

ANNUAL REPORT 2009

Profile and mission

VolkerWessels is a closely-knit group of companies at home in the Netherlands and abroad. We work in partnership with our stakeholders to shaping society in the field of construction, mobility, energy and communications provision and development, design, realisation, management and operations.

The focal point of the activities of VolkerWessels is in the Netherlands. There are also offices in the United Kingdom, Belgium, Germany, Poland, Estonia, the United States and Canada. We operate in a decentralised organisational structure with 125 operating companies and with an average of 16,600 employees.

VolkerWessels

Oostmaaslaan 71, 3063 AN Rotterdam
P.O. Box 2630, 3000 CP Rotterdam
The Netherlands
T +31 (0)10 42 44 244
F +31 (0)10 42 44 282
E informatie@volkerwessels.com
I www.volkerwessels.com

2009 Annual Report

In 2009, Wessels Rijssen realised the new construction for Reggefiber in Rijssen. De Groot Vroomshoop was responsible for the exceptional wood construction work.



Van Hattum en Blankevoort and KWS Infra, among others, working on the reconstruction of the A2 motorway, here in the vicinity of Utrecht. The work includes a new viaduct with noise barriers.

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Key figures

In millions of euros unless stated otherwise

Consolidated information*

	2009	2008
Revenue	4,419	4,874
Order book	4,499	4,966
EBITDA	198	262
Result for the financial year	91	145
Income tax	30	40
Effective tax rate	25%	21%
Operating working capital	713	887
Net debt	114	305
Depreciation and impairment of property, plant and equipment	71	69
Amortisation and impairment of intangible assets	10	9
Investments in property, plant and equipment	94	109
Investments in intangible assets	8	25
Share capital	84	84
Total equity	935	910
Average number of employees	16,599	17,279
Ratios		
Current ratio	1.24	1.24
Solvency	30%	28%
Profitability		
Return on equity	10.0%	16.8%
EBITDA	4.5%	5.4%
Net margin	2.1%	3.0%

* The 2009 financial statements are prepared in accordance with EU-IFRS. The comparative figures for 2008 have been adjusted.

The financial information contained on pages 58 to 63 was derived from the audited 2009 financial statements of Royal Volker Wessels Stevin NV (‘financial statements’). An unqualified auditor’s report was issued on the financial statements. The accounts should be read in conjunction with the financial statements, from which they were derived, as well as with the unqualified auditor’s report. A digital version of the financial statements is available on the VolkerWessels website (www.volkerwessels.com).

Financial diary

The interim figures of VolkerWessels are published on 16 September 2010.

INTRODUCTION

Solid results in difficult market conditions thanks to the diversity of our activities

2009 was a hectic year with the economy in continuous movement. In most cases, the news was quite bleak. The financial sector and banks had difficulties, and that also reflected on the construction industry and our business. VolkerWessels, too, had a difficult year in more than one area in 2009.

Thanks to a healthy financial position, a full order book and excellent diversification in our activities, we came through the year relatively unscathed. We closed 2009 with revenue of € 4.4 billion and result for the financial year at € 91 million, which is in line with earlier expectations.

The markets in which we are active developed very differently, reflecting the diversity of our business. In some market segments, such as building and civils, utility construction and the rail sector, we saw increased competition and pressure on prices. Other markets, often specialist markets, were more stable despite economic pressures.

Working capital management was a focal point for our business in 2009, resulting in a strengthening of the financial position and improved stability in the business. Apart from the focus on working capital management, the improvement of project management and risk management remained high on the agenda.

In 2009, we provided a strong stimulus for our sustainability policy. Clients (public and private) increasingly request visibility in this field and, partly in response to this, we have decided to publish a special sustainability report this year. In addition to a brief explanation in this annual report, you can find detailed information in the sustainability report on how far we have progressed this year. Now and in the future, we will continue to embrace our responsibility in the field of sustainability and report on it.

Safety is and will continue to be a top priority for our company. We see it as a primary duty to ensure a safe working environment for our staff. Furthermore, we have a strong focus on the safety of our stakeholders, such as road users and local residents.

The construction sector as a whole will face a challenging year in 2010. The latest forecasts are unanimously subdued. Market conditions will continue to be difficult, with increasing competition and pressure on prices.

The sectors in which we are active have a delayed cyclical character. Order books will come under further pressure, projects will be more frequently postponed, and a number of market segments, such as the housing and office market, are not yet showing signs of recovery. It is expected that private clients will remain reticent, and municipal councils and housing corporations will face an uphill struggle. However, we assume that the Dutch central government will continue to invest, as a result of which the infrastructure market will show a steady improvement.

In the coming year, as with last year, we will continue to pursue our strategy of strengthening and improving our business, with a focus on operational excellence, giving extra attention to project management and risk management. We are in a good position to face the challenges ahead. VolkerWessels is a group with a healthy financial position, strong shareholders, motivated and passionate staff, a good order book and last, but not least , a broad spectrum of activities. We are therefore realistic and confident about the years ahead.

Gerard van de Aast

Chairman of the Management Board



MISSION, VISION, FINANCIAL TARGETS AND STRATEGY

VolkerWessels is a closely-knit group of companies at home in the Netherlands and abroad. We work in partnership with our stakeholders to shaping society in the field of construction, mobility, energy and communications provision and development, design, realisation, management and operations.

We operate in a decentralised organisational structure with 125 operating companies and are active in the following areas: housing and utility construction, industrial construction, property development, civil engineering, road construction, network infrastructure (cables and pipelines), telecommunications infrastructure, railway construction and maintenance, technical installations, traffic technology, plant and machinery management, parking management, building supplies and advice and service delivery.

Amongst others, our strengths lie, in extensive knowledge and know-how in all construction disciplines, cooperation in multidisciplinary and integrated projects, a good geographic coverage, a solid financial position, and motivated and expert staff. Our operating companies are independent companies with their own profit and market responsibility, and are part of a tight internal network. We collaborate across the group in the areas of business development, legal affairs, staff development, insurance, financing and communication. IT , plant and machinery, and other equipment is also shared, along with shared purchasing and service delivery.

- The Management Board manages the organisation at cluster level. The different clusters are:
- Building and Property Development the Netherlands (including building supplies)
 - Civil engineering, Roads and Rail
 - Civil engineering, Roads and Building UK
 - Civil engineering, Roads and Building US/Canada
 - Infrastructure technology and Telecommunications
 - Supplies and Service Delivery

Over four weekends, VolkerRail renewed an entire railway track section of 10 kilometres between Dordrecht and Moerdijk. A track renewal train replaced 25,000 sleepers, and 80 construction trains enabled 70,000 tonnes of ballast to be sifted, removed and replaced. A total of 1,200 people worked in 24-hour shifts to complete this project. The work was evaluated on site throughout the project to enable us to implement improvements the following weekend to implement greater productivity improvements directly in both the use time and the efficient use of machinery.

25,000 sleepers for upgrading the Dordrecht-Moerdijk rail connection



Most of our operations are focused on the Netherlands. In addition, we have operations in: the United Kingdom, Belgium, Germany, Poland, Estonia, the United States and Canada. Our operating companies’ projects are implemented on a global scale. An average of 16,600 people are involved on a daily basis giving substance to our motto ‘Building together on home, work and mobility.’

Our stakeholders include: the central government, government ministries and departments, provinces, municipalities, the Directorate General for Public Works and Water Management (Rijkswaterstaat), ProRail, water boards, institutional investors, housing corporations, the corporate sector, institutional clients, consumers in the housing market, consortium partners, subcontractors, sector associates, waste disposal companies, energy suppliers, our staff, employer and employee organisations, environmental organisations, educational and research institutions, local communities and residents and financial institutions.

Strategic vision

Our strategy is aimed at further strengthening our current business in harmony with our environment: to be safe, honest and sustainable. In this context, we start from a strong base of operational excellence and from this strength, we work towards growth and moving up the value chain. Our main focus is on internal growth, although strategic acquisitions are not excluded, as long as the right conditions are met. The purpose of this strategy is to strengthen and expand our position to enable the company to achieve, in a continued consolidation, a leading position in the Netherlands, Europe and Canada. Our staff and our management form the foundation of our business. It is therefore essential to guarantee and, where possible, strengthen the quality of our people.

Our objectives for 2010-2012 are defined in both qualitative and quantitative terms:

- Qualitative:**
- Strengthening our base through operational excellence:
- Project management;
 - Risk management;
 - Contract management;
 - Purchasing management;
 - Internal and external collaboration in multidisciplinary projects;
 - Optimisation of working capital.

Integrating the value chain across service delivery and/or operations.

- Quantitative:**
- Realising an EBITDA margin of 5-6% of revenue;
 - Net return on equity of 15-20%;
 - Solvency ratio of 20-25%;
 - EBITDA contribution from foreign operations of 20-25% of total EBITDA.

The results achieved during the reporting year can be compared as follows with the agreed strategic financial targets:

	Achieved in 2009	Target 2010-2012	
EBITDA margin of 5-6% of revenue	4.5%	5-6%	
Net return on equity	10%	15-20%	
Solvency	30%	20-25%	
EBITDA contribution from foreign operations in relation to total EBITDA	13.5%	20-25%	



Westerschelde pipeline

With the aid of two horizontal excavations (of 1,350m and 1,450m), Visser & Smit Hanab successfully completed a gas pipeline underneath the Westerschelde. The work was performed by a 450 tonne excavation rig working from a temporary work platform. The gas pipeline is part of the nationwide expansion of the main gas transport network of GasUnie, known as the north-south route (Noord-Zuid route).

COMPOSITION OF THE MANAGEMENT BOARD



G.J.A. (Gerard) van de Aast (1957), chairman.
Appointed on 1 January 2009. Previously he served as a member of the Management Board of Reed Elsevier and CEO of Reed Business. Member of the Supervisory Board of Océ NV.

From his position as Chairman, Mr. Van de Aast supports his fellow executive directors in the management of the different divisions and is also directly responsible for the civil engineering, Roads and Rail divisions, Human Resources and Corporate Communication departments.



D. (Dick) Boers (1966)
Appointed to the Management Board in 2006. He has been active at VolkerWessels since 1989, most recently as managing director of VolkerWessels Bouw & Vastgoedontwikkeling BV in Rijssen.

Mr. Boers is responsible for the Building and Property Development divisions in the Netherlands as well as Supplies and Service Delivery (construction and property).



Mrs. M.J. (Jolanda) Poots-Bijl (1969)
Appointed to the Management Board on 15 July 2009. Prior to that, she served as CFO and member of the Management Board at Connexion.

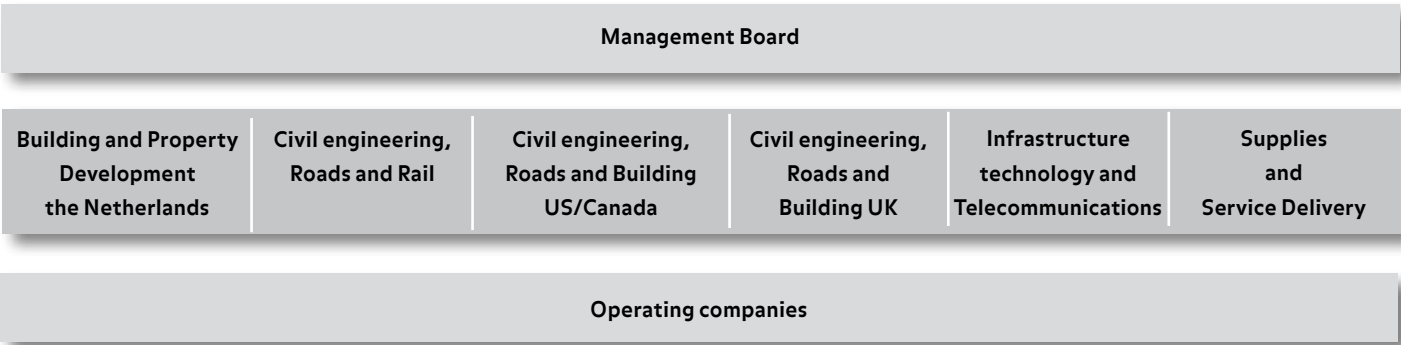
As CFO, Mrs. Poots-Bijl is responsible for Finance, Legal Affairs, Insurance and Risk Management.



A. (Alfred) Vos (1969)
Appointed to the Management Board on 1 January 2009. Prior to that, he served as Chief Operating Officer Europe at AMB Property Corporation.

Mr. Vos is responsible for the Civil engineering, Roads and Building in the UK, US and Canada, Infrastructure technology and Telecommunication divisions and Supplies and Service Delivery (infrastructure).

MANAGEMENT STRUCTURE OF VOLKERWESSELS



REPORT OF THE BOARD OF MANAGEMENT

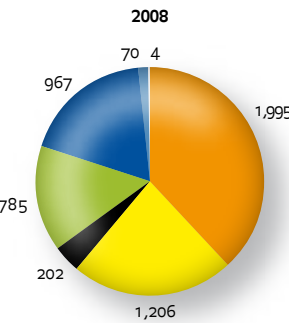
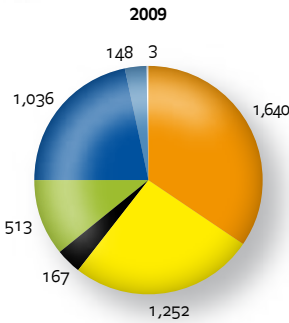
Key objectives

- Revenue: € 4,419 million (2008: € 4,874 million);
- Earnings before interest, tax, depreciation and amortisation (EBITDA): € 198 million (2008: € 262 million);
- Net profit: € 91 million (2008: € 145 million);
- Net debt: € 114 million as at 31 December (2008: € 305 million);
- Order book at year-end 2009: € 4,499 million (2008: € 4,966 million).

Key figures
(in millions of euros)

Operating revenue trend
(in millions of euros)

- Building and Property Development the Netherlands
- Civil engineering, Roads and Rail
- Civil engineering, Roads and Building US/Canada
- Civil engineering, Roads and Building UK
- Infrastructure technology and Telecommunications
- Supplies and Service Deliveries
- Not allocated



	Revenue		EBITDA	
	2009	2008	2009	2008
Building and Property Development the Netherlands	1,640	1,995	80	121
Civil engineering, Roads and Rail	1,252	1,206	44	39
Civil engineering, Roads and Building US/Canada	167	202	19	24
Civil engineering, Roads and Building UK	513	785	7	24
Infrastructure technology and Telecommunications	1,036	967	13	31
Supplies and Service Delivery	148	70	47	43
Not allocated	3	4	(12)	(20)
Total	4,759	5,229	198	262
Less: Intercompany	(340)	(355)		
Revenue/EBITDA	4,419	4,874	198	262

General

The economy saw significant movement during the last year. The impact of the economic situation was also felt in the construction sector. 2009 was a difficult year during which the company achieved a solid result, mainly due to a healthy financial base and diversity in our activities and the markets in which we operate.

