

Mission statement, objectives and strategy

When Grontmij N.V. was founded in 1915, its vision was sustainable land consolidation and reclamation for the agricultural sector and the development of the rural areas. Almost a century later, the company has developed and grown, but it is essentially the same: Grontmij creates value for its customers and shareholders by designing and realising sustainable living and working environments.

Grontmij's mission is to be the best local service provider for design, consultancy, management, engineering and contracting in the environmental, water, energy, building, industry and transportation sectors. We aim to achieve this through the design and realisation of plans for the future together with the people and parties in our regions. Our highly skilled and expert staff have a deep knowledge of the chosen markets and sectors and provide a full range of services throughout the project chain.

FINANCIAL OBJECTIVES

Grontmij is focused on improving results and value creation in the long term. Consequently, the company does not provide targets for earnings per share per quarter or per year.

Grontmij's goal is to achieve an annual increase in earnings per share. Its long-term policy is aimed at securing a rise in net profit by widening margins and increasing revenue. This is based on the following financial objectives:

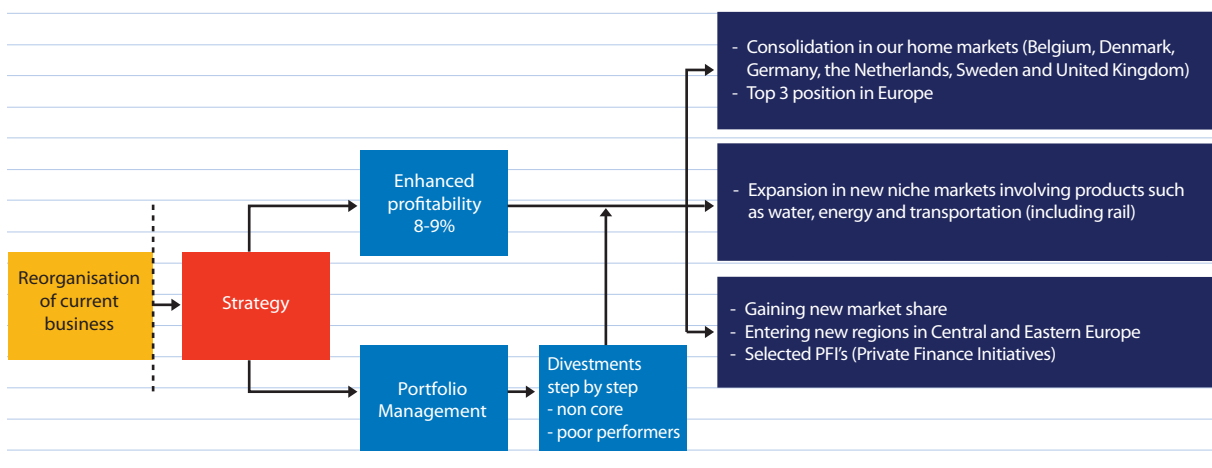
- an operating margin (EBITA based on Total revenue) of 8-9% in 2010;
- an annual increase in revenue of 10-15% per annum (a combination of organic growth and add-on acquisitions);
- a sound solvency ratio (in the range of 25-30%);
- a healthy interest coverage ratio (EBIT/interest \geq 5);

Grontmij's financial strategy is designed to take advantage of and/or optimise:

