1,002
Total	**11,809**	**11,640**

28. Shareholders' equity

The authorised and issued share capital amounts to € 5,000,000, divided into 5,000,000 ordinary shares of € 1.00 each, of which:

- 4,717,359 A class shares (nominal value of € 1.00 each)
- 282,641 B class shares (nominal value of € 1.00 each)

Regarding the B class shares:
248,322 B class shares are currently held by the Stichting Administratiekantoor HaskoningDHV. In 2013 Koninklijke HaskoningDHV Groep B.V. has bought back from the Stichting Administratiekantoor HaskoningDHV and holds 34,319 B class shares.

Part of the shares (B shares) of Koninklijke HaskoningDHV Groep B.V. have been placed with Stichting Administratiekantoor HaskoningDHV. Certificates of these shares are sold to employees during an annual trade round. In the event that more certificates are offered than requested by employees in any future year, there is an intention to buy back certificates by Stichting Administratiekantoor HaskoningDHV. The maximum number of certificates that can be purchased each year, in principle, does not exceed 2.5% of the total number of A and B shares in Koninklijke HaskoningDHV Groep B.V. Each year the Executive Board, with the approval of the Supervisory Board of Koninklijke HaskoningDHV Groep B.V., decides which percentage can be purchased for that specific year by the Stichting Administratiekantoor HaskoningDHV on behalf of Koninklijke HaskoningDHV Groep B.V.

During the 2013 trade round in August 1,824 depositary receipts (DR's) were traded between existing depositary receipts owners. More DR's were offered than subscribed during the trade round. The Executive Board decided, given the 2012 financial results, to limit the repurchase to DR's from employees who were no longer employed at trading date (34,319 DR's with total value of € 0.9 million – share price € 25.15). At the end of 2013 approximately 1% of the total outstanding shares is owned by employees who have left the company since the last trade round (value of € 1.2 million).

Statement of changes in shareholders' equity

(€ thousands)

	Issued share capital	Reserve for translation differences	Legal and statutory reserves	Other reserves	Undistribu-ted result	Total
At 1 January 2013	**5,000**	**(3,398)**	**3,511**	**124,870**	**(19,898)**	**110,085**
Movements						
Statutory reserves	-	-	1,213	(1,213)	-	-
Exchange rate differences	-	(5,434)	-	-	-	(5,434)
Undistributed result	-	-	-	-	(3,363)	(3,363)
Transfer result last year to other reserves	-	-	-	(19.898)	19.898	-
Repurchase	-	-	-	(863)	-	(863)
Movement related to UK	-	-	-	3,410	-	3,410
Other movements in reserves	-	-	-	(235)	-	(235)
Balance	**-**	**(5,434)**	**1,213**	**(18,799)**	**16,535**	**(6,485)**
At 31 December 2013	**5,000**	**(8,832)**	**4,724**	**106,071**	**(3,363)**	**103,600**

For more information on the Company's shareholding structure, we refer to page 41.

Statutory reserves

The statutory reserve relates to undistributed income of participations.

Other reserves

The movement related to UK is related to the actuarial gain/(loss) on post-employment benefit obligations on the UK pension plan (defined benefit).

29. Provisions

The provisions are mainly related to claims and obligations.

30. Non-current liabilities

For terms and conditions of the loan and guarantee facility, refer to note 12 of the consolidated notes on page 22.

31. Current liabilities

(€ thousands)

	2013	2012
Amounts owed to credit institutions	43,025	32,676
Short term part of non-current liabilities	9,000	-
Owed to group companies / subsidiaries	12,317	2,284
Other taxes & social security contributions	25	1,502
Other debts, accruals and deferred income	798	4,320
	65,165	**40,782**

Tax group liabilities
The company forms a corporate income tax group with HaskoningDHV Nederland B.V., Haskoning Advies Beheer B.V., Haskoning International B.V., Haskoning International Services B.V., Haskoning B.V., Raadgevend Technies Buro van Heugten B.V., Van Heugten Engineering B.V., De Weger Adviesgroep B.V., De Weger Architecten en Ingenieursbureau B.V., IWACO B.V., DHV China B.V., DHV Global Engineering Center B.V., NACO Netherlands Airport Consultants B.V. and DHV NPC B.V. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the group.