Initially, the decrease in market activity aligned to the trend in other business sectors, but the situation took a turn for the worse after the construction holiday. Order books shrank and lower levels of planning permission for homes and utility construction were issued. It is expected that this situation will continue in 2010. The economic institute for the building industry (Economisch Instituut voor de Bouwnijverheid - EIB), states that 2007 saw the completion and delivery of 80,000 homes; this number dropped to 72,000 in 2009. Investments in the construction of business premises, office space and hospitals was also often postponed. The reticence of banks to provide loans for businesses and projects had a negative influence on the market trend. However, for VolkerWessels, our long-term contracts meant that maintenance works remained on par. The market for civil engineering projects also remained stable, partly due to extra investments by the Dutch authorities.

The changing economic situation resulted in a stronger focus on managing risks, also when agreeing new projects, a sharper focus on management and attention to working capital management, increased monitoring of capital utilisation in relation to available capacity and, where possible, cost reduction.

At year-end 2009 / 2008, the order book was made up of the following:

By sector

(in millions of euros)

	2009	2008
Building and Property Development		
the Netherlands	2,253	2,556
Civil engineering, Roads and Rail	991	957
Civil engineering, Roads and Building		
US/Canada	183	223
Civil engineering, Roads and Building UK	450	547
Infrastructure technology		
and Telecommunications	789	857
Supplies and Service Delivery	24	25
Not allocated	-	-
Total	4,690	5,165
Less: Intercompany	(191)	(199)
Order book	4,499	4,966

The composition of the operating margin (EBITDA expressed as a percentage of revenues) is as follows:

EBITDA

(in percent)

	2009	2008
Building and Property Development		
the Netherlands	4.9	6.1
Civil engineering, Roads and Rail	3.5	3.2
Civil engineering, Roads and Building		
US/Canada	11.4	11.9
Civil engineering, Roads and Building UK	1.4	3.1
Infrastructure technology		
and Telecommunications	1.4	3.2
Supplies and Service Delivery	31.7	-
Not allocated	-	-
Group	4.5	5.4

Commissioned by Eurocommerce, IBB Kondor delivered the Mirage project (building on the right), including a parking garage, in Utrecht.

During the year under review, the acquisition of Van Dulmen Telecommunicatie Kabelwerken BV and part of the infrastructure activities of Verhoeve Groep was completed. A share of 40% was also acquired in Dubotechniek Beheer BV. These acquisitions further strengthened our market position. The acquired activities were consolidated in 2009. There were no major divestments in 2009; only a few minor interests were sold. The result achieved by the company reflected earlier expectations.

Revenue and order book

In 2009, revenue came to € 4,419 million (2008: € 4,874 million), representing a decrease of € 455 million. The order book at 31 December 2009 amounted to € 4,499 million compared to € 4,966 million at 31 December 2008.

Result (EBITDA and net profit)

In spite of the difficult market conditions that adversely impacted on a number of our companies, many companies also posted satisfactory results, leading to a result before interest, tax, depreciation and amortisation (EBITDA) for 2009 of € 198 million. This is EUR 64 million less than in 2008 (€ 262 million). Net profit amounted to € 91 million, which is € 54 million less than the net profit achieved in 2008 (2008: € 145 million).

Financial position

Total assets decreased by € 133 million to € 3,163 million during the year under review (2008: € 3,296 million).

The solvency rate at 31 December 2009 before profit distribution was 30% (2008: 28%), and after profit distribution was 27% (2008: 26%) of the balance sheet total. The company’s target for the coming years is a solvency rate of at least 20% of the balance sheet total, after deduction of the dividend to be distributed for the relevant financial year. This target was easily exceeded at 31 December 2009.

Net debt/Operating working capital

The measures implemented with respect to working capital led to a net reduction in debt of € 191 million compared to 31 December 2008. Net debt at 31 December 2009 is € 114 million. The focus on working capital reductions produced good results which are reflected in the net debt at 31 December 2009. This topic will continue to remain high on the agenda for the coming years.

Investments and acquisitions

Our growth strategy is based on growing our existing businesses through organic, profitable growth, combined with selective acquisitions in order to strengthen market positions or to fill niche markets. The basic principle for assessing potential acquisitions is that the business to be acquired should create clear added value for the group as a whole and contribute to the achievement of the strategic targets. When assessing potential acquisitions, attention is focused on the risk profile of the investment proposition.

Investments in property, plant and equipment

The investment in property, plant and equipment in 2009 amounted to € 96 million (2008: € 117 million).

Of this amount, € 11 million relates to acquisitions that were completed during the year under review (2008: € 12 million). Depreciation of property, plant and equipment in 2009 came to € 71 million (2008: € 68 million).

As in prior years, investment was primarily for the replacement and expansion of plant and machinery required for operations. The group also invested in two asphalt plants (Doetinchem and Roosendaal) and the Stemat Spirit, a working vessel that will be deployed for laying cables from and to offshore wind farms.

Financing

Our working capital requirements for each business unit are financed by external loans, managed by a dedicated centralised Treasury function. This creates an internal financing structure. In addition, the group actively pursues opportunities offered by the money markets. Project financing is obtained to fund individual projects at operating company level. Project financing is provided on a non-recourse or limited recourse basis. We amply comply with the covenants agreed with respect to financing. In May 2007, we renewed our borrowing arrangements. Pursuant to these arrangements, a guaranteed € 600 million is at our disposal for funding our working capital requirement. No collateral has been extended in connection with the financing.

Risk management

The purpose of our risk management and internal control systems is to gain insight into and mitigate the main risks the company faces and/or to ensure that the agreed targets are met as best as possible. In this context, it involves the closest possible cooperation across the decentralised organisational structure of the company, striving for systems that fit in with the size, nature of the activities and the risk profiles of the specific operating companies. However, we remain aware that no single system, however good, can offer absolute assurance that the company objectives and targets are met or that all misstatements can be avoided. A process had already been launched in prior years enabling us to evaluate internal risk management and control systems systematically. This process enables us to perform an annual internal review of the existing risk management and control systems by each of the operating companies.

The internal risk management and control systems consist of both general and specific control measures aimed at managing risks at group, operating company and project level. These measures include:

- an authorisation schedule containing instructions and limits for the management of the operating companies with respect to, among other things, project acceptance, investment commitments and powers of attorney;
- a planning and review cycle, with the operational management regularly reporting on relevant market trends, the financial development of the business in relation to the budget and the financial and operational progress of projects; and
- an accounting manual explaining how internal and external financial reporting should be applied and the procedures that should be followed.

We identify the following risk areas:

- General risks;
- Market risks;
- Operating risks; and
- Financial risks.

General risks

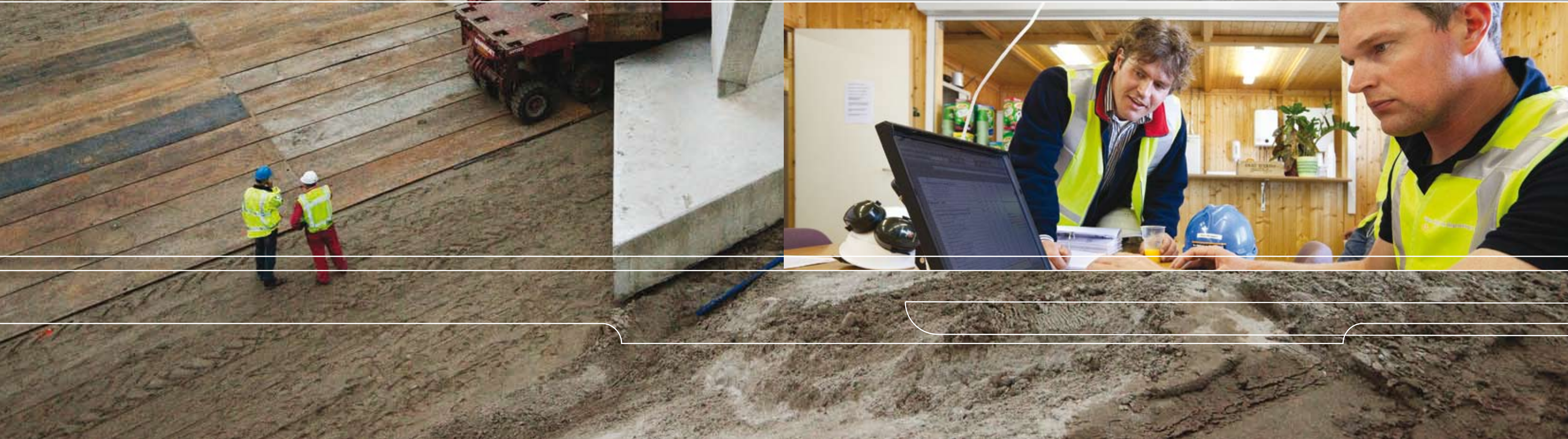
Reputation

We are aware of our position in society and attach great value to our reputation. As a company that operates in very diverse market areas with a large number of different operating companies, there is a risk that incidents occurring at operating companies could have immediate consequences for our reputation. Events at operating company level which may bring a potential risk to our reputation are reported to the Management Board as a matter of course.



Doubling railway connection

Commissioned by ProRail, a combination of VLARK (Van Hattum en Blankevoort, KWS Infra and Holland Scherm) is improving railway capacity between Vleuten and the Amsterdam-Rhine Canal, increasing it from two to four lines. At Leidsche Rijn, the track is elevated on a six-metre dike with 15 underpasses. This ensures that the railway line does not separate the different residential areas.



Integrity

We do not compromise when it comes to our integrity policy. Compliance with the code of conduct is strictly monitored and is complemented by a compliance programme. Incidents are investigated and could lead to consequences under labour laws. In addition, integrity features as a permanent agenda topic between the Management Board and the management of the operating companies during their regular meetings.

Staff

Through our activities and the way in which we communicate about them, we try to show that the construction sector can be a very interesting employer. Our diverse portfolio of activities over a large geographic spread offers people with a range of different backgrounds and education a great challenge. Offering internal training programmes, career development planning and specific recruitment programmes, we ensure that our company is positioned as an attractive employer.

Market risks

The diversity of our activities means that the risks associated with the activities differ to a large extent. Our diversification and geographical spread reduce the company’s vulnerability to changing market and economic conditions.

We also identify market risks in connection with political decisions and tendering levels of public and semi-public bodies. Delays or sudden changes in the political decision-making process and fluctuations in the investment budgets of authorities can impact on the level of our operating revenues because a substantial part of the operations depends on public works commissioned by authorities.

To control these risks, we have regular contact with a range of relevant political and administrative bodies to make them aware of the consequences of proposed measures.

The Goes municipality found that there were too many accidents on Nansenplein. It was therefore decided to use blue-green asphalt and red asphalt to make it easier for the rest of the traffic to recognise cycle lanes. LED lights are embedded in the asphalt and start flickering as soon as a cyclist wishes to cross. At the same time, lights come on in the warning signs on both sides of the crossing. Special speed bumps have been added for occasionally over-enthusiastic scooter drivers. Asfalt Productie Hoogblokland and KWS Infra worked closely together on this project.

Safer crossing in Goes thanks to blue-green asphalt



Operating risks

Contract and project risks

Our companies deliver complex projects under a broad spectrum of different contract forms. A substantial number of our projects involve a previously agreed, broadly fixed price. This brings with it the risk that, as a result of errors in the budgeting or delivery, costs can end up significantly higher than originally budgeted. These errors can lead to losses and negative cash flows. Clear project specifications, properly documented agreements, technical project reviews and thorough and comprehensive cost budgets, including legal assessment of the contracts, form the basis for managing these risks. To avoid taking unnecessary risks, tenders that exceed a set amount must obtain prior written approval by the Management Board or the Supervisory Board. In addition, an independent review of the calculation and the risk assessment of the relevant tender provide important decision-making criteria.

Contract and project risks with respect to project development

As part of our total operations portfolio, we also develop property for our own account and risk. Vacancy and/or disappointing sales in this context can incur losses and lead to significant demand on working capital. To control and prevent these risks, the following measures, among other things, are in force:

- Housing construction in the Netherlands only commences as soon as 70% of the homes for sale have been sold and the buyer has secured the funding for the purchase;
- Commercial project development only commences if the construction project has been sold (with limited rental guarantee) or has largely been rented out;
- Investments in land require prior approval by the Management Board.

Sales and/or rental of property, including the total land position, are reviewed on a monthly basis and, where necessary, action is taken.

Liability risk

The complexity and sheer size of the projects we implement mean that errors in preparation and delivery can lead to a significant financial liability. Where possible, we insure general and specific delivery risks. In this context, we agree insurance arrangements with partners and their continuity and solvency are important considerations. Furthermore, we limit the liability risk for the group by means of liability limits within our organisational structure.

The projects undertaken by our group are tendered for and implemented in joint venture with third parties either through partnership arrangements or private limited companies, this includes both partners from the sector in which we are active and partners from other sectors. Both the Legal and the Tax departments are closely involved in setting up and assessing these joint venture models.

Acquisition and integration of companies

In the pursuit of further expansion, we try to find the right balance between internal growth and growth through acquisition. In recent years, we have acquired a number of companies, and typically these have been small transactions. In each acquisition there is a possibility that social and economic risks may materialise. In order to minimise the associated risks, we are working on continually strengthening the processes for acquisition and integration. The relevant central internal departments, the operating companies and regional management are closely involved in the performance of effective due diligence investigations and in the preparation of the plans for the actual takeover and integration. One year after the takeover date, the acquisition is once again analysed by all the relevant parties to ascertain whether all the expectations have indeed been achieved.

Financial risks

We divide our financial risk into two categories: liquidity risk and credit, interest rate and exchange rate risks.

Liquidity risk

Liquidity risk is defined as the risk that we are unable to meet our financial obligations when they fall due. Our liquidity management is aimed at ensuring that there is always sufficient liquidity to meet obligations when they fall due, both under normal and exceptional circumstances. The liquidity buffer is guaranteed by the committed loans of a maximum of € 600 million obtained in 2007. This financing consists of a term loan of € 300 million with a term of five years and an overdraft facility of € 300 million for five years. Financial covenants apply with respect to the committed loans referred to above, which are related to the leverage ratio and the interest cover ratio.

The leverage ratio is the result of net debt divided by EBITDA, all in accordance with the definitions for net debt and EBITDA agreed with the banking group. The maximum leverage ratio is 2.75 and the maximum interest cover ratio is 5.35. The conditions of both covenants are more than complied with for the 2009 financial year.