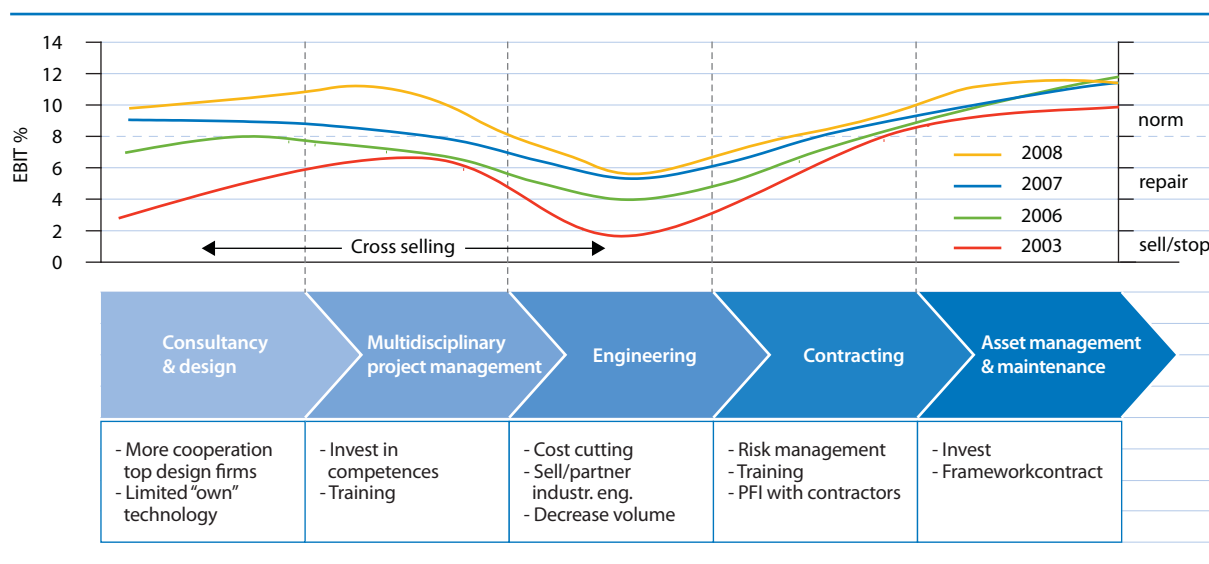
- the relationship between the risks involved in its various business operations and their income;
- the relationship between equity, and short- and long-term loans;
- the use of both public and private capital markets;
- the term and stages of various funding components.

STRATEGY 2007 - 2010

Our core business is provided through the Group's consulting and engineering firms. We have office networks in six home markets and we deliver project services in a selected number of other markets in Europe. Our highly-expert operating companies work in the environmental, water, energy, building, industry and transportation sectors, delivering services to the public and private sectors in urban areas (or regions of economic development) and covering all segments of the project chain, including design, consultancy, management and engineering.



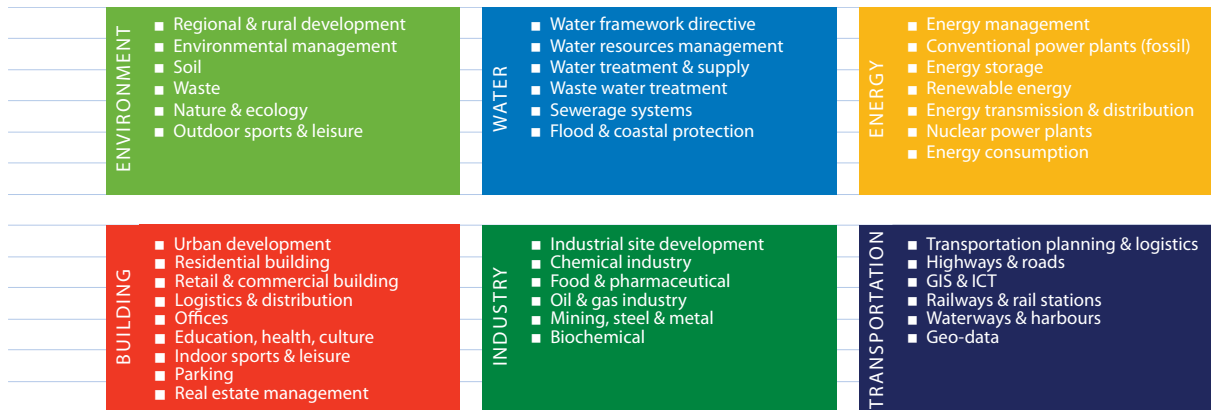
Temporary and limited financial involvement in projects can generate additional cash flow for the expansion of our consultancy and engineering operations. Long-term involvement in development projects and commercial operations is not part of our core business.