Amersfoort, March 13, 2014
The Netherlands

Executive Board

E. Oostwegel, chair
J.M. de Bakker, CFO
P.W. Besselink
H.J.D. Rowe

Supervisory Board

J.A.P. van Oosten, chair
W. van Vonno, vice chair
J. Bout
S.M. Dekker
M.T.H. de Gaay Fortman
J.H.M. Lindenbergh
A.P.M. van der Poel
K.G. de Vries

Royal HaskoningDHV

Other Information

Other information

Independent auditor's report

To: the General Meeting of Shareholders of Koninklijke HaskoningDHV Groep B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Koninklijke HaskoningDHV Groep B.V., Amersfoort, which comprise the consolidated and company balance sheet as at 31 December 2013, the consolidated and company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Executive Board's responsibility

The Executive Board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Executive Board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive 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 Executive 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 Koninklijke HaskoningDHV Groep B.V. as at 31 December 2013, 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 Executive 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 under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Executive Board 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, March 13, 2014
PricewaterhouseCoopers Accountants N.V.

F.S. van der Ploeg RA

Profit appropriation

Summary of the articles of association provisions governing profit appropriation

Summary of the articles of association provisions governing profit appropriation Articles 23 and 24 of the articles of association contain (in summary) the following relevant provisions of profit appropriation and dividend:

- The A shares and the B shares shall have equal rights to the profit. Insofar as the general meeting does not reserve the profit otherwise, and insofar as no replenishment, takes place out of the profit in any one financial year, this profit shall be added to the retained A surplus and the retained B surplus, and this in the same ratio as that in which the nominal amounts of all the issued A shares and B shares, respectively, stand to the issued capital.
- Shares and depositary receipts issued therefore held by the company or a subsidiary thereof, from which no rights to distributions can be derived, shall not be included in the determination of the ratio referred to in the preceding sentence.
- Any addition and replenishment shall take place after the adoption of the annual accounts from which it appears that there is profit available for such addition or replenishment.
- The company may make distributions to the holders of B shares and any other persons entitled to the distributable retained B surplus only insofar as the shareholders' equity exceeds the amount which must be maintained under the law. No distributions may be made out of the retained A surplus or out of any reserves other than the retained B surplus.
- Subject to provisions of article 23.3, distributions out of a retained B surplus as referred to in paragraph 1, may be made at all times pursuant to a resolution of the general meeting. The general meeting cannot resolve to discontinue a retained surplus.

  A resolution of the general meeting to proceed to a distribution out of the retained B surplus shall be subject to the approval of the Executive Board. The Executive Board may withhold its approval only if it knows or reasonably ought to have foreseen that the company, after such distribution, will be unable to continue to pay its due debts.
- No losses may be offset against a retained surplus, unless it concerns losses which cannot be defrayed out of a reserve – not being a retained surplus – or offset in any other way and the general meeting resolves, with the approval of all the holders of the shares corresponding with the retained surplus in question, to charge losses against the balance of the retained surplus in question. If and insofar as such is possible, losses shall be charged against the retained surpluses pro rata to the number of issued A shares and B shares at the time of the adoption of the aforementioned resolution.
- If a loss has been charged against one or both retained surpluses, as referred to in the preceding sentence, the profits made in the subsequent years shall be applied first of all in replenishing the amount that was charged against the retained surplus or surpluses.
- The general meeting may resolve that dividends will be paid in whole or in part in a form other than cash, but then only in the form of B shares of the company itself.
- The general meeting can, on a proposal thereto from the Executive Board, decide, an interim addition shall be made to the retained surpluses, either chargeable against the profit or chargeable against a reserve other than a retained surplus.