Everything oozes history in the Brandevoort area of Helmond: façades, windows, brickwork, signs, lamp posts and fences. Not the smallest detail was omitted in the work on this area famous at home and abroad. SDK Vastgoed has just about completed the project and uses it as a textbook example of building to align with the market.

In 2009, there was a renewed stimulus for the topics working capital management and net debt reduction. Monthly reports are prepared with working capital and net debt reduction included as Key Performance Indicators.

The additional attention focused on these topics by all the operating companies has led to a debt reduction of € 191 million compared to 2008. The target for the coming years is to further reduce working capital.

Credit, interest rate and exchange rate risks

Credit risk is the risk of financial loss for the group if a party from which it has a receivable fails to meet its contractual obligations. A significant number of our clients are public bodies (authorities), meaning that the credit risk with respect to this share of the revenue is minimal. The group has agreed a credit management policy and credit risk is monitored on an ongoing basis. Where necessary, the credit rating of the client is assessed. Credit risk is also an important KPI in our monthly report.

Our interest rate policy is aimed at limiting the influence of fluctuating interest rates on the company’s result. To this end, two interest rate swaps have been concluded amounting to € 150 million and € 250 million for a part of the committed loans. With these interest rate swaps, the interest rate was fixed at 4.53% and 4.56% respectively (excluding interest surcharge) for a term of five years starting in 2007.

Our exposure to exchange rate risks is very small because by far the largest part of the cash flows within the group is in euros. Furthermore, exchange rate risks are minimised by attracting loans in local currency for our operating companies outside the euro zone.

Meeting financial targets

The project-based nature of our activities and their associated risks mean there is a possibility that internal financial targets are not achieved.

These risks are managed using a comprehensive quarterly financial and forecast reporting system based on a ‘bottom-up’ budgeting processes, starting at the individual project level. Regular reports are also produced on the financial progress of the larger projects.

Our decentralised structure means that the Management Board regularly discusses these reports throughout the year with the management of the operating companies, with an explicit focus on the way in which these companies assess and manage their risks. Where deemed necessary, expertise available centrally within the group is deployed to manage risks.

“Listening to the market” gives Brandevoort its cachet



BUILDING AND PROPERTY DEVELOPMENT THE NETHERLANDS

Building and Property Development the Netherlands
(in millions of euros)

	2009	2008
Revenue	1,640	1,995
Order book	2,253	2,556
EBITDA	80	121
Operating working capital	340	431
EBITDA/Revenue	4.9%	6.1%
Average number of staff	3,998	4,400

VolkerWessels is active in the Netherlands in construction and property development with more than 40 companies (see company structure on page 58 of this report). The companies are managed from four geographic regions.

The following companies, among others, are active in building supplies: VolkerWessels Bouw-materieel, De Groot Vroomshoop, Westo Prefab Betonsystemen, Reinaerdt Deuren, PCH Diensten-groep, Aveco de Bondt and De Mors Timmerfabriek.

Market trends
The housing and utility construction sector in the Netherlands faced a strong decline in construction work on offer in 2009. Due to activities continuing from prior years, the production and order book remained relatively stable. The number of new products that came onto the market showed a sharp decline. This resulted in pressure on prices and margins. In addition, uncertainty about the starting date of projects increased. The number of completed homes in the Netherlands amounted to 72,000. Production in utility construction declined by some 7.5%.

Housing construction in the more expensive segment virtually ground to a halt. In the more affordable segments, sales were still reasonable, but here too, reticence prevailed. This is partly due to lower consumer confidence, as a result of which there were delays in the start of new projects. Borrowing and liquidity problems encountered by both consumers, private developers and housing associations also contributed towards delays in the implementation of planned projects.

The utility construction sector also saw a sharp decline in the number of new projects. Both owners/users and investors are very reluctant due to the recession, leading to a higher number of vacant property in all sectors of the market. This is compounded by the fact that banks were less willing to offer and extend loans. The low interest rate gives little comfort, since banks translate their changed risk perception into higher lending surcharges.

One positive development is that the decrease in demand, especially in the housing sector, appears to have stabilised towards the end of the year. The price reduction of existing housing was limited, and the pressure on construction costs is a factor that plays a role in this. However, the most recent forecasts for 2010 are downbeat. The EIB expects that market conditions will remain difficult with increased competition and pressure on prices.

Strategy
Due to a relatively well-filled order book, during the year under review we were able to adapt, in a controlled fashion, to deteriorating market conditions. By restricting staff replacement, capacity was reduced without far-reaching actions through natural staff turnover and by reducing external hiring. Two companies were merged in the southern region.

State of affairs
We place a lot of emphasis on the quality of our products and our services. Our financial strength also regularly placed us in a preferred position with clients because, in the current market situation, continuity of the contractors is a greater priority.

At an operational level, we paid a lot of attention to reducing the cost of failure, a relatively simple option to compensate for pressure on margins. In addition, we invested in the further development of existing concepts, such as the VolkerWessels Plus homes and in the development of new concepts, such as GreenUpgrade, with existing homes (ground-based and existing multi-storey buildings) being systematically made sustainable in order to obtain an A label and remain attractive rental property in the long term. In this context, sustainability is a major area of focus. The most sustainable building (in Veenendaal) in the Netherlands was completed for TNT, and in May 2009, construction of the new head office for this company was started in Hoofddorp. What appears to the eye as yet another office block under construction is packed inside with innovations that ensure that it will become the greenest building in the Netherlands.

Van Nieuwenhuizen-Jongen is one of the contractors involved in the Maasboulevard Venlo project. To increase the attractiveness of the inner-city, Venlo wants to bring the centre closer to the Maas river. This major inner-city development project includes the construction of a 65-m high ‘Romer centre’ (17 storeys, including luxury roof apartments, penthouses, three levels of shops and two levels of underground parking).

As a result of market difficulties, revenue and margins came under pressure. We have achieved success on the housing market with a number of our own concepts, such as the Plus homes referred to earlier and Climate Ready. Plus homes are characterised by efficient construction, the use of sustainable materials, lower costs, reduced construction time and a large range of individual choices. Climate Ready involves a home being prepared for the installation of a number of energy efficient applications, such as a heat pump and a solar boiler. Depending on individual circumstances, the buyer can decide which components should be installed. In 2009, all the houses we constructed were offered with Climate Ready as a matter of course. This integration combines the advantages of both concepts.

Our construction companies completed and handed over a total of 4,657 residential units in 2009 compared to 5,413 in 2008. This involved 1,947 residential units that were developed under our own management.

Grandeur along the Maasboulevard in Venlo





Le Carrefour returns sparkle to station district

New construction work on Le Carrefour in Leiden, the future office building of Achmea health insurers. Directly next to the railway station Leiden-Centraal, the main contractor Visser & Smit Bouw constructed an office block for which Volker Staal en Funderingen prepared the foundations.



Volker Staal en Funderingen strengthened four kilometres of dike for the Nederlek dike improvement project in Lekkerkerk. The work included anchoring more than four kilometres of dam wall. To do this, 1412 grounding screw tankers had to be fitted. Due to the length of the dam wall, there is a lot of variation in soil composition and, consequently, in anchor levels and anchor forces. In total, VSF sank 41.6 km of tankers with a total plug distance of more than 11.7 km. To strengthen the dike, the Water side of the dike was widened and heightened. This was not possible on the land mass side of the dike due to the existing construction. It was therefore decided to place an anchored dam wall. Because of the limited space, the dam walls and the anchors had to be placed away from the dike. The challenge here was that traffic had to continue to flow.

In the utility construction sector, activities remained at a reasonable level, due to the continuation of projects from prior years. At the beginning of 2010, the new head office for KPMG in Amstelveen was fully completed and handed over after the first phase had been completed in 2009. Other eye-catching projects were completed during the year under review included Eurocommerce (WTC) in Almere, ‘de Rots’ (the Rock) and Symphony in the new Zuidas business district in Amsterdam and a hotel near the redeveloped ‘Lichttoren’ (Lighthouse) in Eindhoven. Construction als started on the new town hall in Hardenberg, which will be the greenest town hall in the Netherlands, the Calypso apartment complex in the centre of Rotterdam and The ‘Maasoever’ project (a riverbank project) in Venlo. Ongoing projects include the construction of the Carrefour building for Achmea in the centre of Leiden and the development and construction of Op Buuren, a new village in an historical context on the Vecht river near Maarssen. Newly acquired projects included the project for the new head office of TNT in Hoofddorp and the regional college (ROC) in Leiden. In winning new projects, our financial strength and our solid reputation and that of our operating companies played a decisive role.

Outlook

The outlook for 2010 is still uncertain. A recovery in the construction industry is not yet expected. New projects are still entering the market, but as a result of the considerable and increasing over-capacity, prices are under pressure. Lower purchasing prices and higher productivity can only partly offer compensation for this.

Our companies started the year with a relatively healthy order book, but there is a chance that parts of some projects will not be implemented due to financial restrictions our clients are facing. Moreover, payment risks are also on the increase. All in all, we expect a difficult year during which our results will again face pressure.

Construction supplies

The companies in the Supplies and Service Delivery sector partly service other VolkerWessels companies, but also provide services to third parties. Most of our companies in this sector experienced pressure on their revenue, margins and result because of the reduction in workload. Among other things, this led to lower capacity utilisation of available equipment.

Anchored dam wall for dike improvement in Lekkerkerk



Civil engineering, Roads and Rail
(in millions of euros)

The supply companies suffered in particular in the second half of 2009 due to a drop in demand and pressure on prices. This primarily affected companies that supply the housing and utility construction sector. Our group companies Volker Wessels Bouwmaterieel, De Groot Vroomshoop, Timmerfabriek de Mors Rijssen, Westo Prefab Betonsystemen, Reinaerdt Deuren and EDCO Türen clearly felt the effects of this. In view of the sombre outlook for the construction industry, no improvement is expected for 2010. PCH (parking management and auxiliary service delivery) posted a satisfactory result. New parking contracts were agreed in Almere, Alkmaar and ‘s-Hertogenbosch, while a major contract in Amsterdam was extended. PCH also operates the new ice-skating rink in Twente. We expect a good result for 2010. Munt Centrale Nederland (cash transport) had a reasonable year. Activities were expanded resulting from new contracts with, among others, ABN Amro and Rabobank.

CIVIL ENGINEERING, ROADS AND RAIL

	2009	2008
Revenue	1,252	1,206
Order book	991	957
EBITDA	44	39
Operating working capital	137	161
EBITDA/Revenue	3.5%	3.2%
Average number of staff	5,484	5,681

Civil engineering

Market trends

The civil engineering market developed relatively favourably in 2009. This was largely due to a large number of major infrastructure projects commissioned by the authorities. Increasingly large, integrated projects are coming onto the market, with the authorities as client not only selecting on the basis of price, but also on the basis of the quality on offer. As a group, we are well positioned to respond to this quality trend.

Strategy

Van Hattum en Blankevoort responds to large, integrated projects selecting joint ventures with other operating companies, such as KWS Infra and Vialis. In addition, its organisation and processes have been adapted to manage increasingly complex projects more effectively. Significant improvement was achieved in 2009 in operational management, leading to an improvement in the quality of processes, especially in the design phase.

State of affairs

During the year under review, Van Hattum en Blankevoort was involved in a number of major projects. The installation of infrastructure components for the reconstruction of the traffic ring at ‘s-Hertogenbosch was completed, as was the RAI station/Europaplein of the north-south railway link in Amsterdam. A low level train track project at Almelo was also completed. In The Hague, the Hubertus tunnel was completed, the longest city tunnel in the Netherlands.

Another interesting project concerns the construction of land bank stabilisation walls on the Tweede Maasvlakte; agreement to this project was accepted in 2009 and it will start on site in 2010. New projects were also won, usually in combination with sister companies. We successfully tendered for a number of projects under the banner of the ‘accelerated approach’ initiated by the Dutch government.

Improvements to processes in the management of projects contributed to our success in winning these projects. The favourable market trend as well as organisational and process improvements, led to increased revenue. However, the result came under pressure because of high tender costs. Volker Staal en Funderingen achieved good revenue and a positive result. In the steel construction sector, margins came under pressure due to more competition. Workbanks for foundation building is satisfactory.

Outlook

The outlook for 2010 is relatively positive. The order book for our Dutch operations is sufficiently balanced, and we also see opportunities in the accelerated projects from the Dutch authorities that will also come onto the market in 2010. At an operational level, significant attention remains focused on improving project management.

Civil engineering abroad

Our international civil engineering activities are carried out by Volker Construction International and Suction Pile Technology.

A number of major projects were successfully completed abroad. In London, the construction of a jetty at the Isle of Grain was completed, while in Oslo, the construction of the first submerged tunnel in Norway was completed. In Gibraltar, we handed over an apartment complex, and in Scotland we were designated preferred bidder for the construction of a wave centre that converts wave power into energy.

Suction Pile Technology was awarded the project for the design, construction, transport and placement of an oil platform in the North Sea. A technology developed in-house was applied for its positioning and anchoring to the seabed. There is limited work on offer, but new opportunities are expected in 2010.

VolkerWessels is active in road construction under the direction of KWS Infra with the companies Gebr. van Kessel, Bruil Infra, Verhoeve Infra, Smits Neuchâtel, Timmer-Verzijl, Pongers Groep and MJO Holding.

Roads

Market trends

The impact of the recession became clear on the Dutch road construction market in 2009. This was mainly reflected in the almost complete halt in projects from the private sector due to the postponement or cancellation of maintenance and new construction projects. The private sector provides about one quarter of the work available in the sector. Orders from local authorities remained stable during the first half of the year, while there was a noticeable drop in the second half. Projects commissioned by the central government even increased slightly, partly because of the accelerated implementation of projects already planned.

The lower work available meant greater competition among the providers and, consequently, pressure on prices.

In the meantime, the tendering process for accelerated projects from central government has started. The first projects will commence in 2010. When awarding projects to a constructor, the authorities do not only look at price, but also at quality. Examples include: continuous traffic flow, collaboration with the client, the ongoing availability of the road and the extent to which innovative solutions are offered. KWS Infra has a good starting position in this context, thanks to the company’s solid reputation and the opportunities that collaboration with sister companies can offer.

The trend among clients to put out integrated tenders for complex projects, including design (design & construct) continues unabatedly. In a number of cases, maintenance after completion of the building is also added to the contract. Although the larger contractors are by now used to work like this, we notice that this new tendering process involves incurring high tendering costs. We therefore advocate limiting the number of candidates in an early or earlier phase of the tendering process (‘funnelling’) in order to limit unnecessary pressure on scarce specialists.

