oranjewoud

2017 Annual report

Oranjewoud N.V.

The 2017 Annual Report Oranjewoud N.V. is an unofficial translation of the Dutch version. In the event of any inconsistency between this translation and the Dutch version, the Dutch version shall prevail.

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FOREWORD

In this annual report, we present our figures for 2017 and update you on the development of the various segments within Oranjewoud N.V.

Oranjewoud N.V. was founded on October 18, 2001 and is listed on the official Euronext N.V. Market in Amsterdam. Oranjewoud N.V. is 97.69% owned by Sanderink Investments B.V., has over 10,000 employees, and recorded revenue of €2.4 billion in 2017.

Since 2005, Oranjewoud N.V. has been expanding, both autonomously and through acquisitions. On September 6, 2017, Oranjewoud N.V. acquired a 60% stake in Promofer S.r.l. And on November 27, 2017, Oranjewoud N.V. bought all shares in Iceacsa Consultores S.L.U.

All-time high
In 2017, Oranjewoud recorded a Total Revenue of €2.4 billion (2016: €2.3 billion). The operating profit (EBITDA) amounted to €96.9 million (2016: €71.4 million); a €25.5 million increase. Net profits came in at €40.1 million in 2017 (2016: €13.9 million); an increase of €26.2 million.

The driving forces behind these results for 2017 were the Rail Systems segment and the Consulting and Engineering Services segment (Antea Group). In 2017, Rail Systems recorded operating profits of €63.4 million, while Antea Group doubled their operating profits to €29.8 million.

2017 has reinforced the positive image of the company on many different counts and in many different areas. After all, 2017 saw us hit all-time highs, both in our revenue and in our profits. Strukton Group has secured a new financing deal for at least three years. The ratios have improved and various signals have changed color, but we will still need extensive resources over the coming years to, after shoring up our foundations, also reinforce the roof.

The Board of Directors

CORPORATE PROFILE

Oranjewoud N.V., a top holding of Strukton Group and Antea Group, is a listed enterprise encompassing companies that operate both nationally and internationally. The companies that are part of Oranjewoud N.V. are active in the fields of civil infrastructure, rail systems, technology and buildings, the environment, spatial planning, water and recreation. This covers the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

Strukton's focus is on railroad and civil engineering, as well as on technology-driven specialist products and services. These latter specialist products and services are unique in the industry and really set Strukton apart from the competition. Strukton has clients both in Europe and beyond.

Strukton operates in three markets:

- Rail Systems: design, construction, refurbishment, management, and maintenance of light and heavy railroad infrastructure, electric train systems, and mobility systems (Strukton Rail);
- Civil Infrastructure: design, implementation, management, and maintenance as part of infrastructure projects (Strukton Civiel);
- Technology and Buildings: design, development, implementation, maintenance, and operation of technical systems and buildings across the Netherlands (Strukton Worksphere).

Strukton also provides integrated railroad and civil infrastructure solutions on an international scale, which are used primarily in the construction of transport systems in densely populated areas, in ports, and as part of port hinterland connectivity infrastructure.

Antea Group is an internationally operating consulting and engineering firm that specializes in full-service solutions in the areas of the environment, infrastructure, spatial planning, and water. By combining strategic thinking, engineering expertise, and a pragmatic approach, Antea Group is able to deliver effective and sustainable solutions for its clients.

In the area of sports and leisure facilities, Antea Group can take care of the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

Oranjewoud N.V.'s temporary staff division focuses on technical professionals in a broad range of fields, including architectural engineering, civil engineering, industrial automation, mechanical engineering, electrical engineering and technical business administration.

Oranjewoud N.V. operating companies work under contract from national and local government bodies and the private sector.

KEY FIGURES

	2017	2016	2015	2014	2013
Results (in millions of euros)					
Total revenue	2,384.7	2,315.6	2,305.6	2,136.8	1,962.1
Ebitda	96.9	71.4	88.7	16.3	44.6
Net profit	40.1	13.9	19.2	(25.1)	(12.6)
Total comprehensive income	39.3	15.3	26.8	(38.5)	(11.6)
Total net cash flow	(11.7)	43.9	56.5	17.0	17.1
Total operational cash flow	65.8	103.7	67.0	56.6	49.4
Equity (in millions of euros)					
Equity (E)	311.3	273.9	242.1	206.5	246.8
Total assets (TA)	1,436.9	1,632.8	1,661.3	1,467.3	1,317.9
E/TA	21.7%	16.8%	14.6%	14.1%	18.7%
Employees (headcount)					
Number at end of financial year	10232	9864	10187	10499	10587
Backlog (in millions of euros)					
Consultancy & Engineering Services	241.7	234.9	248.6	230.7	246.6
Rail Systems	1,896.8	1,486.0	1,290.0	1,196.4	1,043.2
Civil infrastructure	334.7	341.0	470.3	380.3	1,462.1
International	277.8	520.0	919.9	952.0	-
Technology & Buildings	549.3	502.0	538.2	445.2	507.6
Other	16.9	16.4	12.0	12.8	11.6
Total	3,317.2	3,100.3	3,479.0	3,217.4	3,271.1

MEMBER PROFILES

BOARD OF DIRECTORS

Mr. G.P. Sanderink (1948, nationality: Dutch)
Gerard Sanderink has spent a large part of his career in the IT software sector. In 1978, he co-founded and became managing director of ICT Automatisering. After selling his shares, Gerard Sanderink started up Centric. Centric has grown into a leading provider of information technology in the Netherlands, and also operates in Belgium, Germany, Norway, Romania, Switzerland and Sweden. In late 2005, Gerard Sanderink acquired the Oranjewoud consulting and engineering firm, which was brought under the listed company Oranjewoud N.V. in late 2006. Driven by his passion for technology, his entrepreneurial spirit and his global vision, he then acquired engineering firms in the United States, France, Colombia, India, Spain, and Brazil. In late 2010, Oranjewoud N.V. acquired Strukton Group, and Gerard Sanderink has been chairman of its Board ever since.