Proposed profit appropriation

Given the loss over 2013, the Executive Board proposes that no dividend will be distributed to holders of A and B shares.

Participating interests

The following is a list of the main consolidated participating interests of Koninklijke HaskoningDHV Groep B.V., Amersfoort, The Netherlands (unless stated otherwise, all interests are 100%):

HaskoningDHV Nederland B.V.,	Amersfoort, The Netherlands
Haskoning B.V.,	Nijmegen, The Netherlands
HaskoningDHV Asset Management B.V.,	Amersfoort, The Netherlands
NACO Holding B.V.,	The Hague, The Netherlands
NACO, Netherlands Airport Consultants B.V.,	The Hague, The Netherlands
Raadgevend Technisch Advies Buro Van Heugten B.V.,	Capelle aan den IJssel, The Netherlands
Van Heugten Engineering B.V.,	Capelle aan den IJssel, The Netherlands
Haskoning Advies Beheer B.V.,	Nijmegen, The Netherlands
HaskoningDHV Belgium N.V.,	Mechelen, Belgium
HaskoningDHV UK Holdings Ltd.,	Peterborough, United Kingdom
HaskoningDHV UK Ltd.,	Peterborough, United Kingdom
HaskoningDHV (Malaysia) Sdn Bhd.,	Kuala Lumpur, Malaysia
The Denis Wilson Partnership Group Ltd.,	Peterborough, United Kingdom
Ocean Shipping Consultants Ltd.,	Chertsey, United Kingdom
First Marine International Ltd.,	London, United Kingdom
Integrated Project Management Services Ltd.,	Peterborough, United Kingdom
Haskoning International B.V.,	Nijmegen, The Netherlands
Haskoning International Services B.V.,	Nijmegen, The Netherlands
Haskoning Consultants, Architects and Engineers O.O.O.,	Moscow, Russia
PT Haskoning Indonesia,	Jakarta, Indonesia
HaskoningDHV India PvT Ltd.,	Delhi, India
Haskoning Caribbean Ltd.,	Port of Spain, Rep. of Trinidad and Tobago
Haskoning Libya JSC,	Tripoli, Libya (80%)
Royal Haskoning Consulting (Shanghai) Co. Ltd.,	Shanghai, China
Royal Haskoning Consulting (Beijing) Co. Ltd.,	Beijing, China
Haskoning Sénégal S.A.R.L.,	Dakar, Senegal
Haskoning Singapore Pte. Ltd.,	Vista, Singapore
Haskoning Australia Pty Ltd.,	Sydney, Australia
Haskoning Brasil Participações Ltda.,	Rio de Janeiro, Brasil (99%)
Haskoning Consultaria E. Projectos Ltda.,	Rio de Janeiro, Brasil (99%)
Haskoning Engineering Consultants Ltd.,	Abuja, Nigeria (79.17%)
Haskoning Cambodia Ltd.,	Phnom-Penh, Cambodia
Haskoning Vietnam Ltd.,	Ho Chi Minh City, Vietnam
Royal Haskoning Qatar WLL,	Doha, Qatar
ELC Grup Müşavirlik ve Mühendislik Anonim Şirketi,	Istanbul, Turkey (90%)
Haskoning Cameroun S.A.R.L.,	Douala, Cameroun
Haskoning Philippines Inc.,	Manila, Philippines
HaskoningDHV Nederland B.V. / Gomez Cajiao y Asociados S.A.,	Bogota, Colombia (51%)