Strategy

KWS Infra tries to overcome difficult market conditions by focusing its energy on large and complex projects commissioned by central government whilst honouring its commitments to existing clients. We collaborate with other VolkerWessels group companies for these projects. In addition, work is going on to strengthen our market position. For instance, in 2009 two asphalt plants were acquired in Doetinchem and Roosendaal, which now provide us with a good cover across the country. Another important strategic step was the construction of the concrete plant on the Tweede Maasvlakte in a joint venture with Mebin. This is in anticipation of major construction activities expected in this area in the coming years.

State of affairs

In spite of difficult market conditions, KWS Infra can look back on 2009 with a certain degree of pride. Revenue remained stable and the result improved. This was also the result of improvements implemented in project management and risk management.

Work on the traffic ring at ‘s-Hertogenbosch was completed in December. The increase in capacity and the renovations led to a clear improvement in traffic flow. Another major project in 2009 was the widening of the A2 motorway between Maarssen and the Holendrecht intersection to 2x5 lanes. This project is expected to be completed in 2010.

Before the construction holiday in 2009, KWS Infra accepted the project to reconstruct the A10 (east) Ring Road at Amsterdam and to harden the asphalt. A total of 11,000 tonnes of the special porous asphalt concrete (ZOAB) was laid. For this project, two asphaltting machines were deployed, one machine with a working span of between 11 and 13 metres, assisted by the Shuttle Buggy.

Shuttle Buggy for the A10 (east)



Research into a more sustainable process of producing asphalt is going well. Tests have shown that the procedures developed in-house result in a higher recycling rate, reduced energy consumption and reduced emissions of, among other things, CO₂. For a practical evaluation, a design was produced for Volker Stevin Materieel for the modification of an existing plant. In addition to the identified advantages, using the new procedures can also offer benefits in future tenders as clients are increasingly concerned about the sustainability of the processes of their suppliers.

A large number of projects were acquired in 2009 and as a result our order book is well filled. This includes the widening of parts the A1 motorway at Muiden, as well as the project for upgrading the N50 at Kampen, which also involves the construction of a new bridge. KWS Infra, usually in combination with sister companies, was successful in acquiring these accelerated projects from central government. In a number of projects, not only price, but also the quality on offer was decisive.

The German market remains difficult, as a result of which we were cautious in our operations here. The result was under pressure. Of the four establishments, one was reduced in size. We remain active in this market because it certainly offers perspectives in the long term.

Outlook

Despite a healthy order book, the market situation for 2010 is uncertain. The work commissioned by central government will remain stable and perhaps even increase slightly because of the accelerated projects. This year, there will also be a number of public-private partnership (PPP) projects on offer, including the upgrade of parts of the A12 and A15 motorways. Local authorities are expected to be more cautious in connection with the uncertain financial outlook. We do not yet expect private clients to return to the market, and expect that this will be for as long as there is no clear improvement in the economic outlook. The lower availability of work will mean increased competition, which will undoubtedly lead to a squeeze on prices. We believe, however, that KWS Infra is in an adequate position to continue to overcome the problems on the market.

Workers of VolkerRail busy working on the railway line between Dordrecht and Moerdijk. This needs precision in both the planning and the delivery of the trackwork.

Weekend work on the railway lines



VolkerRail is active at home and abroad in the field of railway construction and renewals.

Joint projects

The ever increasing size and complexity of infrastructure projects demands more joint collaboration because the projects require the deployment of various disciplines. Furthermore, new contract forms set new standards for all stages of the project lifecycle. We can benefit from this trend because of the strength of our companies, and the fact that we have the necessary expertise and competence.

In order to meet market demand at its fullest extent, it was decided to establish VolkerInfra. This new entity is charged with the winning, managing and coordinating major infrastructure projects. This also encourages collaboration between subsidiaries. In 2009, we successfully tendered for various projects, sometimes also alongside strategic partners.

In 2009, work was carried out on the A2 Hooggelegen motorway. This involved, the design and implementation of the widening of the A2 motorway at the new Utrecht suburb Leidsche Rijn, including the construction of a number of viaducts, by-passes and noise barriers. This project is managed by our group companies Van Hattum en Blankevoort, KWS Infra and Vialis, as well as Boskalis and Mourik. A unique feature of this project is that it is being implemented in alliance with the department of public works and water management. This means that additional costs or gains resulting from the implementation will be shared on a 50-50 base between the client and the contracting parties.

In addition, a start was made in the autumn to the construction of the Westrandweg (west circular) in Amsterdam, which will link the A5 motorway with the second Coen tunnel via a raised road surface. This project is being implemented by Van Hattum en Blankevoort, KWS Infra and Boskalis. The project is scheduled to be completed in 2013.

At the beginning of 2010, a combination of Van Hattum en Blankevoort, KWS Infra, Vialis and Mourik was awarded the project to widen parts of the A27 and A28 motorways near Utrecht. This concerns one of 30 bottlenecks that have been identified for accelerated work pursuant to priority legislation (Spoedwet) passed at the beginning of 2009. The work has to be completed in the spring of 2013. The accelerated A1-A6 and A50 Ramspol projects are also being delivered in a joint venture with KWS Infra, Vialis and Van Hattum en Blankevoort.

Railways

Market trends

The railway market was under pressure in all of the countries where VolkerRail operates. In addition, specific factors in some countries resulted in a decline in work availability. For example, in the Netherlands there are slow downs in the tendering process. In the United Kingdom, there has been a sharp decline in available work, with the regulator setting higher and higher efficiency standards. The market in Poland was halved. This has led to lower availability of work, increasing competition between contractors and, consequently, strong pressure on price level as well as lower margins. A typical trend is that domestic contractors are offering their services abroad to mitigate the threat of losing staff. This leads to additional competition. Almost all contractors in the railway market were forced to reorganise in order to reduce capacity.

A major trend in the market is that the network companies are more and more frequently putting out tenders for larger, integrated projects in which design and construction are combined. This requires a superior knowledge pool and usually a change in work processes.

Strategy

In order to respond to unfavourable market conditions, we strive in the first instance for optimum operational performance. In addition, staff and material are deployed across the border as far as possible. This reduces the need for staff reductions, and staff and material can be used more efficiently. A lot of attention was also focused on product innovation and on international



Great effort, tight planning

Over a period of four weekends, the workers of VolkerRail entirely renewed 10 kilometres of railway line between Dordrecht and Moerdijk. This required careful and meticulous planning of staff and material.



knowledge sharing. For example, an innovative geothermal points heating system is now also offered in Finland. Finally, VolkerRail also aims to apply technology from railway construction in other market segments.

State of affairs

In virtually all areas of our activity there was a drop in volume caused by the market decline. As a result of pressure on prices, margins were lower across the board, leading to a considerably lower result compared to 2008.

A positive development was the award of the contract for constructing the new railway line between Zwolle and Lelystad, known as the Hanzelijn (the Hanseatic railway) to our consortium. This major project was started in 2009 and is scheduled to be completed in 2012. In addition, a long-term performance-based maintenance contract was awarded by Pro-Rail. This contract marks the start of a new contract form that will result in lower volume and lower prices on the Dutch maintenance market. Our challenge is to make the transition from the old to the new contract form with a manageable and sustainable process. Outside the railway sector, maintenance contracts were awarded for the electro-technical and mechanical equipment of the Velsler tunnel and the Zeeuwse Delta water municipality.

In the United Kingdom, VolkerRail UK made a contribution to the infrastructural accessibility of the Olympic village. A start was also made with the redesign, upgrading and extension of the Manchester Metrolink: a major long-term project. Eventually, four tram lines and 62 km of rails will be added to the existing tram network. There was a sharp decline in the number of projects from the national rail network company. During the year, the ‘Harmelen Crossing’ was successfully completed. This is an innovative concept to upgrade crossings maintenance free. Advanced material from Germany, the Netherlands and Poland was also successfully used on the UK market.

The difficult market conditions in Germany were partly compensated by the success of the ‘tuned rail damper’ developed in-house. This is a system that is used to reduce noise from trains. In addition, auxiliary activities in Germany were further integrated within our group. Operations in Estonia were successful, partly due to of the large number of orders received. The intention is to also apply the experience gained with wide-gauge rails in Estonia elsewhere, including in Finland where we have a new start up.

The result in Germany, Poland and Estonia closed positively. The result in Sweden was disappointing, despite a successful order for replacing the Kiruna-Riksgränsen rail track. However, the first long-term maintenance contract was obtained from the Swedish network operator, Banverket.

One of the spearheads of innovation is that VolkerRail developed an inspection train with which a three-dimensional picture of the current technical state of the switches can be obtained while moving. The system originates from Poland and works with laser technology, and it means the switches can be inspected in a much more efficient manner. Another innovation was the introduction of a mobile work platform for small-scale maintenance. For example, it is now possible to perform maintenance work with greater safety, with greater speed and with less interruption to track availability.

Outlook

Volumes are not expected to increase on the Dutch market in 2010. We anticipate that the positive effects of the cost savings and process improvements implemented in 2009 will bear fruit in 2010. The planned stimulus programmes will only have an effect in the longer term. A modest recovery is expected in the UK and Poland; however, it is not clear how prices will develop in the future. The intense competition in Germany is set to continue. Furthermore, the impact of the introduction of major framework tenders cannot be estimated at the moment.

Civil engineering, Roads and Building UK
(in millions of euros)

CIVIL ENGINEERING, ROADS AND BUILDING UK

	2009	2008
Revenue	513	785
Order book	450	547
EBITDA	7	24
Operating working capital	12	20
EBITDA/Revenue	1.4%	3.1%
Average number of staff	1,633	1,961

VolkerWessels operates in the United Kingdom with the companies VolkerFitzpatrick (civil engineering and construction), VolkerHigways (road maintenance), VolkerLaser (civil engineering & road specialist business) and VolkerStevin (civil and marine engineering).

In 2009, our operating companies in the UK were brought together under the VolkerWessels UK brand to encourage a more integrated approach to the market sectors we work within. This joining of forces was prompted in response to our clients’ increasing requirement for this integrated approach. The re-branding promotes the wider skills and services available in the group and provides the opportunity to tender for larger projects.

In the UK, our aim is to improve our response to market demand and the wishes of our clients. In 2009, the market in the UK generally developed unfavourably. There was a sharp decline in the availability of work especially within the private sector building market. In the sectors dominated by public funding, such as road maintenance, the work remained stable. As a result of the lower work availability, competition in the building sector increased, leading to a squeeze on prices. We were successful in securing a range of large and smaller projects.

Examples of our work in the UK include VolkerFitzpatrick’s construction of Windsor House in Slough; an eight story office complex with parking facilities. The civil engineering division completed the design and installation of an enclosed pedestrian bridge, escalators and lifts for Stratford International Station. In combination with its Dutch sister companies, VolkerStevin delivered the construction, transport and the sinking of four 90 m tunnel components for the New Tyne Crossing in Newcastle/Gateshead. Our highways maintenance business, VolkerHighways, also completed the Lavender Hill reconstruction project, a two-lane single carriageway in Enfield. The project team was praised for the innovated and highly sustainable solutions employed, including 95% of the asphalt being recycled.

Outlook

The outlook for 2010 is challenging. Although the market experienced some relief in respect of projects for the 2012 London Olympic Games, overall available work will continue to decline because the British government faces increasing pressure to cut spending. The expectation is that few major new construction projects will come onto the market, which will result in further competition between contractors. We expect to achieve lower revenue in the year to come. In response, we continue to focus on operational excellence, and delivering the benefits of strengthening our group structure.

Civil engineering, Roads and Building
US/Canada
(in millions of euros)

CIVIL ENGINEERING, ROADS AND BUILDING US/CANADA

	2009	2008
Revenue	167	202
Order book	183	223
EBITDA	19	24
Operating working capital	95	93
EBITDA/Revenue	11.4%	11.9%
Average number of staff	796	871

VolkerWessels is represented in the United States and Canada by Mid-Mountain Contractors (United States) and Volker Stevin Contracting (Canada) and others.

United States

The markets in the United States where we are active showed an unfavourable development in 2009. In particular the market for area development in the Seattle region more or less ground to a halt as a result of the difficult economic climate. More contractors joined the segments in which we are specialised (the development of ‘lots’). This resulted in a decline in the number of projects for our company in 2009, tougher competition and pressure on margins. The majority of our contracts were won in the private market. There, available project opportunities have decreased and at the same time, there was a sharp increase in competition in the public market, including road construction and the construction of viaducts. In response to the decline in available workload, our US companies were reorganised. Despite the backdrop of the prevailing market conditions, and partly due to ongoing projects from 2008, we were able to obtain reasonable results .

Outlook

The outlook for 2010 remains restrained. Although the US economy appears to have somewhat stabilised, it is difficult to gauge to what extent this will herald a recovery in our relevant markets. Based on the current order book and thanks to the effects of the measures we implemented, we expect stable revenue for 2010 and a slight improvement in result.

Canada

In Canada the market was also retrenching, albeit that the market in Alberta, our principal area of operations, experienced relatively few negative consequences from the crisis. This is the result of a relatively strong banking system and a strong local economy as a consequence of the thriving energy sector. Projects for the private sector and projects for area development were reduced.

In spite of the troubles on the market, our result was good, even if at a lower level than in 2008. The satisfactory result was primarily due to projects started in 2008. In response to the lack of traditional projects, we are focusing more on sectors where the decline in the work on offer was lesser, such as road construction and maintenance.

Outlook

Lower revenue and a lower result are expected for 2010. The public market is especially under pressure due to increased competition and lower margins. The market for area development has also stabilised. We intend to compensate for the loss of our traditional markets by acquiring projects in other segments, for instance, the energy sector.

Infrastructure technology and
Telecommunications
(in millions of euros)

INFRASTRUCTURE TECHNOLOGY AND TELECOMMUNICATIONS

	2009	2008
Revenue	1,036	967
Order book	789	857
EBITDA	13	31
Operating working capital	122	193
EBITDA/Revenue	1.4%	3.2%
Average number of staff	4,219	3,971

In this market segment, VolkerWessels is represented by the companies Visser & Smit Hanab, VolkerWessels Telecom, Vialis, HOMIJ and others.

Cables and pipelines

The market for cables and pipelines, in which Visser & Smit Hanab operates, still shows structural growth in Europe. The pursuit of more sustainable forms of energy also means the construction of wind farms (both on and offshore) which require cabling. In addition, work is underway particularly in the Netherlands on the natural gas infrastructure because the Netherlands wishes to continue in its leading role in gas supplies in Western Europe. The search for solutions concerning increasing CO₂ levels presents opportunities on the market.

In recent years, Visser & Smit Hanab positioned itself well to take advantage of opportunities offered by the market. Comprehensive investment was made in people, equipment and systems. We distinguish ourselves on the market through the use of highly advanced horizontal drilling techniques, among other things.