SUPERVISORY BOARD

Mr. H.G.B. Spenkelink (1947, nationality: Dutch)
Herman Spenkelink was a member of the Board of Directors at Dura Vermeer Groep N.V. between 1983 and 2008. Starting from 1974 he held various positions at the Dura Vermeer Groep. After stepping down as director in 2008, he has continued to serve Dura Vermeer Groep in various advisory roles. Owing to his long tenure at Dura Vermeer, Herman Spenkelink can boast considerable experience and expertise in the construction and real estate market segments. He also holds a number of directorships and sits on several supervisory boards ('Aqua+' Beheer B.V. in Goor, AGAR Holding B.V. in Hengelo and Alewijnse Holding B.V. in Nijmegen, all in the Netherlands).

Mr. J.P.F. van Zeeland (1946, nationality: Dutch)
Jan van Zeeland brings key financial and corporate governance expertise and experience to the company. Between 1964 and 2004, Jan van Zeeland worked in accounting; from 1981 as a partner at the accounting firms Vis & Van Zeeland, Zeeland and Ernst & Young Accountants LLP. Between 2008 and 2010, he was also an executive board member (wethouder) on the local council of the town of Geldrop-Mierlo.

Mr. W.G.B. te Kamp (1945, nationality: Dutch)
Wim te Kamp's forte is his specific knowledge and expertise of the engineering sector. Between 1967 and 1983 he held different positions at Fugro B.V., and in 1983 he became managing director at consulting and engineering firm Tauw B.V., a position he held until 1998. As the managing director of the venture capital company Wadinko B.V., Wim te Kamp added experience and expertise in the area of finance and investment to his credentials. Since 2007, he has served in various advisory and managerial roles and sits on several supervisory boards (Rudico Beheer B.V. in Eerbeek, IJsseltechnologie Groep B.V. in Zwolle, Leferink Office Works Holding B.V. in Haaksbergen, and Calder Holding B.V. in Zwolle).

Ms. H.P.J.M. Jans (1974, nationality: Dutch)
Rianne Jans has extensive experience as a financial director and in the area of risk management. From 2002 to 2003, she was Investment Manager at Residex (part of the Achmea insurance group). In 2003, she joined IT service provider Atos, where she fulfilled the business unit controller role at various business units through to 2009. In 2010, Rianne became CGI's financial director and she has been Eindhoven Airport N.V.'s financial director since 2015. Rianne Jans does not hold any other board or supervisory board memberships alongside her supervisory board membership at Oranjewoud N.V.

SUPERVISORY BOARD REPORT

General

The membership of the Supervisory Board is as follows:

- Mr. H. G. B. Spenkelink, Chairman of the Supervisory Board. Year of birth: 1947. Nationality: Dutch. Most significant past position: Member of the Board of Directors of Dura Vermeer Groep N.V.
- Ms. H.P.J.M. Jans. Year of birth: 1974. Nationality: Dutch. Significant current position: Financial Director at Eindhoven Airport N.V.
- Mr. W. G. B. te Kamp. Year of birth: 1945. Nationality: Dutch. Most significant past position: General Director of consulting and engineering firm Tauw B.V.
- Mr. J. P. F. van Zeeland. Year of birth: 1946. Nationality: Dutch. Most significant past position: partner at Ernst & Young Accountants LLP.

The members of the Supervisory Board were initially appointed in the extraordinary general meeting of October 29, 2010. In 2016, Mr. Spenkelink was reappointed to a three-year term, while Mr. Te Kamp was reappointed for two years. Mr. Van Zeeland was reappointed to a four-year term in 2017. The 2017 general meeting appointed Ms. Jans to a four-year term.

All members of the Supervisory Board are independent, as stipulated in best practice clauses 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code.

The Supervisory Board held five ordinary meetings in 2017 with the Board of Oranjewoud N.V. There were further meetings with the auditor, PwC, to go over interim findings, to discuss the audit committee, and to finalize the financial statements.

In addition to this, the members of the Supervisory Board have met with various people across the organization, including Strukton International and employee representatives.

Ordinary meetings were attended by all members of the Supervisory Board. The purpose of the meetings was to arrive at an effective and efficient working relationship between the Supervisory Board and the Board of Directors and to discuss the strategy. Moreover, meetings were also used to provide insight into the strategic, operational and financial goals of the organization. The meetings discussed items such as the interim financial reports and the semi-annual figures for 2017.

The Supervisory Board furthermore sets great store by building personal relationships through meetings with the management of the operating companies, which also help create understanding of their competencies and skills.

The effectiveness of the internal audit function was also reviewed in 2017. While there is no formal internal audit function at Oranjewoud N.V. level, an audit function does exist embedded at the various operating companies.

Reports have been prepared of all meetings.

Auditor appointment

PricewaterhouseCoopers Accountants N.V. (PwC) has been appointed for the 2017 financial year. This reporting year is the third year that PwC handles the audit. In 2017, PwC was not able to start the auditing activities until late October. To gain even better insight into the organization, PwC Netherlands visited the various group companies outside the Netherlands (including the Riyadh subway project) on several occasions in 2017 and 2018.

State of Affairs

The strategy for Antea Group and Strukton Group was adjusted in 2017. Results achieved over 2017 confirm that the policy we have adopted based on the strategy is effective.

The Group, which has been profitable for the third year in a row, hit an all-time high in 2017 both in terms of revenue and in terms of profit (EBITDA and net).

The Group’s continuity has been guaranteed by new (ring-fenced) financing for Strukton Groep N.V. for a period of three years with two one-year extension options.

There were no major bleeders in 2017, as there had been in 2016 with the closure of Antea Colombia and the loss on the project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG). The challenging reorganization and optimization in France after the takeover of Groupe IRH went positively in 2017, and well performing business units (Antea Netherlands, Antea Belgium, Strukton Rail) sustained or even improved on their strong performance.

The project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG) – which returned a loss in the 2016 financial year — is fully under control again. In 2017, we agreed on a technical solution to the vibration issues that had been hampering this project. A committee of experts has issued advice on the financial compensation. The financing arrangement has been adjusted accordingly. Construction work is underway. Strukton's move to acquire the shares of consortium partners Hurks and Heijmans has meanwhile reached an advanced stage. The loss provision of €18 million created in 2016 will be maintained at the same level.