DHV Global Engineering Center B.V.,	Amersfoort, The Netherlands
DHV NPC B.V.,	Amersfoort, The Netherlands
PT Mitra Lingkungan Dutaconsult,	Jakarta, Indonesia (77.4%)
HaskoningDHV Consulting Private Ltd.,	New Delhi, India
DHV Vietnam Company Ltd.,	Hanoi, Vietnam
DHV CR, spol s.r.o.,	Prague, Czech Republic
DHV Polska Sp. z o.o.,	Warsaw, Poland
Hydroprojekt Sp. z o.o.,	Warsaw, Poland
Prokom Sp. Z.o.o.,	Czeladz, Poland
DHV SGPS, S.A.,	Algés, Portugal
DHV, S.A.,	Algés, Portugal
DHV China B.V.,	Amersfoort, The Netherlands
DHV Beijing Environmental Engineering Co. Ltd.,	Beijing, China
DHV Engineering Consultancy Co. Ltd.,	Shanghai,China
DHV Lda.,	Maputo, Mozambique
Stewart Scott International Holdings Pty Ltd.,	Johannesburg, South Africa (76.95%)
Royal HaskoningDHV (Pty) Ltd.,	Johannesburg, South Africa
Steward Scott Investments (Pty) Ltd.,	Johannesburg, South Africa
SSI Botswana (Pty) Ltd.,	Gaborone, Botswana
Steward Scott International (Pvt) Ltd.,	Harare, Zimbabwe
Steward Scott NCL Ltd.,	Cayman Islands
Steward Scott Swaziland (Pty) Ltd.,	Mbabane, Swaziland
Mancon (Pty) Ltd.,	Johannesburg, South Africa
DHV Education Foundation,	Johannesburg, South Africa
Turgis Technology Pty Ltd.,	Johannesburg, South Africa
Turgis Consulting (Pty) Ltd.,	Johannesburg, South Africa
Turgis Consulting Ltd.,	London, United Kingdom
InterVISTAS Holding Inc.,	Vancouver, Canada
InterVISTAS Consulting Inc.,	Vancouver, Canada
InterVISTAS B.V.,	The Hague, The Netherlands
InterVISTAS Consulting UK Ltd.,	London, United Kingdom
DHV Holdings USA Inc.,	Wilmington, Delaware, United States of America
InterVISTAS Consulting LLC,	Washington D.C., United States of America
InterVISTAS Servicos de Consultoria do Brasil,	Sao Paulo, Brasil
InterVISTAS GA2 Consulting Inc.,	Washington D.C., United States of America

Participating interests

Joint Ventures

VOF Ketel Deerns Raadgevende Ingenieurscomb. Schiphol 2000,	Schiphol, The Netherlands	50%
VOF Holland Railconsult / DHV,	Amersfoort, The Netherlands	50%
VOF Tunnel Engineering Consultants,	Nijmegen, The Netherlands	50%
VOF Brede AAA,	Utrecht, The Netherlands	50%
VOF Railinfra Solutions,	Utrecht, The Netherlands	40%
VOF Royal Haskoning – Arup MC Renovatie Bruggen,	Amsterdam, The Netherlands	50%
VOF Ingenieursbureau Vathorst,	Amersfoort, The Netherlands	50%
VOF DHV /Movares, diensten ZuidasDok,	Utrecht, The Netherlands	50%
VOF Combinatie DHV-Arcadis Combiplan Nijverdal,	Amersfoort, The Netherlands	50%
VOF Mecanoo Haskoning New Premises Eurojust,	Rotterdam, The Netherlands	47.4%
VOF EGM Deerns Corsmit,	Rotterdam, The Netherlands	33%
VOF D3BN/PBT,	Rotterdam, The Netherlands	50%
VOF Segmeer,	Capelle a/d IJssel, The Netherlands	50%
VOF Adviesbureau Noord/Zuidlijn,	Amsterdam, The Netherlands	50%
VOF Grontmij – De Weger,	Rotterdam, The Netherlands	37.8%
VOF Arup / Van Heugten Het Nieuwe Rijksmuseum,	Amsterdam, The Netherlands	50%
VOF UWAYGO,	Amersfoort, The Netherlands	50%
Team van Oord Ltd.,	Newbury, United Kingdom	15%
Braamhoek JV,	Johannesburg, South Africa	33%

Other Group Companies

Chuchawal – Royal Haskoning Ltd.,	Bangkok, Thailand	48.925%
Design 103 International Ltd.,	Bangkok, Thailand	48.97%
DHV MED Ltd.,	Netanya, Israel	37%
SADECO,	Jeddah, Saudi Arabia	49%
Infraflex B.V.,	Utrecht, The Netherlands	33%