This investment bore fruit in 2009. The order book grew in most sectors. One exception was the industrial division, where there is overcapacity in the market. Visser & Smit Hanab is responsible for the infrastructure on a major project to redevelop the oil field in Schoonebeek. The company is also involved in the storage and distribution of CO₂ and runs a distribution network that delivers pure CO₂ to the green houses in Westland. This stimulates the growth of crops and visibly reduces energy costs. Visser & Smit Hanab achieved excellent results due to the levels of work available.

Outlook

The outlook for 2010 is positive, partly due to an increase in orders. Most market segments in which this business is active continue to develop positively, especially the offshore activities and the construction of gas pipelines. From its strong position in the Netherlands, the company is looking for opportunities for further expansion abroad.

Telecom infrastructure

The market for laying telecommunications networks presented a varied picture in 2009. As a result of the decline in new housing and office construction, the demand for networks was also reduced. The demand for mobile telephone networks stabilised, while the market for glass fibre networks continued to grow. The construction of data centres stagnated as a result of the economic crisis.



Black carpet treatment for the A10 Ring Road

Reflective road markings from Velsen, Smits Neuchâtel and Van Straten Geleiderail supported KWS Infra in the reconstruction works of the A10 (east) Ring Road at Amsterdam, from the Zeeburger bridge to the Amstel intersection.



VolkerWessels Telecom can look back on a good year. The involvement of our companies included the further roll-out of the C2000 mobile communications network for public services (police and fire brigade) and the renovation of a telecommunications tower in Amsterdam. In addition, glass fibre networks were laid in different regions. 2009 saw inroads being made into the development of new markets, including high-voltage masts, and energy and healthcare sectors. During the year, the Van Dulmen company in Zwijndrecht was acquired and successfully integrated. This company operates in the market for the construction of telecommunication networks for both business and private use; other activities include the provision of telephone and internet connections and the fitting of telephone exchanges. The operations in Belgium and Germany have a difficult year behind them.

Outlook

The outlook for 2010 is not entirely favourable. The market is not expected to grow, especially due to a lack of investment. In the forthcoming years, the telecommunications market is expected to pick up again.

Installation technology

The demand for installation work dropped in 2009 as a consequence of the decline in new construction activities. Revenue and the result of HOMIJ Technische Installaties declined. The result in the infrastructure sector was disappointing due to a number of disappointing projects.

However, HOMIJ was selected for a number of major projects. The company is involved in the renovation of the Rijksmuseum in Amsterdam and new construction for the ministries of Justice and Home Affairs in The Hague, among other things. In addition, an important maintenance contract was acquired in 2009 from the government buildings department (Rijksgebouwendienst). The Infra & Industry division is involved in the large-scale renovation of the Haringvliet and Volkerak locks.

Outlook

Although HOMIJ has a fair amount of orders thanks to the aforementioned projects, lower revenue is expected for 2010, especially due to a further decline in building production. The company’s management was reviewed during the year and the focus going forward will be on a further strengthening of the organisation.

Traffic technology

2009 was a very disappointing year for Vialis, traffic technology division. In reaction to the market situation, the company was reorganised. The emphasis in particular is on improving client relationships and further strengthening project delivery. Vialis will primarily focus on products for traffic technology, public transport and railway technology.

Outlook

The outlook for 2010 is more optimistic. There are plenty of orders on the book and due to the measures put in place during the year, the result is expected to improve.

MCom, the company specialised in mobile contactless technology for payments and identification, had a good year. A number of projects in the field of public transport were completed successfully, including the introduction of the public transport (OV) chip card. MCom provided the equipment for charging the chip. The outlook for 2010 is higher revenue and an improved result.

Supplies and Service Delivery

(in millions of euros)

SUPPLIES AND SERVICE DELIVERY

	2009	2008
Revenue	148	70
Order book	24	25
EBITDA	47	43
Operating working capital	(10)	(7)
EBITDA/Revenue	31.7	-
Average number of workers	355	338

The following companies are active in supplies (infrastructure) and service delivery: Volker Stevin Materieel, Stemat and Romers Transport.

Volker Stevin Materieel, the company that delivers specialist equipment to infrastructure companies, was less affected by the overall malaise in the building sector as the volume of work in the infrastructure sector remained fairly steady in 2009.

Stemat (maritime services) faced a declining dredging market, yet was successful in deploying its equipment in other market sectors. The company benefits from equipment for laying cables on the seabed for wind farms in the North Sea. Confidence in the future is reflected in the building of the Stemat Spirit, a production vessel that will come into operation at the start of 2010. Work for a range of clients is underway around the British Isles on the construction of a comprehensive network of wind farms.

The transportation company Romers Transport saw a small drop in its result following a decline in building activities in 2009. Following a period of sustained growth between 2004 and 2008, partly due to the efficient use of its own fleet of vehicles, the company only saw a slight drop in operating revenue in 2009. This was partly caused by a decrease in work for third-parties. The number of projects delivered for other businesses within the group increased slightly in 2009.

HUMAN RESOURCES

General

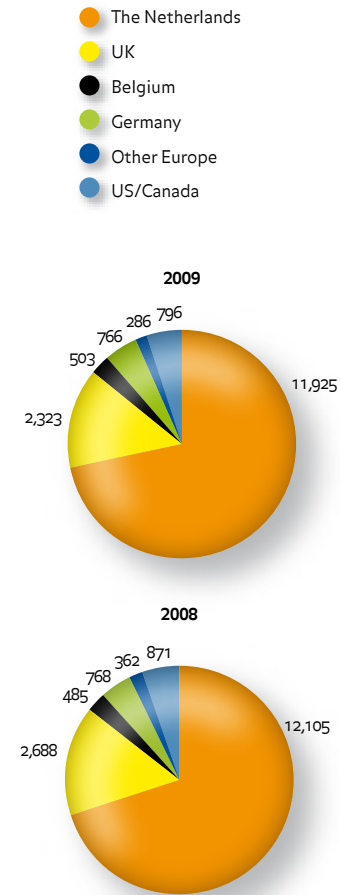
VolkerWessels is an attractive employer and also positions itself as such on the labour market. The policy in the field of Human Resources Management (HRM) is that of providing properly qualified and motivated staff, both now and in the future. This policy is shaped by both the group and operational business units and when it is subsequently implemented by the different operating companies, they can each give their own interpretation to it to reflect their own strongly developed identity.

We operate in an environment that is subject to major changes. These include structural factors, such as increasingly large and more complex projects and the upwards and downwards integration of the value chain. In addition, we are under increasing pressure from both internal and external stakeholders, to account for our efforts in the field of sustainability and corporate social responsibility (CSR). This has an impact on the way we manage our organisation, which traditionally is based on a decentralised model with significant autonomy delegated to the operating companies. In view of these developments, it is imperative that the companies work even closer together, including in tendering processes and project implementation. This requires careful balancing in order to combine the advantages of the decentralised approach, being close to the client, with the benefits of a more centralised management. Collaboration and flexibility are therefore core values for our staff.

At the same time, our way of working is influenced by cyclical factors. At the moment, the building sector in the Netherlands and abroad is facing a squeeze, which means that sometimes there are staff surpluses. Our broad range of activities, mean that even in difficult times, there are market segments within our group that develop positively and where vacancies occur. This offers the possibility of internal transfers, with our companies appreciating the added value of close cooperation.

We were generally successful in 2009 in filling existing vacancies. This was the combined result of internal transfers, fewer vacancies and more potential being available on the market. The surplus on the labour market is no reason for us to cease our efforts in relation to labour market communication. We are convinced that the current spare capacity in the labour market has a cyclical and therefore temporary character. In a number of years, we foresee structural shortages as a result of more work becoming available, ageing, changes in the market and the current low intake to technological studies. That is why our efforts in relation to labour market communication will continue, albeit that we will temporarily be slightly more restrained in the number of events in which we participate.

Average number of staff per region



Average number of staff per region:

The Netherlands
UK
Belgium
Germany
Other Europe
US/Canada
Total

	2009	2008
The Netherlands	11,925	12,105
UK	2,323	2,688
Belgium	503	485
Germany	766	768
Other Europe	286	362
US/Canada	796	871
Total	16,599	17,279

Management development

Against a backdrop of shortages looming into the future, we continued our management development programme without interruption. In doing so, we want to assure ourselves of the availability of sufficient talent in the future to be able to fill vacancies in the higher echelons of the organisation with as many internal people as possible. The target is to fill 70% of the management positions internally with our own staff.

In 2009, an inventory was prepared of the potential within the company: ‘What in-house talent do we have?’ With the aid of this inventory, we stimulate internal promotions to higher positions within the organisation. This not only assures us of good management in the future, but also promotes the embedding of our business culture and offers our people attractive career perspectives. In addition, this inventory serves an important role in ascertaining where we need to supplement.

Our own training institute, the VolkerWessels Academy, plays a vital role in management development. This institute offers practical courses at home and abroad that lead to an increase in knowledge and skill and a broadening of management skills. In this context, significant focus is given to how to respond to changing external circumstances. In 2009, quality project management was an important issue.

Key elements during the year were Cooperation, Pride, Simplicity, Results and Customer.

In addition to six project visits, ‘Jong VolkerWessels’, our network of Young Professionals, also organised a leadership conference. In 2009, a support project was launched in Armenia. In partnership with local partners and staff from the Netherlands, a community and development centre was renovated in the capital Yerevan.

Mobility

Due to the lower work volume, various business units were confronted in 2009 with staff surpluses. This was the case, for example, in the companies active in construction and property development and our railway business. To minimise redundancies, a group-wide mobility centre was created where staff demand and supply are closely aligned. This scheme is partly the outcome of a covenant agreed at the initiative of the group staff council (Centrale Ondernemingsraad) (COR), with social guidelines being agreed and we committed to avoiding involuntary redundancies as far as possible. It has been agreed that we will maintain the mobility centre through 2010 in view of the unfavourable outlook for the building sector. Throughout the group we see the mobility centre as an adequate instrument for identifying the supply of workers and for supporting internal transfers.

Health management

A pilot project was launched in 2009 at one of our operating companies to reduce absenteeism and enable earlier return to work following long term sickness. The project mainly focuses on better support for staff with long-term health complaints, with the emphasis on opportunities the relevant member of staff has rather than his or her limitations. The first signs from the pilot are positive and we will further expand this initiative in 2010.

Meetings with the group staff council (COR)

Meetings with the COR in 2009 continued to be constructive. The covenant referred to above is a good example of this. The COR is aware of the difficult situation facing our sector and their involvement is critical in finding optimum solutions for problems, such as staff surpluses. Other agenda items for the meetings with the COR included the market situation in the sector and a renewed, intensive focus on safety.

The Cabinet has decided to increase the pensionable (AOW) age to 67 years. Even though the date of implementation for the first phase (2020) still appears to be far off, we will initiate a dialogue in 2010 with the COR to decide how best and proactively we can respond to this.

Following fatal accidents claiming the lives of three of our own staff (two in the Netherlands and one in Canada, all of them working in road construction), our safety procedures and rules have been further tightened. As part of that process, we also drew on the knowledge, experience and recent initiatives of a number of operating companies.

Integrity remains a priority on the agenda within the organisation. During the year under review, several meetings were organised that focused on this topic and a start was made with the further development of actions to raise awareness of integrity issues. A number of matters were further refined.

Thirty incidents were reported to our counselling staff during 2009. Nine of these incidents led to the dismissal of a total of 24 members of staff. In other cases it led to a change in our work procedures.

Code of conduct and whistleblowers' scheme

Our code of conduct and whistleblowers' scheme can be accessed on our website.

CORPORATE RESPONSIBILITY

For our company, corporate responsibility means that we accept our responsibility to remain a financially healthy enterprise that creates added value in the broadest meaning of the word: for the market, our staff, the environment and society.

Our vision makes demands on the organisation and on our clients, suppliers, staff and other stakeholders. We are, and remain, a sober, businesslike company but, at the same time, capable of integrating sustainability into the way we run our business and reporting on it publicly and transparently. This year we are issuing a sustainability report for the first time, which is also available on our website.

We demonstrate our ambitions in four areas: market, staff, environment and society. This sustainability policy is anchored in the belief that financial returns and concern for people and the environment are inseparable from one another. The policy therefore does not stem from fear that social problems - such as climate issues - will force us to adopt a different strategy, but from an optimism that sustainability offers opportunities that we do not want to miss. When investing in sustainability, a healthy self-interest also plays a role in addition to social awareness. To bring this policy to life in practice, a programme was set up that focuses on 11 topics:

– **Innovation.** With innovative concepts and solutions, we contribute across the market towards increasing sustainability. Sustainable innovations offer an important market opportunity, and in recent years we have shown the market countless examples of how sustainable innovation is in the DNA of our operating companies. A more sensible way of using natural resources is central to these innovations.

– **Supply chain.** As client we can exercise a lot of influence on our supply chain. We aim to include clauses pertaining to social matters and environmental policy in all our general terms and conditions and contracts and to this end, we are also seeking a dialogue with our partners in the supply chain.

– **Safety.** The safety of our staff, subcontractors and other stakeholders is the first priority in all our activities. Every operating company has a safety policy that aims to prevent personal injury and damage. We continually invest in raising awareness on this issue.

– **Integrity.** We obey socially acceptable standards and values and the law and regulations, even if there is external pressure. Acting with integrity is a basic condition for the trust and confidence of clients, shareholders, building partners and other interested parties. We are very much aware of the risks associated with our sector and therefore continually invest in raising awareness on this issue.

– **Training & development.** We encourage and facilitate our staff in the development of their knowledge and competencies. Learning for life is our main focus. To this end, we offer management access to the VolkerWessels Academy programmes. The training policy for other staff is agreed and implemented locally by each operating company.

– **Diversity.** A diversity of talent is essential for every organisation because diversity creates strength and flexibility - strength in diversity. It is important to us that every member of staff - regardless of gender, race or background - enjoys equal opportunities in our organisation, and we specifically work towards this aim in our training programmes.

– **Materials.** With the choice of specific materials, we can minimise the impact of their use on society and the environment. Our desire is to use as many materials as possible that can be extracted under humane conditions and with respect for the natural environment. In addition, our aim is to recycle materials.

– **CO₂ emissions.** A reduction in CO₂ emissions forms an important element of our sustainability policy. In parts of our organisation, clients (for example ProRail) provide financial incentives to this end. The reduction programme involves measures for vehicle fleet, plant and machinery, asphalt grinders, energy consumption in our own offices and waste recycling.

– **Waste management.** The building sector produces waste and we aim to reduce the level of waste flow. This also involves separating waste properly so that disposal has a minimal impact on the environment. In addition to decreasing the impact on the environment, proper waste management also translates into lower costs, and we are also developing tools to demonstrate its financial benefits to the various stakeholders involved in the organisation.