Away from the above issues, the strategy adopted has clearly started to pay off. The group intends to lower the risk/reward ratio in its backlog and order intake, and to market technology and specialty products in the Netherlands and selected other countries. When it comes to order intake, methods such as formalized bid board procedures are used to optimize the risk/reward ratio.

The organization is working hard on improving when it comes to compliance and duty of care. The importance of pursuing the right compliance policy and honoring our duty of care continues to grow, on the one hand because of the Group's international ambitions, and on the other due to the continuously changing social context in which the Group operates. For further details, please refer to the Internal Control and Corporate Governance sections of the Directors' Report.

In 2017, Oranjewoud recorded a Total Revenueof €2.4 billion (2016: €2.3 billion).

Operating profits (EBITDA) were up €25.5 million in 2017, rising from €71.4 million to €96.9 million on the back of improved performance at Consultancy and Engineering Services (+€15.5 million), Rail Systems (+€15.1 million), Technology and Buildings (+€10.2 million) and Other (+€1.7 million).

Net profits grew €26.2 million in 2017, from €13.9 million to €40.1 million.

The Supervisory Board wants to single two segments out for particular praise, namely the Rail Systems segment, which recorded operating profits of €63.4 million in 2017, and the Consulting and Engineering Services segment (Antea Group), which doubled its operating profits to €29.8 million compared to 2016. Together, these two segments accounted for over 96% of the Group's total operating profits this reporting year.

The aforementioned circumstances and their consequences were regular topics of discussion at meetings of the Supervisory Board and the Board of Directors. These meetings were always held in a positive, open, and constructive atmosphere.

Continuity in financing
In April 2018, Strukton Group sealed a new long-term financing deal with its banks. For details of this financing arrangement, please refer to the Directors' Report and the financial statements.

Acquisitions
This reporting year saw discussion of several acquisition proposals from the Board of Directors. The acquisitions completed were in accordance with the Group's strategic line. The report from the Board of Directors provides further details on these acquisitions.

Performance of the Supervisory Board and the Board of Directors
A separate meeting was held to discuss the performance of the Board of Directors and its individual members, as well as the performance of the Supervisory Board. It concluded that the special areas of knowledge and experience for the organization are represented adequately in the current make-up of the Boards.

Supervisory Board Profile

Oranjewoud N.V.'s Supervisory Board compiled a profile of the Supervisory Board, in consultation with the Board of Directors and the works council. It was agreed that this profile would be subject to periodic reviews of its compatibility with social developments (such as corporate governance) and Oranjewoud N.V.'s policy and where necessary amended in consultation with the Board of Directors and the works council. The Corporate Governance Code contains both principles and best practices to which persons (directors and Supervisory Board members, among others) and parties affiliated with a company should mutually adhere. This profile was adopted on July 6, 2011 under the Oranjewoud N.V. Supervisory Board Regulations, Section 2.2 (c). The 2017 profile does not feature any amendments with respect to 2011. Please visit the Oranjewoud N.V. website for the full text of the Supervisory Board Profile: www.oranjewoudnv.nl.

Diversity

The Dutch Management and Supervision Act (Wet Bestuur en Toezicht), which came into force on January 1, 2013, included imposition of a best efforts obligation on large corporations to appoint at least 30% women and at least 30% men to the seats filled by natural persons, on both the Board of Directors and the Supervisory Board. Both the members of the Board of Directors and the members of the Supervisory Board were appointed for long terms. At present, one of the four Supervisory Board members is female, which makes for 25% female representation. The Supervisory Board has set out to achieve greater diversity when filling vacancies (not including reappointments).

Committees

For most of 2017, the Supervisory Board had three members. In September 2017, Ms. Jans joined the Supervisory Board. Given the size of the Supervisory Board, the Board collectively fulfills the roles of audit committee and remuneration committee. Specific items for the audit and remuneration committees were discussed during the ordinary Supervisory Board meetings and with the auditor.

Governance of the Company

There were no changes to the company's governance in 2017. Mr. Sanderink was appointed to the position of general director for an indefinite period of time. Besides holding a directorship under the articles of association, he also has a special position and responsibility at the company as a nominal director and the company's major shareholder. The Supervisory Board recognizes this position and holds it in high esteem. Mr. Pijper was the company's nominal financial director (CFO) in 2017. On February 28, 2018, the Oranjewoud N.V.'s Supervisory Board and Mr. Pijper decided to part ways.

Remuneration of the Board of Directors

The Board of Directors is made up of Mr. G. P. Sanderink. Mr. Sanderink was appointed to an indefinite term and does not receive any remuneration in exchange for his work. Mr. P. G. Pijper was the CFO (nominal) in 2017. The remuneration provided by the company for the financial year consists of fixed and variable remuneration, as well as pension expenses. Variable remuneration (excl. non-recurring bonuses), which is awarded based on criteria agreed on a year-by-year basis, amounts to a maximum of 35% of the annual salary. This remuneration is subject to annual review on 30 June.

There are no special agreements between the members of the Board of Directors and Oranjewoud N.V. that provide for a payment on termination of employment or dismissal as a member of the Board of Directors after a public takeover bid on the company. There were no changes to the system of remuneration for the members of the Board of Directors in 2017 in comparison to the 2016 financial year. For further details, please refer to note 21 in the financial statements.

Financial Statements

The 2017 financial statements have been drawn up and signed by the Board of Directors in accordance with legal requirements under Section 2:101(2) of the Dutch Civil Code. The management report and the financial statements were discussed by the Supervisory Board in the presence of the external auditor. After assessing the external auditor's findings, summarized in a report submitted to the Supervisory Board and the Board of Directors, and after reviewing the approving auditor's report issued by PricewaterhouseCoopers Accountants N.V., the financial statements were approved and signed by all members of the Supervisory Board in accordance with their legal obligations by virtue of Section 2:101(2) of the Dutch Civil Code. The Supervisory Board proposes that the Shareholders' Meeting finalize the financial statements. In addition to this, it is proposed that the Board of Directors be granted discharge for the management services provided and the Supervisory Board be granted discharge for its supervision services.