Shareholding Structure

Koninklijke HaskoningDHV Groep B.V. has two shareholders: the Stichting (foundation) HaskoningDHV and the Stichting Administratiekantoor HaskoningDHV ("the Trust Office"), which was incorporated by demerger from the Stichting HaskoningDHV. Stichting HaskoningDHV holds all A shares (being min. 75.5% of the entire issued share capital) and the Trust Office that holds the B shares (max. 24.5% of the entire issued share capital) equal to the issued certificates.
The B shares allow for the issue of certificates (the depository receipts) to eligible HaskoningDHV staff. The Board of the foundation exists of five members. One member has been appointed by (not out of) the Supervisory Board, the Executive Board and the combined Works Councils respectively. One member has been appointed by and out of the depositary receipts holders (candidate must meet certain qualifications). The fifth member is the Board's chair and is an independent external individual appointed by the four other members.

Trust Office
The scope of the Trust Office will be to manage the B shares and to issue and administer the depositary receipts for shares issued to HaskoningDHV staff. Its Board currently consists of 3 members. The next Board of the Trust Office will be appointed out of and by the depositary receipt holders.

Stichting HaskoningDHV (Foundation HaskoningDHV)
Objective: to manage the A shares.

Composition of the Board:
1. P.G. Boumeester, chair
2. J.J.M. Veraart
3. R.O.T. Zijlstra
4. H. Zwarts
5. (vacancy)

This foundation currently holds 4,717,359 A shares.

Stichting Administratiekantoor HaskoningDHV
Objective: to manage the B shares in Koninklijke HaskoningDHV Groep B.V., and to issue and administer the depositary receipts for shares to eligible HaskoningDHV staff members.

This foundation currently holds 248,322 B shares.
Koninklijke HaskoningDHV Groep B.V. has bought back and currently holds 34,319 B shares.

Composition of the Board:
1. T.F. Huber, chair
2. F.T. van der Molen, vice chair
3. M.J. Vermeulen

Risk Profile

Introduction

On 31 December 2012 Koninklijke Haskoning Groep B.V. and DHV Holding B.V. legally merged into the Koninklijke HaskoningDHV Groep B.V. Both companies had a risk management system in place where the most important risks were assessed periodically and measures taken to control these risks. Best practices were identified. The implementation started in the second half of 2012 and was finalised in 2013. Overall, this resulted in processes and procedures where risks are identified and managed over time. These risks relate to corporate risks, project risks and other risks.

Corporate risks

In 2013 the most important corporate risks as identified in our corporate risk log were capacity and markets.

Royal HaskoningDHV executes a large number of projects worldwide for both private and public sector clients. As an internationally operating company our activities are spread over various geographical regions and clients which have a mitigating effect on the capacity.

During 2013, Royal HaskoningDHV continued to suffer from the worldwide economic slowdown, decreased public expenditures, especially in Europe, and increased competition. The company focused on intensified business development to generate new leads and improved cooperation between Business Lines. We also further improved and structured account management to strengthen the relationship with our existing clients. Furthermore we right sized staff capacity to the order portfolio.

As a result of our actions we noticed a positive development in our utilisation rate. However, a number of Business Lines require further improvement.

As prices continue to be under pressure in many of our markets, Royal HaskoningDHV is facing the risk that we might not be able to absorb increase of wages and other costs in the selling price to our clients. As a consequence the company paid attention to optimising staff and staff flexibility, and driving down costs by achieving efficiency in working procedures and support systems. Further, the Executive Board clearly communicated the risk of increase of wages with the Executive Council and the Works Council.

Project risks

Key inherent risks are related to the execution of our projects. In 2013 we rolled out our global management system. As a result the risk management processes and procedures of our projects are carried out in a uniform way throughout the organisation.