– **Community investment.** Our organisation is very much part of the society that it also reflects, and wishes to show its commitment to society by supporting causes that can benefit from such support. This policy focuses on a combination of financial support, creating partnerships and enabling our staff to give time and thought to these projects. The projects we undertake in this respect are also vital for the formation and development of our staff and are integrated into our training programmes.

– **Neighbourhood relationships.** Our activities impact on the immediate neighbourhood where people are both working and living. In the case of major infrastructure projects and/or public works the social impact is very significant and we are under significant public scrutiny. We are committed embedding our projects, with proper attending to social impacts, including ensuring that good communications are established. This involves creating physical-spatial and social-management conditions to ensure a successful and well managed delivery of projects.



New jetty linked to existing BP tanks

Visser & Smit Hanab worked on linking a new jetty to the existing tanks at the BP site in Amsterdam. The infrastructure from ship to tank was completed.

C O R P O R A T E G O V E R N A N C E

We are not a listed company and therefore have no statutory duty to apply the Dutch corporate governance code. Nevertheless, we decided as a matter of principle to implement and apply most of the elements of the code. The group does, however, take into account its position as an unlisted company.

From this perspective, we voluntarily disclose in the context of the ‘apply or explain’ rule the principles and/or best practices with which compliance is not (or is not fully) made.

All the principles and best practices that we apply arising from the code are contained in the financial statements and/or the articles of association or in different rules approved by the Management Board or the Supervisory Board. These are published on the company’s website.

From our position as an unlisted company, we deviate from the code on the following points that could have been applicable:

Appointment of members of the Management Board for a maximum of four years per serving period
Given the nature of our enterprise, with many long-term projects and investments, an appointment for a maximum of four years is not considered to be in the best interest of the company.

Regulations with respect to the ownership of shares in the company and/or share option schemes
As a privately funded enterprise, we do not have a share option scheme. It is not possible for members of the Supervisory Board, the Management Board and other members of staff to hold shares in Royal Volker Wessels Stevin NV.

Together with some 150 board members from the group, the Management Board has a minority interest in the holding company Storm Investments BV, which indirectly holds all the shares in VolkerWessels. This share ownership has a long-term investment character.

Rules for private investment of members of the Management Board and the Supervisory Board
Since the company is not listed, no rules have been drawn up. The rules of conduct of the Management Board already contain an article with respect to private investment, which states the following:
The code of conduct pertaining to our group applies to the members of the Management Board. They endorse this code. In addition, the members of the Management Board and the Supervisory Board are not allowed to deal on the basis of insider knowledge and/or on the basis of knowledge they gained in the context of performing their work, and they will avoid any impression of such dealing.

Supervisory Board
The Supervisory Board has rules of conduct which stipulate the composition, tasks and work procedures of the Supervisory Board and its relationship with the Management Board.

With respect to the best practice rule III.2.2. of the corporate governance code, we point out that, following the change in the shareholder structure in May 2007, and with the exception of the chair of Board, supervisory directors have been appointed from the body of indirect shareholders in VolkerWessels. Prior to his appointment to the Supervisory Board, Mr. D. Wessels was also a member of the Management Board, as was Mr. H.J. Hazewinkel, who was the chair of the Management Board.

The members of the Supervisory Board do not receive any performance-related bonuses, pensions, share options or other remuneration. The rules of conduct and the retirement rota of the Supervisory Board are available on the company’s website.

Committees of the Supervisory Board
The Supervisory Board has set up the following committees:

Audit Committee
The Audit Committee consists of at least two members of the Supervisory Board and meets at least once a year. The members are financial specialists, as required by the code. The meetings of the Audit Committee are held in the presence of at least one member of the Management Board and the group auditor, unless the Audit Committee stipulates otherwise. The Committee reviews the adequacy structure of internal control measures and rules with respect to financial reporting.

The Committee also advises the Supervisory Board with respect to matters in connection with appointing or dismissing the auditors, and assesses the content and scope of the audit engagement. The Chair of the Committee reports the findings to the Supervisory Board.

As at 31 December 2009, the Audit Committee was composed as follows:

H.G.J. van Berckel (chair)
A. Baan

With effect from 1 January 2010, the Audit Committee consists of three members following the appointment of Mr. H. Holterman.

The job description for members of the Audit Committee requires that they have a broad financial background with knowledge and experience in the field of risk management systems and aspects of financial accounting and valuation. The rules of conduct of the Audit Committee are available on the company’s website.

Remuneration, Selection and Appointments Committee
The Committee consists of two members of the Supervisory Board, the chair and vice-chair. The Committee can be joined by a third member and meets at least once a year.

The Committee’s task is to advise the Supervisory Board about the choice and appointment of any member of the Management Board. Unless important reasons dictate otherwise, the chair of the Management Board attends these meetings. The chair of the Committee reports to the Supervisory Board.

As at 31 December 2009, the Remuneration, Selection and Appointments Committee was composed as follows:

A. Baan (chair)
R.L.J. van Rappard
D. Wessels

The job description for members of the Remuneration, Selection and Appointments Committee requires that members have a broad managerial background with experience in the field of remuneration and management issues in a corporate environment.

Our position as an unlisted company means that we have chosen not to appoint a separate Appointments Committee and Remuneration Committee as required by the code. In view of the position of the chair of the Supervisory Board in our organisational structure, we also opted for the continuation of the chairmanship of the Remuneration, Selection and Appointments Committee by the chair of the Supervisory Board.

The rules of conduct of the Remuneration, Selection and Appointments Committee are available on the company’s website.

Auditors

The General Meeting of Shareholders appoints the group auditor and awards the engagement for the audit of the financial statements prepared by the Management Board. At the General Meeting of Shareholders held on 22 May 2008, the group auditor KPMG was reappointed for a period of three years.

For some years now, the Supervisory Board, the Management Board and external auditors have implemented measures to guarantee the objectivity and independence of the group auditors. The main measures are:

- In awarding the audit engagement, we chose to segregate as far as possible between tax advisory services and audit activities with respect to the financial statements;
- For efficiency reasons, the audit of the services related to the financial statements is primarily performed by the group auditor. Activities in the field of acquisitions and divestments are performed by the group auditor on the basis of previous proposals (not exclusively). Where, in our opinion, there is a potential conflict of interest, other professional services providers are engaged;
- The external auditors are as a rule not engaged for general advisory engagements.

The fee for non-audit work earned by the group auditor, during the year under review, is approximately 10% of the overall audit fee for the year.

The implementation of the above measures is regularly reviewed by the Supervisory Board and the Audit Committee.

The auditors report to the Management Board and the Supervisory Board on the measures they have taken to comply with professional and statutory requirements with respect to guaranteeing their independence in relation to the company. This includes regularly changing the responsible auditors.

Relations with external stakeholders

Despite the fact that we are not listed, we recognise the interest and the position of our enterprise in relation to society and the environment. We will therefore continue to publish our results and significant events by means of press releases and publications on our website.

Shareholders representing 1% of the issued capital can submit proposals with respect to agenda items for the General Meeting of Shareholders. These should be submitted to the company no later than 31 March 2010.

Management Board

The members of the Management Board serve full time. In addition to their individual management tasks, they bear responsibility for the company as a whole. The Management Board performs its management responsibilities as a group and therefore decide jointly over matters that are material to the group. Within the framework of collective responsibility, each member of the Management Board has an individual area of responsibility. Subject to approval by the Supervisory Board, the Management Board decides itself how to allocate tasks.

REMUNERATION POLICY

Remuneration of the members of the Management Board

The remuneration of the members of the Management Board is set by the Supervisory Board upon the advice of the Remuneration, Selection and Appointments Committee.

The remuneration policy pertaining to the Management Board is aimed at continuing to motivate and retain the managers leading this group.

In deciding the remuneration for the members of the Management Board, reference is made to remuneration enjoyed by the Management Boards of other Dutch and European construction groups, taking account of complexity, size and risk profile. When setting the level of remuneration for the chair and the other members of the Board, their individual responsibilities are taken into account.

The remuneration of the members of the Management Board was adopted by the General Meeting of Shareholders held in May 2005. The Remuneration, Selection and Appointments Committee annually review the level of remuneration, referring to external advice where necessary for weighing the relevant criteria and also taking account of the general remuneration trend in the industry. The remuneration of the members of the Management Board is composed as follows:

1 – Salary

This is the fixed component of the income.

2 – Allowances and benefits in kind

The members of the Management Board receive a general expense allowance for out-of-pocket expenses they have to incur in the capacity of their job. Benefits in kind include a company car provided by the group and membership of a group healthcare insurance scheme.

3 – Pension scheme

The members of the Management Board participate in a pension scheme administered by a company pension fund. This new pension scheme, effective from 1 January 2006, is a group collective defined contribution scheme with retirement age at 65 and an accrual rate of 2.25% per annum of the pensionable wage based on average wage. The aim is for sufficient funding in order to make retirement at 62 years possible. Individual members of the Board may waive the accrual of pension rights.

4 – Performance-related pay

The bonuses of the members of the Management Board are decided annually by the Supervisory Board and are related to a number of previously agreed financial targets (an improvement in operating working capital and EBITDA). The Supervisory Board is authorised to maximise the bonus.

5 – Severance pay

As far as any severance pay for the members of the Management Board is concerned, all new contracts with effect from 1 January 2009 set out a maximum severance pay equal to one year of fixed annual salary.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is fixed and unrelated to the results of the company, and is decided by the General Meeting of Shareholders. Supervisory directors are entitled to an allowance for expenses incurred.

COMPOSITION OF THE SUPERVISORY BOARD

(situation as at 31 January 2010)

[Mr. A. Baan](#) (1942), chair, joined the Board in May 2001. He was reappointed in May 2009. Mr. Baan was appointed chair of the Board with effect from May 2007. In accordance with the rota, he will step down in May 2013. Previously, Mr. Baan was a member of the Management Board of Koninklijke Philips Electronics NV. He holds supervisory directorships at, among others, Wolters Kluwer NV, Océ NV and Imtech NV. In addition, Mr. Baan holds a number of managerial positions.

[Mr. R.L.J. van Rappard](#) (1960) has been a member of the Board since May 2007. In accordance with the applicable rota, he will step down in May 2011. He is managing director of CVC Capital Partners Group S.A.

[Mr. H.G.J. van Berckel](#) (1960) has been a member of the Board since May 2007. He is a Partner in CVC Capital Partners Netherlands. In accordance with the rota, he will step down in May 2010. He also holds supervisory directorships with Van Gansewinkel Groep BV and Schuitema NV.

[Mr. H.M. Holterman](#) (1955) was appointed member of the Board on 1 January 2010. He is due to step down in May 2012. He is member of the Management Board of Reggeborgh Groep.

[Mr. D. Wessels](#) (1946) joined the Board in May 2007 and will step down in May 2011 in accordance with the rota. Prior to his joining the Board, he was a member of the company's Management Board. Mr. Wessels holds supervisory directorships with Riessen Metaal BV, Meatpoint BV, W. Wessels Rijssen BV and Norit International BV. In addition, he holds various managerial positions.

The job description for the members of the Management Board is available on the company's website.

REPORT OF THE SUPERVISORY BOARD

To the shareholder

Please find herein the annual report prepared by the Management Board for the year ended 31 December 2009, which includes the financial information for 2009. The financial statements were audited by KPMG Accountants NV and issued with an unqualified auditor's report. This report is included in the full annual report (see website). We discussed the financial statements with our external auditor, and they were subsequently approved during our meeting held on 10 March 2010.

We propose that you adopt the financial statements for 2009 during the General Meeting of Shareholders scheduled for 27 May 2010, including the Management Board's proposed profit allocation, and that you agree the proposed profit distribution. The Supervisory Board has approved the proposed profit allocation and profit distribution as included in the full annual report (see website).

We would further request that you discharge the Management Board with respect to their management during the 2009 financial year and the Supervisory Board with respect to the supervision they performed during the past financial year.

The result achieved in 2009 is in line with earlier forecasts and amounts to € 91 million. The conclusion of the Supervisory Board is that the company performed satisfactorily under very difficult economic conditions.

During 2009, the Supervisory Board and the Management Board had five joint meetings. All the supervisory directors were present at these joint meetings. Topics for these meetings included discussions about the company's strategy and the corresponding activities, the risk profile and the company's organisational structure.

In the context of the objectives set by the Management Board for 2009 and 2010, the qualitative and quantitative strategy of the Management Board was discussed and the resulting recession management scheme implemented in order to shoulder the current economic crisis as best as possible. In addition, the related organisational and management structure of the company was also on the agenda.

In these meetings, attention was also paid to the financial position of the company, the investment, divestment and acquisitions of the company, as well as to the following topics:

- The credit crunch and its impact on the group's operating companies and the measures put in place in order to weather the current economic situation;
- The impact of the credit crunch on pensions;
- The situation of a number of major projects, with group involvement - whether or not in partnership with third parties - such as the different projects regarding the A2 motorway in which our companies are involved, namely A2 Hooggelegen, A2 HOMA (Holendrecht-Maarssen), A2 Den Bosch, the Schoonebeek Oilfield Redevelopment project (in which part of the Schoonebeek field which was in use from 1943 to 1998 is being redeveloped in order to use new technology to resume oil extraction from the field) and the completion of the KPMG building in Amstelveen;
- The tendering process and evaluation of the tendering process for the A2 Maastricht project, which regrettably was not awarded to the consortium to which we were party;
- The tender of major projects, such as the A15 and A12 motorways and the six emergency legislation contracts Clusters known as A t/m F for central government;
- The decrease in revenue in the domestic and international rail operations (UK), the related restructuring and reorganisation projects and in particular the problems in the rail infrastructure sector and the position of public clients ProRail (the Netherlands) and NetworkRail (UK);
- The Human Resources Management policy and the management development policy of the group in particular;

- The Corporate Responsibility policy;
- Integrity in general;
- The purchasing policy;
- The development of the order books of the operating companies in the different sectors and countries where the group has operations;
- The registration and the policy relating to accidents and safety;
- The procedures at the European Commission with respect to the penalty imposed by the Commission in connection with the bitumen supplies to KWS BV, among others;
- Potential and ongoing long-term or permanent alliances and joint ventures;
- The net debt position and matters relating to banking covenants.

During the year under review, the Supervisory Board approved the following acquisitions:

- In February, Volker Wessels Telecom Infratechniek BV acquired all the shares in Van Dulmen Telecommunicatie Kabelwerken BV;
- In March, Volker Wessels Deutschland GmbH acquired all the shares in the equipment business Volker Stevin Logistik GmbH;
- In April Aveco De Bondt BV took a 50% share in Compositie 5 Stedenbouw BV in Breda, the centre for urban construction and spatial development;
- Also in April, VolkerWessels Bouw & Vastgoedontwikkeling Midden BV acquired all the shares in Westerspoor Zaanstad BV;
- In September, KWS Infra BV acquired assets and liabilities of Verhoeve Groep;
- In November, VolkerWessels Bouw & Vastgoedontwikkeling Participaties BV bought 40% of the shares in Dubotechniek Beheer BV.