Dividend
In principle, Oranjewoud N.V. aims to earmark 30% of net profits for dividend. Dividend payment is subject to future profit developments, market developments, desired solvency and the leverage under existing and future bank covenants. Dividends will be made available as optional dividends (cash and/or shares).

To boost solvency and bolster the company's cash position, Oranjewoud N.V. added €19 million to its Shareholders' Equity on December 21, 2016 through a private share issue to Sanderink Investments B.V. In 2017, Shareholders' Equity grew further owing to realized gains (€38.1 million) and unrealized gains (-€0.7 million). The balance sheet total showed a clear drop. Although solvency consequently increased from 16.8% to 21.7%, it still lies below the internal target of 25%. The company needs sufficient resources to be able to cover possible working capital growth resulting from an increase in the scale of our operations. Aside from that, the financing terms and conditions impose certain restrictions with respect to dividend distribution. The combination of these facts prompted the proposal from the Board of Directors to forgo payment of dividends for the 2017 financial year, with the approval of the Supervisory Board.

In conclusion
2017 has reinforced the positive image of the company on many different counts and in many different areas. After all, 2017 saw us hit all-time highs, both in our revenue and in our profits. Still, we are not there yet, we must beware of complacency. The ratios have improved and various signals have changed color, but we will still need extensive resources over the coming years to, after shoring up our foundations, also reinforce the roof while the sun is shining.

In 2018, we are therefore going to need the same level of energy from everyone across the organization to achieve our strategic objectives and set ourselves apart from the competition. The Supervisory Board is confident that the strategic proposition of the company as a whole is sufficiently solid to sustain the upward trend that caught steam in 2017.

The Oranjewoud N.V. Supervisory Board thanks the management and employees for all of their hard work in 2017.

The Supervisory Board
Mr. H. G. B. Spenkelink
Ms. H.P.J.M. Jans
Mr. W. G. B. te Kamp
Mr. J. P. F. van Zeeland

Thursday, April 26, 2018

DIRECTORS' REPORT

Introduction
Oranjewoud N.V. (Oranjewoud) is a leading partner in the development and application of sustainable and integral solutions for all facets of the environment in which we live, work, play and travel. Oranjewoud N.V. has pinpointed four strategic growth sectors for the medium to long term – the environment, water, infrastructure, and spatial planning.

De facto, Oranjewoud N.V. is made up of two groups, Antea Group and Strukton Group. In 2017, the Board of Antea Group and the Group Board of Strukton Group have each put a lot of effort into further developing and improving a strategy that sets both groups apart from the competition. We have high hopes for this strategy in 2018.

Confirmation: "All-time high"
In 2017, the strategy of two of Oranjewoud N.V.'s groups was adjusted (See under Strategy below, and also under Segmentation). Results achieved over 2017 confirm that the policy we have adopted based on the new strategy is effective.
Key points to note are that:

- The Group was profitable for the third year in a row and hit an all-time high in 2017 both in terms of revenue and in terms of profit (EBITDA and net).
- The Group's continuity has been guaranteed by new (ring-fenced) financing for Strukton Groep N.V.
- There were no bleeders in 2017, like there had been in 2016 in the form of the cessation of operations in Colombia and losses on the RIVM/CBG project.
- The challenging reorganization and optimization in France after the takeover of Groupe IRH went positively.
- Strong performing business units (Antea Netherlands, Antea Belgium, Strukton Rail) sustained or even improved on their strong performance.

State of Affairs
In 2017, Oranjewoud recorded a Total Revenue of €2.4 billion (2016: €2.3 billion). In all segments — except for the Civil Infrastructure segment — revenue was up in 2017. Revenue growth in the Consulting and Engineering Services segment, where revenue grew €8.2 million to €396.6 million, was generated mainly by Antea Netherlands. Growth in the Rail Systems segment, an increase of €49 million to €877.9 million, came on the back of strong performance across all railroad-related operations in various countries. The International Infrastructure and Rail Systems segment saw its revenue increase €23.9 million to €268.0 million as a result of greater output of the Riyadh subway project in Saudi Arabia. In the Civil Infrastructure segment, revenue was down €62.9 million to €420.9 million. This drop in revenue was due to several major projects completing the realization phase in 2016, as well as to lower output at regional companies compared to the previous year. Revenue in the Technology and Buildings segment reached €347.5 million, a €24.3 million rise on 2016, mainly as a result of the loss provision that was created in the 2016 financial year for the project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG). The 'revitalization and development' and 'management and maintenance' units showed solid performance.

Operating profits (EBITDA) were up €25.5 million in 2017, rising from €71.4 million to €96.9 million on the back of improved performance at Consulting and Engineering Services (+€15.5 million), Rail Systems (+€15.1 million), Technology and Buildings (+€10.2 million) and Other (+€1.7 million). Net profits grew €26.2 million in 2017, from €13.9 million to €40.1 million.

In 2017, there were again no new contracts with a value of over €100 million. The current size of the order intake of "large" projects lies in the range of €10 to €50 million per project. The scope of these new projects is entirely in keeping with the strategy of lowering the risk profile.

The project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG) – which returned a loss in the 2016 financial year - is fully under control again. In 2017, we agreed on a technical solution to the vibration issues that had been hampering this project. A committee of experts has issued advice on the financial compensation. The financing arrangement has been adjusted accordingly. Construction work is underway. Strukton's move to acquire the shares of consortium partners Hurks and Heijmans has meanwhile reached an advanced stage. The loss provision of €18 million created in 2016 will be maintained at the same level.

For further details on the segments for which the group presents figures, please refer to the Segmentation section of the Directors' Report.

Strategy

The key points of the strategy are targeted at:

- creating and capitalizing on our ability to set ourselves apart from the competition;
- investing in technology and specialist products;
- focusing on innovation and digital transformation;
- optimizing the risk profile of projects;
- striking a balance between revenue-risk-profit;
- pursuing business development in selected industries and countries;
- achieving synergy within and across segments.