Important controls in our management system are the following:

- The authorisation matrix that defines which function is allowed to approve commitments and transactions. For project proposals with the highest inherent risk for the company, the Risk Assessment Board, consisting of the Executive Board and Corporate Director Legal, reviews and decides.
- Each prequalification and proposal has to go through a standardised risk assessment. Those with higher inherent risks are analysed by our risk managers. Dependent on the outcome of this assessment the authority to approve such risks is structured in our risk and approval matrix. The overall result is documented in a Project Risk Log that is used and updated throughout the duration of the project.
- A periodic project review document has to be prepared by the Project Manager which is discussed with line management. In addition, each project is discussed monthly between Business Line management and Business Line Controllers to ensure risks are identified and reflected in our accounting systems.

Other risks

Business integrity

Doing business in a responsible manner and with integrity is of utmost importance for the reputation of Royal HaskoningDHV. We act ethically and with transparency in our business dealings, respecting the customs and laws of our working environments. Our Global Code of Business Principles is shared across the company and communicates the standards that are required world-wide. We are deeply committed to transparency and accountability. Each year our integrity and compliance is audited by an external company.

Systems

To ensure the reliable operation of our global ICT systems, we partially outsource the operation of these to an international ICT service provider.

We have chosen two standardised ERP applications for project administration. These have been implemented in a number of legal entities. Further implementation will continue during 2014.

Liquidity risk

It is important that Royal HaskoningDHV has sufficient financial resources to fund our operations. There are two key controls that should ensure that sufficient funding is available: control over our working capital (mainly work in progress positions and debtors) and securing our bank lines.
Before submitting a proposal to a client it is assessed whether we expect that the client will be able to settle our invoices over the duration of the project. In addition, for each proposal a cash flow forecast is prepared and it is our objective to ensure that the balances over time are positive or the least negative.
With our banks we have agreed on facilities where loan covenants are applicable. Our Corporate Treasury manages and monitors that these loan covenants are met.

Currency risk

Royal HaskoningDHV runs the risk of currency differences on part of the turnover. For the most part this concerns a risk pertaining to the US Dollar, but also less traded currencies are included in our portfolio. Our policy aims to cover the currency risk as much as possible during the execution of our projects.

Guarantee risk

A number of our clients require us to issue corporate guarantees for the execution of a project. It is our policy to limit the issue of these guarantees as much as possible. Because of this, the management of our internal balance sheet aims to ensure that solvency of our companies is sufficient to operate independently in the market.

Pensions

In principle, Royal HaskoningDHV operates pension plans under defined contribution pension schemes. However, at HaskoningDHV UK there is a defined benefit scheme that was closed to future accrual during 2005. At this time all remaining active members became deferred members.

The defined benefit scheme deficit net of deferred tax under Dutch GAAP in accordance with IAS19 ‘Retirement benefits’ as at 31 December 2013 is £12.6 million.
Following the completion of the triennial valuation of the scheme as at 31 October 2012, the level of regular deficit funding increased to £1.1 million per annum from the start of 2014 and increased thereafter by 3% per annum, plus additional annual contributions of £0.02 million per year to a maximum of £0.1 million per annum thereafter, until completion of the next review.

With its headquarters in Amersfoort, The Netherlands, Royal HaskoningDHV is an independent, international project management, engineering and consultancy service provider. Ranking globally in the top 10 of independently owned, non-listed companies and top 40 overall, the company's 8,000 staff provide services across the world from more than 100 offices in over 35 countries.

Our connections

Innovation is a collaborative process, which is why Royal HaskoningDHV works in association with clients, project partners, universities, government agencies, NGOs and many other organisations to develop and introduce new ways of living and working to enhance society together, now and in the future.

Memberships

Royal HaskoningDHV is a member of the recognised engineering and environmental bodies in those countries where it has a permanent office base.

All Royal HaskoningDHV consultants, architects and engineers are members of their individual branch organisations in their various countries.

royalhaskoningdhv.com

Royal HaskoningDHV
Enhancing Society Together