No permission was sought during the year for major divestments.

During the year, the Audit Committee of the Supervisory Board met twice.

The Audit Committee includes delegates from the Supervisory Board: Mr. H.G.J. van Berckel (chair) and Mr. A. Baan and, since 1 January 2010, also Mr. H. Holterman. The Audit Committee discussed the 2009 interim report and the 2008 financial statements with the external auditor. Details of these discussions were reported to the next meeting of the Supervisory Board. In addition, during the meetings of the Audit Committee, the relationship with and the quality of the external auditor were also on the agenda.

Additional specific topics of a financial nature were also on the Committee’s agenda, such as:

- The size and valuation of the land positions;
- The development and consequences of the pension scheme;
- The ‘span of control’, meaning the manageability of the legal structure, especially in connection with the large number of companies that form part of the group;
- The size, composition and valuation of the major projects;
- The adoption and implementation of IFRS for financial reporting;
- ICT matters, including the infrastructure and the performance of the system within the group.

During the year under review, the Remuneration Committee of the Supervisory Board, consisting of Messrs. A. Baan, L.R.J. van Rappard and D. Wessels, met once with the chair of the Management Board in attendance. During this meeting, the remuneration and further benefits of the members of the Management Board were discussed. The Supervisory Board subsequently agreed the remuneration and further benefits.

For a report on the agreed remuneration policy, please refer to page 52 of the annual report. During the year under review, the Supervisory Board appointed Mrs. M.J. Poots-Bijl to the Management Board of VolkerWessels on 15 July 2009 with the title CFO. In the past, Mrs. Poots-Bijl held management and board positions at Connexxion and ProRail, among others.

Mr. J.C. de Pagter was given honourable discharge from his position as member of the Management Board of VolkerWessels on 1 January 2010. The Supervisory Board would like to express its thanks and appreciation to Mr. De Pagter for the nature and way in which he contributed for decades to the development of our company and we are very grateful for his total commitment.

The general job description for the members of the Supervisory Board agreed in 2005 can be found on the company’s website and the composition of the Board is shown on page 54 of the annual report. The job description for the Supervisory Board deviates from the general stipulations with respect to diversity given the proprietary relationships of the company.

Mr. H.J. Hazewinkel was appointed a member of the Supervisory Board on 16 March 2009 in line with announcement in the 2008 annual report. At his own request, Mr. Hazewinkel was given honourable discharge on 1 January 2010 and, nominated by the Supervisory Board, after the group staff council and the shareholder indicated not to have a preference, Mr. H.M. Holterman was appointed in his place to the Board. Nominated by the group staff council, the shareholder reappointed Mr. Baan to the Supervisory Board in May 2009 for another period of four years.

The Supervisory Board did not evaluate its performance in 2009 in connection with the change in the composition of the Supervisory Board. The Board decided to allow the new Supervisory Board and its committees to function for a year before evaluating its performance. The evaluation is scheduled for 2010. The performance of the Management Board was discussed at a number of meetings outside the regular meetings. This resulted in the appointment of three new members to the Management Board. The performance of the Management Board will also be evaluated in 2010.

In accordance with the retirement rota, Mr. H.G.J. van Berckel will step down as supervisory director in May 2010. Mr. Van Berckel can be reappointed and the Supervisory Board nominates him for another period of four years. The General Meeting of Shareholders and the group staff council will be asked whether they have any recommendations for filling the vacancy created in May 2010. If no recommendations are forthcoming, the Board will request that the shareholder reappoint Mr. Van Berckel for a period of four years.

The Supervisory Board hereby also gives notice of the fact that Messrs. L.R.J. van Rappard and D. Wessels will step down in 2011 in accordance with the rota. The Board also nominates these men for reappointment for a period of four years. The General Meeting of Shareholders and the group staff council will be asked whether they have any recommendations for filling the vacancies created in May 2011. At the moment, there is no requirement for additional training or schooling of the Board, either as a whole or for individual members.

Constructive discussions also took place in 2009 with the group staff council (COR) and a delegation of Supervisory Board.

The Supervisory Board finally would like to express its appreciation and compliments for the way in which the Management Board and all the other members of staff committed themselves to the achieved result.

A. Baan
Chair of the Supervisory Board

Five years of VolkerWessels
Based on the consolidated financial statements
In millions of euros unless stated otherwise

	EU-IFRS 2009	EU-IFRS 2008	NL GAAP 2007	NL GAAP 2006	NL GAAP 2005
Income statement					
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	198	262	278	237	205
Depreciation and impairment of property, plant and equipment	(71)	(69)	(68)	(67)	(65)
Earnings before interest, taxes and amortisation (EBITA)	127	193	210	170	140
Amortisation and impairment of intangible assets	(10)	(9)	(14)	(20)	(15)
Earnings after amortisation (EBIT)	117	184	196	150	125
Financial income and expenses	4	2	(6)	0	4
Result from ordinary activities before tax	121	186	190	150	129
Income tax	(30)	(40)	(45)	(37)	(58)
Result for the financial year	91	146	145	113	71
Attributable to:					
Shareholders of the parent company	91	145	146	110	67
Minority interests	0	1	(1)	3	4
Result for the financial year	91	146	145	113	71
Balance sheet					
Property, plant and equipment	457	419	429	389	374
Intangible assets	80	80	81	69	75
Financial assets	577	566	363	109	138
Total non-current assets	1,114	1,065	873	567	587
Land	245	250	462	363	378
Property designated for sale / Inventories / Work in progress / Receivables	1,494	1,661	1,452	1,358	1,338
Cash and cash equivalents	310	320	317	240	247
Total assets	3,163	3,296	3,104	2,528	2,550
Share capital	84	84	84	84	84
Reserves	756	678	677	620	588
Retained earnings	91	145	146	110	67
Shareholders' equity attributable to shareholders	931	907	907	814	739
Minority interests	4	3	4	4	7
Total shareholders' equity	935	910	911	818	746
Loans and borrowings	367	355	432	134	114
Derivatives	31	26	-	-	-
Provisions	172	212	229	233	237
Other current liabilities	1,658	1,793	1,532	1,343	1,453
Total equity and liabilities	3,163	3,296	3,104	2,528	2,550
Ratios					
Current ratio	1.24	1.24	1.46	1.46	1.35
Solvency	0.30	0.28	0.29	0.32	0.29
Return on equity	10.0%	16.8%	17.9%	14.9%	9.7%
Other information					
Revenue	4,419	4,874	4,828	4,488	4,157
Order book	4,499	4,966	5,870	5,626	4,861
Average number of employees	16,599	17,279	17,000	16,400	16,700

Consolidated income statement

Amounts in EUR x 1,000

	2009	2008
Revenue	4,418,518	4,873,725
Operating expenses		
Cost of raw materials and consumables	(1,047,606)	(1,274,006)
Cost of outsourced work and other external costs	(2,197,392)	(2,340,844)
Personnel expenses	(942,726)	(923,260)
Depreciation and impairment of property, plant and equipment	(70,896)	(68,540)
Amortisation and impairment of intangible assets	(10,059)	(9,365)
Other expenses	(75,780)	(109,730)
	(4,344,459)	(4,725,745)
Result on sale of participating interests	502	4,052
Share in result of associates and joint ventures after tax	42,568	31,466
Operating result	117,129	183,498
Finance income	38,380	44,845
Finance expenses	(34,762)	(42,702)
Net finance result	3,618	2,143
Result before tax	120,747	185,641
Income tax	(29,736)	(39,467)
Result for the financial year	91,011	146,174
Attributable to:		
Shareholders of the company	90,792	145,413
Minority interests	219	761
Result for the financial year	91,011	146,174
Basic earnings per share	2.71	4.34

Consolidated balance sheet as at 31 December

Amounts in EUR x 1,000

	31 December 2009	31 December 2008
Land and buildings	164,327	151,082
Machinery and equipment	257,557	235,000
Other operating assets	31,562	28,519
Property, plant and equipment under construction	3,147	4,577
Property, plant and equipment	456,593	419,178
Goodwill	69,680	69,438
Other intangible assets	10,562	10,981
Intangible assets	80,242	80,419
Investments in associates and joint ventures	239,574	241,625
Long term receivables	315,397	300,375
Other non-current assets	6,327	5,193
Deferred tax assets	15,856	17,761
Total non-current assets	1,113,989	1,064,551
Land	245,383	250,176
Property designated for sale	24,230	10,653
Inventories	142,101	143,169
Work in progress	332,353	319,076
Trade and other receivables	995,885	1,187,961
Cash and cash equivalents	309,523	320,238
Total current assets	2,049,475	2,231,273
Total assets	3,163,464	3,295,824

Consolidated balance sheet as at 31 December

Amounts in EUR x 1,000

	31 December 2009	31 December 2008
Shareholders' equity		
Share capital	83,843	83,843
Share premium reserve	67,339	67,339
Other reserves	689,116	610,270
Unappropriated result for the year	90,792	145,413
Shareholders' equity attributable to shareholders of VolkerWessels	931,090	906,865
Minority interests	4,233	3,083
Total shareholders' equity	935,323	909,948
Loans and borrowings	366,785	354,728
Derivatives	30,506	25,835
Employee benefits	31,700	27,682
Provisions	137,745	149,788
Deferred tax liabilities	3,397	35,079
Total non-current liabilities	570,133	593,112
Bank overdrafts	18,673	237,184
Loans and borrowings	7,755	7,416
Work in progress	373,720	326,125
Trade and other payables	1,194,526	1,153,005
Income tax payable	10,306	30,092
Employee benefits	9,207	8,701
Provisions	43,821	30,241
Total current liabilities	1,658,008	1,792,764
Total liabilities	2,228,141	2,385,876
Total shareholders' equity and liabilities	3,163,464	3,295,824

Consolidated statement of cash flows

Amounts in EUR x 1,000

	2009		2008	
Cash flow from operating activities				
Profit after tax	90,792		145,413	
Adjustments for:				
– Income tax	29,736		39,467	
– Financial income and expenses	(3,618)		(2,143)	
– Depreciation and impairment of property, plant and equipment	70,896		68,540	
– Amortisation and impairment of intangible assets	10,059		9,365	
– Result on the sale of property, plant and equipment	(2,330)		(2,577)	
– Results less dividend from associates and joint ventures	(7,009)		3,189	
Operating cash flow before change in working capital and provisions	188,526		261,254	
Change in land / property designated for sale / inventories / work in progress	29,277		71,577	
Change in trade and other receivables	196,747		(81,762)	
Change in trade and other payables	7,863		232,084	
Change in provisions and employee benefits	(15,496)		(52,372)	
	218,391		169,527	
Cash flow from operating activities	406,917		430,781	
Interest paid/received	4,676		409	
Income tax paid/received	(52,559)		(34,133)	
Net cash flow from operating activities	359,034		397,057	
Cash flow from investing activities				
Acquisitions of subsidiaries	(10,810)		(58,076)	
Investments in property, plant and equipment	(94,155)		(109,372)	
Investments in other intangible assets	(2,681)		(3,879)	
Change in financial non-current assets	6,124		(17,085)	
Divestment of property, plant and equipment	8,818		7,509	
Divestment of intangible assets	104		493	
Cash flow from investing activities	(92,600)		(180,410)	
Cash flow from financing activities				
Proceeds from loans and borrowings	33,207		27,107	
Repayment of loans and borrowings	(27,769)		(27,769)	
Dividend paid	(67,074)		(67,074)	
Other changes	1,151		(46)	
Cash flow from financing activities	(60,485)		(67,782)	

Consolidated statement of cash flows

Amounts in EUR x 1,000

	2009		2008	
Movement in cash and cash equivalents				
Cash and cash equivalents as at 1 January	83,054		(57,595)	
Effect of exchange differences on cash, cash equivalents and bank overdrafts	1,847		(8,216)	
Net cash flow from operating activities	359,034		397,057	
Cash flow from investing activities	(92,600)		(180,410)	
Cash flow from financing activities	(60,485)		(67,782)	
Cash and cash equivalents as at 31 December	290,850		83,054	
Breakdown of cash and cash equivalents as at 31 December				
Cash and cash equivalents	309,523		320,238	
Bank overdrafts	(18,673)		(237,184)	
	290,850		83,054	