The specific strategic focus of the segments for which the Group presents figures will be detailed below.

Strukton Group focuses on those activities in which it excels. Maintenance and management using high-end technology, domain expertise, and professionalism are the basis of Strukton's operations. This solid basis ensures stability and offers Strukton the opportunity to set itself apart from the competition by making targeted use of data in management and maintenance activities. Aside from that, Strukton focuses on projects with a strong technology component, as well as on projects that will allow Strukton to use its specialist capabilities and that are aligned with Strukton's proven expertise and skills.

Strukton seeks to keep up with global developments, including urbanization and the associated growing need for subway and light rail transit solutions. On top of that, Strukton has identified opportunities in rail freight transport. Over the past few years, the operational focus has shifted, with management and maintenance now making up the lion's share of operations, followed by specialist products and services and projects.

The performance of the Rail Systems segment (Strukton Rail) exceeded expectations in 2017, with excellent results across the full range of railroad-related activities. In Sweden, Strukton Rail landed a range of new contracts, whereby the operational focus continued its shift towards maintenance. In Denmark, too, Strukton Rail showed strong performance, as work on several rail safety modernization projects continues alongside railroad construction and track renewal work. In the Netherlands, Strukton Rail showed solid performance. The organization has landed various performance-based maintenance contracts, further strengthening its position as the market leader. Market conditions in Belgium are challenging, which has curtailed our Belgian division's contribution to profits. Performance by our Italian division was excellent, including track renewal projects in various countries. In Australia and the U.S., which are new focus countries, Strukton Rail has meanwhile completed the first contracts, and the outlook is good.

While the Civil Infrastructure segment (Strukton Civiel) had hit an upward trend in 2016, profits were down in 2017. Steps are being taken at all Strukton Civiel's regional operations and sub-companies to reduce risks and improve work quality. Strukton Civiel's specialist products and services continue to perform well, but Strukton Civiel Projecten operates in a market with fierce competition. It will therefore continue to be crucial to strike a balance between profit and risk. In 2018, the civil engineering activities and specialist products and services of Strukton Civiel and Strukton International will be merged.

The Technology and Buildings segment (Strukton Worksphere) recorded good results in 2017. The revitalization and development unit, as well as the management and maintenance unit, showed particularly strong performance. The chosen strategy is bearing fruit. The projects division was cause for concern in 2017 due to a number of loss-making projects. The redevelopment of the former Knoop barracks into modern offices, on the other hand, went positively. Work on the new premises for the National Institute for Public Health and the Environment (RIVM) and the Medicines Evaluation Board (CBG) was resumed in 2017, and the project is now fully under control.

In 2017, the performance of the International Infrastructure and Rail Systems segment (Strukton International) was more than satisfactory. Specialist services, both immersion and injection techniques, returned good performance. The operating company is currently running projects in Turkey, Germany, Riyadh, Qatar, and Chile.

The Consulting and Engineering Services segment (Antea Group) is an international consulting and engineering firm that specializes in full-service solutions in the areas of the environment, water, infrastructure, and spatial planning. By combining strategic thinking, multidisciplinary perspectives, and engineering expertise, we are able to deliver sustainable results for a better future and solve our clients' challenges in the most effective way possible. The various country organizations that make up Antea Group each focus on providing services in their respective countries. As the overarching organization, Antea Group bids for international contracts — such as from donor agencies — and is active in product development, innovation, and digital transformation, as well as in international focus areas such as water, remediation, and data and asset management.

With over 3,150 employees across the globe, we serve clients ranging from international energy companies and manufacturers to donor agencies, national governments, and local authorities.

Every day, we set out to make our activities grow sustainably by building an international enterprise that makes the most of its expertise from its sources to deliver innovative solutions to partners and clients across the globe.

We offer client value through a varied range of consulting and engineering services that are aligned with current challenges in the market and that promote fit-for-purpose solutions. Our employees are passionate about what they do and committed to translating complex requirements to workable solutions. Thanks to our agility and capacity for adaptation, we are able to innovate and make the most of our global resources to continue to be a leading player in the industry. By engaging Antea Group, customers will reap the benefits of successful projects that protect the planet, enable business growth, and guarantee social well-being.

In 2017, Antea Group delivered strong performance, as they managed to double their operating profit on 2016 through only a small increase in net revenue. Antea Netherlands - as the group's largest country organization - continues to be the driving force, while Antea Belgium also showed excellent performance. Antea France improved its operating results in 2017 by, contrary to 2016, posting a positive operating profit. The contribution from Antea United States was also positive. Work in progress is comparable to last year.

Disruptive developments
In the various countries where they operate, the segments are directly or indirectly experiencing disruptive conditions to varying degrees, conditions such as: availability of sufficiently qualified staff, (lack of clarity on future) legislation and regulations, exchange rates, availability and prices of resources, digitization, and robotization. The Board and the management of the segments and units are in the process of analyzing the potential risks and designing measures to mitigate the impact of the expected disruptions.

Acquisitions
If deemed expedient for the development of the strategy of the Group's segments, the Group will make acquisitions as and when the opportunity arises. Decisions to take part in an acquisition process will not be made until various conditions are met, such as the conditions that the acquiring segment must have sufficient cash and cash equivalents available, also in relation to current bank covenants, that the acquisition target must conform to a certain profile (minimum scope, spread of customer base and products, limited financial, legal, and tax risks, ratios), and that the target business must be able to contribute to the development of the segment's strategy in the very short term. The value of a business that is an acquisition target is measured using various measurement methods, factoring in considerations such as future cash flows and capital costs.

After acquisition, the acquired entity will be monitored as an independent unit or as part of a larger cash-generating unit (CGU), while its figures will be presented as an integrated part of the Group's regular reports. The value of the business combination is reviewed on a regular basis, which will again take account of future cash flows and capital costs. The outcome of this review is a key status indicator.

In the event that any Group unit does not or no longer contributes to the Group's strategy and value creation, a decision can be made to sell the business unit in question. This kind of decision will never be made lightly and will be made only after careful consideration of all potential risks (including reputation-related risks) and adverse effects.