In the long term, Grontmij aims to achieve a balance between the various activities in its six market sectors and in the different phases of the project chain. Due to the diverse range of its related activities, Grontmij can reduce its vulnerability to fluctuations in the market sectors considerably. The Group constantly assesses its portfolio and product market combinations. Based on these assessments it decides whether to start up, improve, acquire or divest activities in specific product market combinations.

The broad spread of its activities in mature European economies ensures good control of business risks. Avoiding dependence on one market or single group of clients is an essential component of Grontmij's strategy. The result is a Group that is less cyclical than it would be if it did not operate in different market sectors and countries. Profit margins vary by activity, depending on the specific market circumstances. On average, the target profit margin is higher for activities with a relatively high-risk profile or activities with substantial impact on the value of clients' assets, compared to mono-disciplinary engineering activities.

MARKET SECTORS



Regional European player

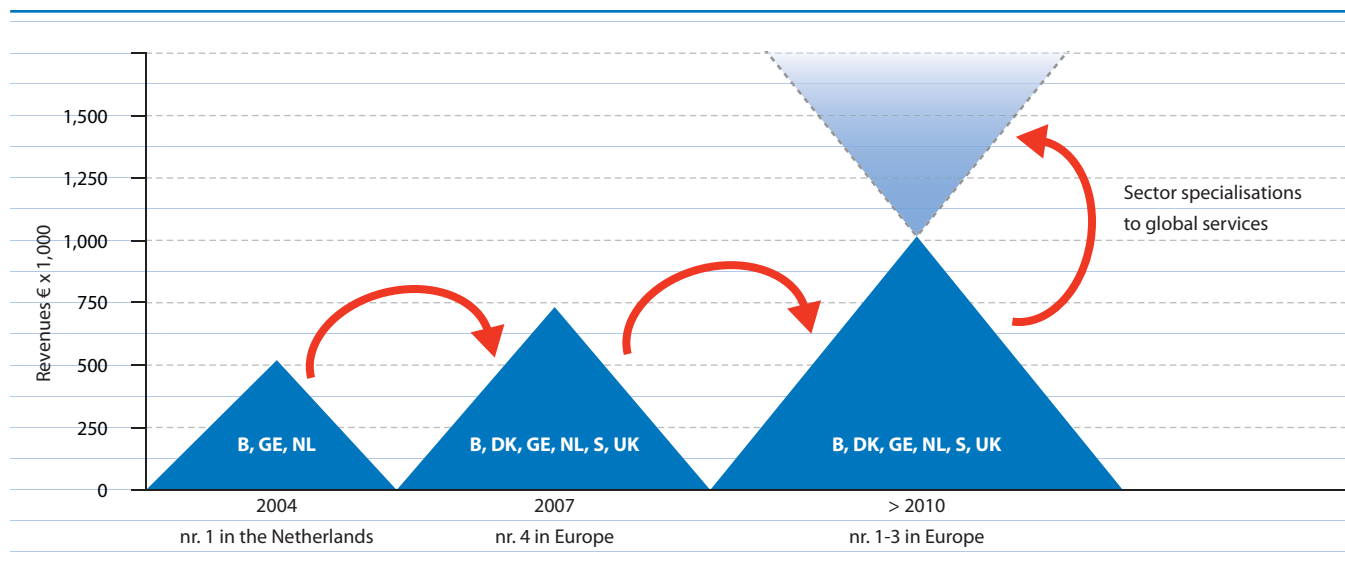
Increasing internationalisation and European integration means that from a strategic viewpoint it is relevant to compare Grontmij's position with larger engineering firms in Europe. Based on details provided by the Swedish Federation of Consulting Engineers and Architects (2007 figures), Grontmij ranked seventh (2006: 7th) among similar European engineering firms in terms of personnel numbers. Based on revenue, Grontmij is ranked fourth in Europe (2006: 4th).

The increase in internationalisation is a result of the need to create a larger platform to better exploit knowledge with international clients and large(r) projects. At the same time, economies of scale can be used to cope with rising overheads, investments in IT and participation in various types of contracts. A common feature of all large engineering firms is that they are working on forward integration to create added value and stabilise their cash flows.