OPERATIONAL STRUCTURE

BUILDING AND PROPERTY DEVELOPMENT THE NETHERLANDS

VolkerWessels Bouw & Vastgoedontwikkeling bv

D. Boers, L. Elmendorp

L.F.J. Bruggink, head of legal affairs, B. Dijkhuis, head of controlling

VolkerWessels Bouw & Vastgoedontwikkeling Nederland bv

A.H.M. de Koning, director of integrated projects

Biesterbos Planontwikkeling bv * T. Biesterbos

Bouwontwikkeling Jongen bv C.P.H. Kültter

Credo Integrale Planontwikkeling bv J.A. van der Veer

Credo Real Estate Development España SL * P.M.J.M. Jacobs

De Koning Wessels Vastgoed bv R.P. Biesheuvel MRE, J. Sanner

De Nieuwe Combinatie bv * B.C.C. Wijnings

ID Planontwikkeling bv * H.T.J.M. Roelofs

Kondor Wessels Vastgoed bv W.A. Gaymans, R.H.K. Elbersen

Kondor Wessels Ontwerpfabriek R. Overdam

Kondor Wessels Projecten bv N.H.W. de Boer, A. Walvoort

Kontour Vastgoed bv * J. van der Mijl

Loostad bv D.H. Spikker, H. Driesen

Maapron bv M.S. Wieringa

Planoform Vastgoedontwikkeling bv M.H. Schipper, H. Vis

SDK Vastgoed bv F.P.M. Gremmen, A.C. Boidin

Volker Wessels Vastgoed bv H.D. Werner, A. Schelling, *P.J. Benes,*

H. Borsje MRE, P.H. van Hemmen, W.M. Rademaker, J. Sakkers, J.C. de Wolf

ZorgID R.M.Th. Goossens

VolkerWessels Bouw & Vastgoedontwikkeling Noord-Oost bv

H.D. Vissers

Bouwbedrijf Reitsma bv L. Douma

Bouwbedrijf Wessels Rijssen bv G.J. Boers, C.J. Kroot

Bouwonderneming De Veluwezoom bv H.A. Dekker, D.H.C. van der Hulst

Bouwonderneming Goossen Almelo bv A.J.H. Büter, C.G.J. Kole

Bouwmaatschappij Ufkes Apeldoorn bv P.G.M. Bekhuis, S.A.A. Weghorst

Koenen Bouw- en Aannemingsmaatschappij bv P.L. Wigboldus,

M.H. Luchjenbroers

Rottinghuis’ Aannemingsbedrijf bv J. Dobben, *A.P.R. de Brabander*

Systabo bv / Bouwmaatschappij Punte bv * R.M.C. van Hoof, C.T. de Groot

Te Pas Bouw bv J.H.B. Schotman, G.J. Logtmeijer

Timeco bv *J.B. Arling*

VolkerWessels Bouw & Vastgoedontwikkeling West bv

A.J. Zwoferink

Aannemingsbedrijf Joh. Kroon & Zn. bv C. Kroon

Bébouw bv E.P. van den Bergh, A.B.J.M. Pompe

Boele & van Eesteren bv P.A. van Hoeven, D.G. van der Vaart, *F.H. Knops*

Bouwbedrijf Boender en Maasdam bv G. van Maanen

Bouwbedrijf Wessels Zeist bv P.H.H. Bos, J. Schellevis

Gebr. van Kessel Bouw bv M.J.A.M. van Zon

G&S Bouw bv H. Huisman, M. Coffeng, P.J. van der Thiel

IBB Kondor bv A.A. van Kleef, J.A. Messemaker

Kondor Wessels Amsterdam bv F. Aalders

Stam + De Koning Zwijndrecht bv M.J.F. Cosijn, E.J. Bronsgeest

VolkerWessels Bouw & Vastgoedontwikkeling Midden bv

L.H.P. Horsthuis

Aannemersbedrijf Van Agtmaal bv J.A.C. Snepvangers

Aannemersbedrijf Van Bergen bv W.J.M. Willems, H.T.M. van Boxmeer

Aannemersbedrijf Van der Poel bv R.M. van Pamelén, M. van der Staal

de Bonth van Hulten bv H.J.C. Pleging, Ph.H. Bergmans

Stam + De Koning Bouw bv J.A. Migchels, A.G. van Tilburg

Van de Ven Bouw en Ontwikkeling bv A.G.M. van Loon, J. Snoeren, *A. Krekels*

VolkerWessels Bouw & Vastgoedontwikkeling Zuid bv

F.W.J. Zuthof

Aannemersbedrijf Jongen bv *R.P.M. Schoffelen, P.G.H. Soons*

Aannemersbedrijf Louis Scheepers bv *M.T. Kneepkens, J.A.W.M. Smitsmans*

Aannemersbedrijf Van Nieuwenhuizen-Jongen bv *T.W.J. Eijkenboom*

Industrial building

Visser & Smit Bouw bv F. Snaaijer, *B.R. Roosendaal, B. Koman*

VolkerWessels Industriële Bouw en Bouwtoelevering bv

Equipment and Services

Aveco de Bondt bv * H.G.B. Spekhorst, G.J. Paalman, *E.P.W. Koenis*

Aveco de Bondt België nv * H.G.B. Spekhorst, G.J. Paalman, *Ms. M.A.J. Ceulemans*

de Bondt Trencin sro * H.G.B. Spekhorst, *J. Butora*

Archiment bv * H.G.B. Spekhorst

Con-tura Achitekten + Ingenieure GmbH * H.G.B. Spekhorst, *D. Schöder*

DEC * G.J. Paalman, M.T.P.M. Muurmans

Compositie 5 Stedenbouw bv * G.J. Paalman, J.H.M. Stoelinga

Primum bv * G.J. Paalman, *J.A.M. Baken*

Primum Polska Sp. z o.o. * G.J. Paalman, I. Kielichowska, *J.A.M. Baken*

VolkerWessels Bouwmaterieel bv K.J. Nieboer, R.G.R. Frazer

Industrial and building construction

De Groot Vroomshoop bv W.G.M. Pigge, G. Beltman

Timmerfabriek de Mors Rijssen bv / De Mors Houtbouw bv G. Winkel, *J. Nijkamp*

Building materials and supply

Reinaerd Deuren bv E.H. Ufkes

Edco Türen GmbH E.H. Ufkes

PGB Holding bv * J.H. Jacobs, *G.J. Baan*

Westo Prefab Betonsystemen bv * G.J. Boers, *K.R. ten Berge*

BVF Projectmanagement bv * *L. van Straaten*

Integrated development

VolkerWessels Integraal bv *W.M. Soederhuizen*

CIVIL ENGINEERING, ROAD AND RAIL

Volker Wessels Stevin Infra bv

VolkerInfra vof *R. van Wijk*

VWS Beton & Waterbouw Infra bv

Van Hattum en Blankevoort bv J.W. Ligterink, *R.J. Brouwer, J. van Dongen,*

B. Admiraal, E. de Jong, M.E. Riemers, P.A. de Heus, C. Sla, P.A. Kraaijeveld,

T.L.G. van der Lans, R.S. Beurze

(ELJA Beton- en Waterbouw bv, Volker Staal en Funderingen bv, VWS Geotechniek bv, Suction Pile Technology bv *)

Volker Stevin International bv

Volker Construction International bv J.W. Ligterink, H.A.M. Verhoeven

VWS Verkeer- en infratechniek bv

KWS Infra bv H.J. van der Kamp, R.W.P. Oudeman, K.J. de Vries, E.H. Rietvelt, M.J.P. Veldt, M.J. Kok

KWS Infra bv, vestiging Leek W.Dijkstra

KWS Infra bv, vestiging Zwolle C. Veerman

KWS Infra bv, vestiging Duivendrecht/Heerhugowaard R.M. Mars

KWS Infra bv, vestiging Utrecht J. Swank

KWS Infra bv, vestiging Rotterdam J.H. de Morée

KWS Infra bv, vestiging Zwijndrecht/Rozenburg R.G.W. de Ruijter

KWS Infra bv, vestiging Klundert/Sas van Gent M. Dees

KWS Infra bv, vestiging Eindhoven P.J.M. van Wanrooij

Verhoeve Infra bv A.F. van Woensel

KWS Speciale Technieken A. van Wijngaarden

KWS Bijzondere Opdrachten H.H. Peters

Gebr. van Kessel bv A. de Morée

(Gebr. van Kessel Speciale Technieken en Producten bv, Van Kessel Sport en Cultuur-techniek bv, IJzerman bv, Gebr. van Kessel Wegenbouw bv)

BRUIL infra bv A.A. de Rooij

(Grond- en Zandexploitatie­maatschappij ‘Rijnland’ bv, Handel­maatschappij De Keerkring bv, Holland Scherm bv, Koudasfalt bv, Smits Neuchâtel Infrastructuur bv, Wegenbouw Stevin Projectbureau bv, Oakite bv, BKB Infra, Timmer-Verzijl bv, LCHG Nederland, Gelders Adviesbureau Infra & Milieu (G.A.I.M.) bv, Aquavia, KWS-Eco-techniek*, Nederlands Wegen­markeerbedrijf NWM*, StreetPrint Nederland*, Graniet Import Benelux bv *, Latexfalt bv *, Nederlandse Frees­maatschappij bv *, Rapid Asfalt bv *, Reflectielijnen Van Velsen bv *, Traffic Service Nederland bv *, Mineralis bv *, Vialis Infra Techniek bv *, Multiline Markering bv , Pongers Groep bv *, Aduco bv *, Van Straten Geleiderail bv *)

M.J.O. Holding bv A.J. Oomen

VolkerWessels Deutschland GmbH

TrappInfra Deutschland GmbH T. von Grumbkow, G.J. Letink

(TrappInfra Berlin GmbH, TrappInfra Wesel GmbH, TrappInfra Köln GmbH, Trapp-Infra Rohrbau Welzow GmbH, TrappInfra Rohrbau Berlin GmbH, ANSTA GmbH)

VolkerWessels Deutschland PPP GmbH K. P. Gruber

VWS Transportinfra bv

Rail infrastructure

VolkerRail bv A.P. van Kleef, K. van Tilburg

VolkerRail Nederland bv R.P. Rijper, P.M. Groen, T.A. de Vries, M. Koolen, N.J.A. van den Hurk, K. van Tilburg RA, D.S.E.M. Wiegers, A.P. van Kleef

(VolkerRail Materieel & Logistiek bv, VolkerRail SAFAC bv, VolkerRail Engineering bv, IRS IJmond bv*, Railcom bv*, VSKR vof*, Tribase vof*)

Rail infrastructure (other countries)

VolkerRail International bv A.P. van Kleef, B. Sager

VolkerRail Group Ltd., Verenigd Koninkrijk A.P. van Kleef, A.R. Robertson

VolkerRail Ltd., (Projects) Verenigd Koninkrijk R.J. Taylor, S. Cocliff, P. Nolan

VolkerRail Specialist Business Ltd. R.J. Taylor, S. Cocliff, P. Nolan, M. Hawley

VolkerRail Deutschland GmbH, Duitsland A.P. van Kleef, T. Mainka

(VolkerRail Anton Plester GmbH & Co. KG, RRG GmbH & Co. KG*, MGW GmbH & Co. KG*, ARGE GUN*)

VolkerRail Gleisbau Sabrodt GmbH, Duitsland T. Mainka, T. Grun

VolkerRail RTE AS, Estland K. Sirk, M. Saveljev, K. Kask

(VolkerRail OÜ Hallert, VolkerRail Plant)

VolkerRail Viater Ehitus AS, Estland O. Rooba, M. Tali

VolkerRail Lietuva UAB, Litouwen K. Grodberg

VolkerRail Polska SP. z o.o., Polen J. Swierczewski, B. Sager

VolkerRail Suomi Oy, Finland I. Koski, B. Sager, A.P. van Kleef

VolkerWeiss Nordic AB*, Zweden B. Strandberg

F.C. Trapp Tief- und Gleisbau GmbH*, Duitsland K. Wandel

CIVIL ENGINEERING, ROADS AND CONSTRUCTION UK

VolkerWessels UK Ltd. A. Robertson

VolkerFitzpatrick Ltd. A. Robertson, M. Woods, J. Niehorster, R. Offord, D. Murphy, N. Connell

VolkerHighways Ltd. P. Hyde, A. Robertson, N. Connell

VolkerLaser Ltd. M. Weaver

VolkerStevin Ltd. J. Hume, A. Gerrett, A. Robertson

CIVIL ENGINEERING, ROADS AND CONSTRUCTION US/CANADA

VWS North America, US R. Burdyllo

Volker Stevin Contracting Ltd., Canada K. Briscoe

Mid-Mountain Contractors Inc., US J. Levere

INFRASTRUCTURE TECHNOLOGY AND TELECOM

Networks (cables and pipelines)

Volker Stevin Netwerken bv

Visser & Smit Hanab bv J.J.L.M. de Moel, H. Herremans, A. Jansen, W. Koop, A.J.A. La Haye, A. van Rossum, L.R.P. van Vliet, L.F. Wartna, J.M. Winkelman, J. van Wijnen

Visser & Smit Hanab Installatie bv

Visser & Smit Hanab Distributie bv

Visser & Smit Marine Contracting bv

Visser & Smit Hanab SAS, Frankrijk

Visser & Smit Hanab GmbH, Duitsland

VolkerInfra Ltd., Verenigd Koninkrijk

Visser & Smit Hanab nv, België V.E. van Esbroeck

Pipeline Control bv

Networks (telecom)

VolkerWessels Telecom bv A.A. Meijer, M.P. van der Sluijs

VolkerWessels Telecom Datacenters bv M.H. Linde

VolkerWessels Telecom FttH M.H. Linde

VolkerWessels Telecom Infra bv H.M.D. Lever

VolkerWessels Telecom Infratechniek bv A.W.J. van Kippersluis

VolkerWessels Telecom Netwerk Solutions bv J. Quist

VolkerWessels Telecom TNS bv D.C. van der Toorn Vrijthoff

VolkerWessels Telecom Van Dulmen bv P. van Dulmen

VolkerWessels Telecom Vecotech bv J.H. van den Hoven

VolkerWessels Telecom Wireless bv J.H. van den Hoven

VolkerWessels Telecom Belgium nv P. Colman

Traffic and rail technology

Vialis bv J.H. Sweers, *R. Steeman, C. Duel*
Vialis Verkeersmobiliteit *R. van Haasteren*
Vialis Integrale Projecten *N. Növekamp*
Vialis Beheer & Onderhoud *H. van Kessel*
Vialis Openbaar Vervoer *P. Wisman*
Vialis Infratechniek bv* *B. Monster*
Vialis Belgium nv *J. Deneir*
Vialis Polska Sp. Z o.o. *J. Deneir*
Holland Systemen bv* *R.A.L. Hijdra*
Volker SafeGuard bv* *E. Vredeveld*

Mobility Commerce Services bv *P. van Dijk, H.W. Mekking*
(IT Maintenance bv)

Mechanical/Electrical Installations

HOMIJ Technische Installaties bv *P.A. Eelkman Rooda, A. Navarrete Gelde*
Divisie Utiliteit, regio Noord *M.J.L. Heikamp*
Divisie Utiliteit, regio Midden *G. Groenewegen*
Divisie Utiliteit, regio Zuid *J.P.M. Egelmeers*
Divisie Utiliteit, HOMIJ Networks *J.M. Jansen*
Divisie HOMIJ Technisch Facility Management *T.M. Koelewijn*
Divisie Infra & Industrie *T.E. Wiersma*

SUPPLIES AND SERVICES

Equipment and services

Volker Stevin Materieel bv *J. de Jong, P.R. Mos, W. Veenje*
Romers Transport bv *J. de Jong, J.R. Burg*
Stemat bv *J. de Jong, J.W. Dijkshoorn*
Volker Stevin Logistik GmbH *J. de Jong, A. Sengbusch*

Park management and services

PCH Holding bv *R.E. Kas*
(Parkeer Combinatie Holland bv, PCH Amsterdam Oud-Zuid bv, PCH Parkmanagement bv, AFBP Parkmanagement bv, Bedrijfsbeveiliging Holland bv, PCH Facility Management bv, Munt Centrale Holland bv, CFS Group bv*)

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* not wholly owned

This is the operational structure, which is different from the legal structure.

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VolkerWessels
Oostmaaslaan 71
3063 AN Rotterdam
Postbus 2630
3000 CP Rotterdam
The Netherlands
T +31 (0)10 42 44 244
E informatie@volkerwessels.com
I www.volkerwessels.com

ART DIRECTION

Dedato | José Vermeulen, Anton Vos

TEXT CONTRIBUTIONS

C&F Report

PHOTOGRAPHY

Carel Kramer
Dirk-Jan van Dijk
Henk Eertink
Henny de Mönnink
Sander van der Torren

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The full annual report (including the financial statements) is also available on www.volkerwessels.com