2017 saw two acquisitions, which are in line with the strategic goals formulated for the four strategic growth sectors. These acquisitions are explained below.

Promofer
On September 6, 2017, Strukton Rail Italy S.r.l. acquired a 60% stake in Promofer S.r.l. Promofer S.r.l. makes safety systems for railroads and shipyards. Promofer S.r.l. has a workforce of 25 and its operating income totals €3.5 million.

Iceacsa Consultores
On November 27, 2017, Oranjewoud N.V. subsidiary Antea Group N.V. acquired Iceacsa Consultores S.L.U. from Suma de Vectores S.L. Founded in 1985, Iceacsa is a Spanish engineering firm that operates primarily in the domains of infrastructure, urban planning, and mobility.

With this acquisition, Antea Group has made the next step towards realizing its international growth ambition. Perfectly aligned with the ambition of growing internationally and raising our company's profile internationally, the acquisition of Iceacsa gives us a strong foothold in Southern Europe and an entry into the Spanish-speaking Latin American market.

Founded in 1985, Iceacsa is a Spanish engineering firm with over 80 employees, half of whom are based at the A Coruña head office. Iceacsa also has offices in Latin America: Mexico, Panama and Colombia. Over half of its projects are in Spanish-speaking Latin American countries.
The share purchase liabilities associated with the above acquisitions came to approx. €3.6 million.

Financing and Equity Interest
Financing
On April 13, 2018, Strukton Group agreed a new financing arrangement with an expiry date of April 13, 2021, plus an option for an extension through to April 13, 2023 at the latest. The main features of this financing arrangement are:
- three-year term with two options for a one-year extension;
- no compulsory repayments up to the end date;
- committed revolving credit facility of €115 million, the credit margin is 150 bps (all-in) through to year-end 2018. From 2019, the credit margin depends on a price grid that is linked to the leverage ratio (price range of 100 to 175 bps);
- committed bank guarantee facilities totaling €130 million specifically for the Riyadh subway project in Saudi Arabia;
- uncommitted (bank) guarantee facilities amounting to €180 million, granted by a total of five guarantors.

Bank Covenants
Oranjewoud N.V. is in compliance with the conditions agreed with the banks for the entirety of 2017 and as of December 31, 2017.

Strukton Groep N.V. (Strukton) has its own financing arrangement that is fully ring-fenced from Oranjewoud N.V.'s financing. As at December 31, 2017, Strukton is compliant with the covenants agreed with the banks and has been throughout 2017.

Equity Interest
Oranjewoud N.V. is 97.69% owned by Sanderink Investments B.V. (year-end 2017: 97.67%).

Separate Companies
Antea Group's consulting and engineering services and Strukton Group's implementation activities have not been and will not be merged. There will, of course, be collaboration whenever clients can be given the opportunity to take advantage of the Group's combined knowledge, capabilities and references, and the Group will also exchange knowledge and share best practices.

Antea Group and Strukton Group each have their respective strategic objectives. Oranjewoud N.V.'s policy in terms of preventing possible conflicts of interest has been shaped by compartmentalizing companies and procedures that will be adapted to internal organizational changes and the requirements set by tender legislation and regulations. These procedures comprise: organizational separation of projects, separation of companies, separation of management systems, securing confidentiality and the corporate code (of conduct). Staff at Oranjewoud N.V.'s relevant entities will be briefed on conflicts of interest, integrity and the importance of compliance with (internal) regulations. Antea Group and Strukton Group have separate IT systems and management teams.

Amortization

PPA amortization (excl. other amortization and excl PPA depreciation etc.)

Amounts x EUR 1,000	Excl. Strukton Gross amortization	Excl. Strukton Corporate Tax Release	Excl. Strukton Effect on net profit	Strukton Gross amortization	Strukton Corporate Tax Release	Strukton Effect on net profit	Total Gross amortization	Total Corporate Tax Release	Total Effect on net profit
2016	9,847	-2,712	7,135	634	-159	476	10,481	-2,871	7,610
2017	8,356	-2,225	6,130	0	0	0	8,356	-2,225	6,130
2018	3,788	-1,036	2,751	0	0	0	3,788	-1,036	2,751
2019	1,634	-498	1,136	0	0	0	1,634	-498	1,136
2020	718	-178	540	0	0	0	718	-178	540
2021	357	-88	269	0	0	0	357	-88	269
Total	**24,700**	**-6,738**	**17,961**	**634**	**-159**	**476**	**25,334**	**-6,897**	**18,437**

Total gross amortization of intangible fixed assets, purchase price allocation (PPA) depreciation and other amortizations amount to €11.5 million (2016: €13.3 million). Amortization of intangible fixed assets had a major impact on net profit in 2017.

In the 2017 financial year, a gross amount (non-cash) of €8.4 million (2016: €10.5 million) relating to PPAs was amortized at the expense of the profits (see table above). From the gross amortization, a sum of €0 million (2016: €0.6 million) arises from the amortization related to Strukton Group's PPA.

Amortizations ensuing from PPAs will continue to affect net profits in 2018 and beyond. Based on amortizations from previous acquisitions and the remaining economic service life estimated at year-end 2017, the effects reflected in the above table are expected in the coming years.

Subsequent Events

In January 2018, Strukton Rail A/S acquired Eltel's Danish rail system maintenance operations. This transaction consisted in the acquisition of maintenance contracts and track maintenance equipment. Eltel's 26 employees will join Strukton Rail. With this acquisition, Strukton Rail Denmark is bolstering its technological position in the area of overhead lines and track maintenance.

Following the acquisition of Eltel's Danish rail operations, Strukton Rail AB took over Eltel's Swedish operations on March 29, 2018. This acquisition, too, saw contracts, track maintenance equipment, and staff move to Strukton.

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- no compulsory repayments up to the end date;
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- committed bank guarantee facilities totaling €130 million specifically for the Riyadh subway project in Saudi Arabia;
- uncommitted (bank) guarantee facilities amounting to €180 million, granted by a total of five guarantors.