Even for international engineering firms, projects essentially remain a local activity. In light of the local nature of the European market, the large differences between regions and countries in terms of economic activity and the complexity of projects, consolidation will take place in phases. Building up a network of offices that is firmly anchored locally or regionally so that every office can offer several disciplines across the entire project chain sets high requirements in terms of knowledge and the organisational capacity of a company.

For Grontmij, it is important to keep pace with developments in the international engineering market. In addition to a strong position in our home markets, market positions in the Eastern European economy are important to future growth. Grontmij is aiming for a clear regional European profile, with a strong presence in a limited number of countries or regions. In the years 2009 and 2010, we will start to select and develop one or two market sectors for further global growth.



Home markets

Our home markets are Belgium, Denmark, Germany, the Netherlands, Sweden and the United Kingdom. These countries have a decentralised political decision-making structure where our dense office network located close to the client is of great value. Decisions, especially on spatial planning, building and infrastructure, are taken by municipalities and provincial administrations. Through our close location and solid connections with these local authorities, Grontmij is able to attract a constant stream of assignments. Our aim is to be among the top three firms in our business in these countries. Further growth in our home markets will largely take place through a combination of organic growth and acquisitions. Potential acquisitions will focus on companies with specialist knowledge and/or acquiring privatised government stakeholdings.

Focus countries

Focus countries are countries where Grontmij is represented in one or two specific market segments, such as environment or transportation. The Baltic States, the Czech Republic, Hungary, Ireland, Poland and Turkey are our focus countries; the majority are members of the European Union. Many of the European Union's long-term programmes in the field of transportation, the environment and agriculture, among other things, serve to strengthen economic structures.

We expect above-average growth in the following market segments in these focus countries in the years ahead:

- water (flooding and waste water);
- transportation (roads, railways and parking solutions);
- energy (biomass and residual heat, among other technologies).

Private investment is required in other market segments as a response to urbanisation and growing prosperity:

- area development (residential and commercial);
- transportation management.

A local presence is vital, as is thorough knowledge of and the ability to navigate European tendering legislation and procedures. In order to carry out projects profitably in our focus countries, we will invest in local consultancy firms. These firms will constitute the basis for the future expansion of the Grontmij network.

By combining operations in our home markets with those in our focus countries, Grontmij will enlarge its footprint as a regional European player. Grontmij aims to secure a superior position in the European market by 2010.

International project management

Thanks to its acquisition of Trett Consulting in the United Kingdom, Grontmij now has the ability to provide high-end management services for blue chip clients worldwide. Grontmij Trett Consulting is a recognised leader in providing project (contract) management and consultancy services solving contractual, financial and management problems worldwide. For the larger projects in the building, industry, transportation and energy sectors we are asked to investigate both technical and legal matters. Our specialist teams combine particular construction and engineering expertise with law and arbitration practice. This enables them to scrutinise problems in light of related legislation and recent court decisions and to bridge the technical-legal gap.

Continuity and growth

Grontmij intends to consolidate its strong market positions and to expand them where possible. Among other things, our margins can be improved in regions where our core business has a relatively large market share. We expect to extend our range of services and to ensure ongoing sustainable growth by organic growth and acquisitions. In this respect, we will also examine the potential for cooperation with the larger firms in the engineering and consultancy sector to achieve our objectives sooner.

In addition to financial considerations, our acquisitions need to satisfy the following criteria:

- enhance our market share in regions where we currently have a limited market share;
- penetrate new and interesting regions for Grontmij (economic growth);
- acquire new competencies, technologies or groups of customers, provided that this strengthens our market position (especially environmentally related e.g. water, energy).

In addition, we assess acquisitions in terms of their:

- relationship with our operations and culture;
- potential for growth;
- client base;
- leading position in the market or region;
- managerial qualities and styles;
- risk profile.