SEGMENTATION

Oranjewoud N.V. reports on the following segments: Consulting & Engineering Services, Rail Systems, Civil Infrastructure, International Infrastructure and Rail Systems, Technology & Buildings, and Other.

Consulting & Engineering Services

in millions of €	**2017**	**2016**
Net revenue	396.6	388.4
Operating profit (EBITDA)	29.8	14.3
Backlog	241.7	234.9
Number of employees (at year-end)	3155	3052

Net revenue in the Consultancy and Engineering Services segment came in at €396.6 million in 2017 (2016: €388.4 million). The operating profit amounted to €29.8 million (2016: €14.3 million). By year-end 2017, the workforce had grown to 3,155 (2016: 3052), mainly on the back of the acquisition of Iceacsa Consultores, which had 88 employees at year-end 2017.

The economic recovery continued in **the Netherlands** in 2017. The Dutch government's pro-cyclical fiscal policy is further stimulating economic growth. This economic growth is, however, leading to labor shortage, which, in turn, is driving up wages. This is a development that is also affecting Antea Group. Despite increasing competition, Antea Netherlands has managed to retain its leading position in the market, achieving record revenue and operating profits. The backlog increased to €84.0 million (2016: €75.7 million). The workforce grew to 1,434 (2016: 1,415).

Compared to last year, market conditions in **Belgium** saw little change in 2017. Pressure to reduce prices, cautious clients, and relatively high bidding costs are continuing to affect Antea's Belgian operations. Despite these conditions, Antea Belgium still managed to grow its revenue and operating profits. The backlog increased to €31.8 million (2016: €28.1 million), while the number of employees stayed the same (201).

In **France**, the economy showed a clear upward trend in 2017. The French government's stimulus projects have started to bear fruit and given market parties a positive outlook. Labor supply in France is also starting to pick up. The challenging reorganization and optimization in France after the takeover of Groupe IRH went positively in 2017. With revenue rising slightly, Antea France was back in profit in 2017 after a loss in 2016. The backlog remained at virtually the same level, totaling €57.7 million (2016: €58.3 million) Antea France has 839 employees (2016: 859).

In the **United States**, the strategy of further diversification of the range of products and services continued in 2017. In 2010, 50% of Antea U.S.'s contracts came from the oil and gas industry. Today, Antea U.S.' dependency on this one specific industry has been reduced to below 25%. Partly due to the termination of Environmental Liability Transfer projects (ELTs), both revenue and operating profits were down slightly on 2016. The backlog dropped to €53.0 million (2016: €67.9 million), while the number of employees fell to 385 (2016: 414).

Corporate Social Responsibility and Sustainability at Antea Group

Anticipating today's questions and tomorrow's answers. That is what Antea Group stands for. 'Understanding today. Improving tomorrow'. Together with our clients, we work to build a better and sustainable living environment every single day. An environment where we can all live, work and play in comfort. Not only today, but also in the future. Sustainable business practices are possible only in harmony with the world around us. Antea Group takes its responsibility seriously, internally and in relationships with clients and partners, as well as across the chain. To Antea Group, sustainability and corporate social responsibility stand for sensible practices at the company, aimed at striking a balance between the Ps of Profit, People and Planet to ensure the company continues to be relevant in both the market and society.

Rail Systems

Strukton Rail's core activities include new development, maintenance and management of railroad and train systems, both heavy rail and light rail (including traction and overhead lines, signaling, telecommunications and information and control systems), design, manufacturing, installation and commissioning of power supply systems for rolling stock, data acquisition, data management and system integration. Strukton Rail specializes in asset management, high output working methods and equipment, monitoring systems, measuring and inspection trains, energy systems, traction electronics and on-board power grids, and installation and integration of ERTMS and other train safety systems.

in millions of €	**2017**	**2016**
Net revenue	877.9	828.9
Operating profit (EBITDA)	63.4	48.3
Backlog	1,897	1,486
Number of employees (at year-end)	3743	3497

The Rail Systems segment's performance was satisfactory in 2017. Rail Netherlands showed solid performance, reinforcing its position as the market leader by landing various performance-based maintenance contracts. Operations in Sweden, Denmark, and Italy also returned excellent results. In Australia and the U.S., which are new focus countries, Rail has meanwhile completed the first contracts, and the outlook is good.

The Rail Systems segment's backlog was up €411 million, totaling €1,897 million (2016: €1,486 million). In the Netherlands, this segment landed various performance-based maintenance contracts, while the Italian branch was awarded a number of major maintenance contracts in 2017. The backlog in Sweden and Denmark is good. As the operational focus has shifted to maintenance, the composition of the backlog in Sweden has changed with respect to previous years. The Belgian market continues to be challenging.

Civil Infrastructure

Strukton Civiel's core activities are the design, execution, management and maintenance of integrated infrastructure projects, civil structures, road construction, underground construction, hydraulic engineering and concrete construction. Strukton Civiel specializes in foundation engineering, bitumen, environmental engineering, asset management, bridge and lock renovation, traffic management technology (traffic and tunnel engineering systems), prefab concrete, noise barriers, raw and waste material management, traffic routing and incident management.

in millions of €	**2017**	**2016**
Net revenue	420.9	483.8
Operating profit (EBITDA)	-4.9	4.6
Backlog	335	341
Number of employees (at year-end)	1221	1253

Civiel recorded an operating loss in the 2017 financial year, due to relatively low output in combination with disappointing projects. The low output came as a result of completion of the realization phase of several major projects in 2016 and lower output at regional companies compared to the previous year. Steps are being taken at Civiel's regional operations and sub-companies to reduce risks and improve work quality. It will continue to be crucial to strike a balance between profit and risk. In 2018, the civil engineering activities and specialist products and services of Strukton Civiel and Strukton International will be merged.

The backlog has remained steady compared to the previous year. The reduction of the risk profile, which saw Civiel shift its operational focus from projects to management and maintenance, had already had its impact on the backlog in 2016. The backlog at year-end 2017 is good.