BUSINESS OPERATIONS

Our target margins can be achieved through economies of scale, market positioning and selective project acceptance. Grontmij is managed on the basis of its net results and, to a lesser extent, on the basis of growing revenue. The successful execution of projects is based on effective and efficient collaboration between the various business units, a critical mass and having sufficient qualified professionals. We have improved our capacity-utilisation rate by moving staff between various activities within regional office networks and by sharing information through our IT systems. Our day-to-day business operations in our existing markets are predominantly directed in accordance with the following factors, which determine profit:

- order book and tender-hit rate;
- project management;
- capacity management;
- working-capital management;
- labour costs.

The Executive Board monitors these factors and manages our business operations in this spirit. The following aspects are important for increasing our net results:

- increasing sales to our existing clients through innovation and better cross-selling techniques;
- focusing on education and training for staff in project management, commercial and general managerial positions;
- continuous alignment with the market and capitalisation of future market demands.

STRATEGIC ACTIONS TAKEN IN 2008

As part of its 2007-2010 strategy, action taken by Grontmij in 2008 included:

- consolidating its position in the United Kingdom through the acquisition of Whitelaw Turkington, Trett Consulting and Roger Preston & Partners;
- participation in Libost in Belgium;
- acquisition of Teldako (energy consultants) in Sweden;
- acquisition of KPI (transportation consultants) in Poland;
- establishing four Group committees in the fields of Market and customers, Systems (IT), Values (CSR) and HR.

SUMMARY OF STRATEGIC ACTION POINTS FOR 2009 AND 2010

In the next two years, Grontmij will focus on the following strategic action points:

- consolidating its position in its home markets (especially in the United Kingdom and Germany), in selected urban regions (including Central and Eastern Europe);
- consolidating, and where opportune, expand market sectors and fields of expertise;
- meeting its financial objective of EBITA based on revenue of 8–9% (including third-party project expenses);
- consolidating its leading position in the fields of sustainable design, consultancy and management.

Market

GENERAL MACRO-ECONOMIC DEVELOPMENTS AND PROSPECTS

In 2008, GDP in most European Union (EU) economies hovered close to recession: the most recent official data estimate sharp falls to just under 1% growth in Europe in 2008 and negative growth in 2009; growth in 2007 was still around 3%. A slight upturn is predicted for 2010. We have already seen a severe contraction in world trade and manufacturing output. The housing market, usually a key indicator, is also stagnating and has collapsed in some countries. It seems no economy is immune, although forecasts for some Eastern European countries are more positive than those for the north-west of Europe.

It is against this backdrop that many sectors are looking to government consumption and public spending to provide some relief. However, while this is welcome news in the short-term, it will have significant impact on public finance deficits in the longer term.

For Grontmij, the economic environment will result in moderate demand for most consulting and engineering services in North-West Europe. In the Industry and building sector demand will slow down. Pressure on the labourmarket segments relevant for Grontmij will impact organic growth due to scarcity in professional recruitment pools, especially in the Netherlands and Denmark, and some specific niches, such as energy. This will oblige the organisation to select projects and financial resources to obtain a better mix at higher rates. Training and retaining existing employees will become more important.

Growth rates vary from one EU member state to the next. This can be explained in part by new member states playing catch up and by where 'old' members are in their economic cycle, although outlooks for all are dismal.

GDP growth (%) Euro statistics 1/2009

	2007	2008	2009	2010
Home markets				
Belgium	2.8	1.4	-1.9	0.3
Denmark	1.9	0.2	-1.0	0.6
Germany	2.5	1.7	-2.3	0.7
The Netherlands	2.7	1.8	-2.0	0.2
Sweden	3.5	1.0	-1.4	1.2
United kingdom	3.1	1.0	-2.8	0.2
Focus countries				
Czech Republic	5.8	4.1	1.7	2.3
Hungary	2.0	2.0	-1.6	1.0
Ireland	4.9	-2.4	-5.0	0.0
Poland	6.5	5.4	2.0	2.4
Turkey	4.5	4.5	4.3	5.2
Baltics (average)	6.3	-2.4	-5.0	-2.6

Source: www.Europa.Eu/rapid/pressreleases; january 2009