International Infrastructure and Rail Systems

Strukton International's focus is on marketing specialist products and services across the globe, such as traction electronics and on-board power grids, monitoring systems, power systems, polymer modified bitumen (PMB), immersion and underwater engineering services and foundation engineering. The combination of specialist products and railroad and civil engineering expertise puts Strukton in a unique position in the construction of integrated railroad and civil infrastructure projects in densely populated areas, ports and port hinterland connectivity. Strukton International primarily targets projects where its expertise can be deployed repeatedly.

in millions of €	**2017**	**2016**
Net revenue	268.0	244.1
Operating profit (EBITDA)	0.9	8.4
EBITDA plus income from participating interests	9.6	15.7
Backlog	278	520
Number of employees (at year-end)	136	155

Operating profits recorded by the International Infrastructure and Rail Systems segment came mainly on the back of the Riyadh subway project in Saudi Arabia. Including income from participating interests, operating profits totaled €9.6 million in 2017, which is down on the previous financial year. This drop is due mainly to the fact that civil engineering output of the construction joint venture (CJV) for the Riyadh subway project had already peaked in 2016. Even despite the drop in output from the CJV, this segment's total operating income rose. Operating income was pushed up by higher output of other activities as part of the Riyadh subway project, for which Strukton's margin share is limited. The subway project is on schedule and is expected to be completed in 2020. The profit forecast for the project as a whole has not changed.

Strukton International's backlog fell from €520 million to €278 million as a result of lower output of the Riyadh subway project after peak output in 2016. As at 31 December 2017, the Riyadh subway project was 64% completed and is on schedule for full completion in 2020.

Technology and Buildings

Strukton Worksphere (Technology and Buildings segment) designs, develops, makes, maintains and operates technical systems and buildings across the Netherlands. Maintenance work and management are the basis of its activities, with the organization targeting the health-care, manufacturing, mobility hub and office markets.

in millions of €	**2017**	**2016**
Net revenue	347.5	323.2
Operating profit (EBITDA)	4.3	-5.9
Backlog	549	502
Number of employees (at year-end)	1765	1701

The Technology and Buildings segment's profit was up on the previous year, mainly as a result of the loss provision that was created in the 2016 financial year for the project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG). This project is fully under control. In 2017, we agreed on a technical solution to the vibration issues that had been hampering this project. A committee of experts has issued advice on the financial compensation. The financing arrangement has been adjusted accordingly. Construction work is underway. Strukton's move to acquire the shares of consortium partners Hurks and Heijmans has meanwhile reached an advanced stage. The loss provision created in 2016 will be maintained at the same level. Besides the National Institute for Public Health and the Environment (RIVM) project, several other loss-making projects in this segment were a cause for concern. The 'revitalization and development' and 'management and maintenance' units showed solid performance. The chosen strategy is bearing fruit.

The backlog was up on the previous year. The mix of contracts is well aligned with Strukton Worksphere's strategy.

Corporate Social Responsibility and Sustainability at Strukton Group

The principle of corporate social responsibility is increasingly embedded in Strukton's operations. The idea of 'thinking in terms of service life together' is the core of Strukton's CSR policy, which has people, planet, and profit as its mainstays.

Adopting a pragmatic approach, Strukton wants to do more for people, planet, and profit internally and across the supply chain. 'Together' is the operative word in the above tagline, as it reflects the essence of Strukton's corporate social responsibility (CSR) policy. It suggests teamwork, not only with co-workers, but also with clients, suppliers, subcontractors, other supply chain partners, and the environment in which Strukton operates. The focus is on safety, life span of material and equipment, product and service quality, nature conservation, building long-term business relationships, and employee health and well-being.

Other

in millions of €	**2017**	**2016**
Net revenue	73.8	47.2
Operating profit (EBITDA)	3.4	1.7
Backlog	16.9	16.4
Number of employees (at year-end)	212	206

The Other segment includes reporting on the Sports and Secondment units.

Sports
The Sports segment is made up of Antea Sport Nederland, J & E Sports, and Edel Grass. Both revenue and operating profits were up on 2016, mainly as a result of the acquisition of 50% of Edel Grass shares in late December 2016. The backlog grew to €14.0 million (2016: €7.9 million), while the number of employees rose to 55 (2016: 32).

Secondment
In 2017, our secondment firms were able to take advantage of the economic recovery in the Netherlands. Compared to 2016, both revenue and operating profit in particular showed growth. Attracting qualified engineering staff continues to be a challenge. The backlog stayed virtually the same at €2.9 million, while the workforce fell to 157 (2016: 174).

Internal Control

Oranjewoud N.V.'s operations are wide-ranging and performed by a varied group of operating companies that are active in the areas of hydraulic engineering, infrastructure, the environment and spatial planning. Internal control is handled by each of the operating companies separately, so there is only limited internal control at the level of Oranjewoud N.V. itself. Organizing internal control in this way was a conscious choice, prompted by the fact that it fosters entrepreneurship. However, due to increased complexity of the environment in which the group operates (in terms of risks, legal context and increased international business), a need has arisen to design and implement additional procedures at Oranjewoud N.V. level, in the area of internal auditing and related processes for example, on top of existing procedures. These procedures will be detailed in a handbook and, as a minimum requirement, they will govern the activities of the operating companies.

The group's strategy is focused on reducing risk exposure in the backlog and order intake. In 2017, important steps were taken in this area.

The organization is also working hard on improving when it comes to compliance and duty of care. The importance of pursuing the right compliance policy and honoring our duty of care continues to grow, on the one hand because of the Group's international ambitions, and on the other due to the continuously changing social context in which the Group operates.

Our efforts to improve in this area include, but are by no means limited to the following:

- Internal procedures in the area of anti-corruption and integrity procedures were tightened further, including through additional provisions in the Code of Conduct. The company also draws on third-party expertise in designing such procedures.
- Compliance officers have been appointed and employees involved in international bidding procedures and contracts receive compliance training.
- Best practices in the areas of compliance and duty of care are shared with peer companies in our industry.
- The current standard agent agreement now includes provisions on the obligation to provide information, on anti-corruption, and on compliance with the Code of Conduct. Agents with current agreements are required to confirm compliance with the Code of Conduct on an annual basis through a Letter of Representation.
- Agents outside the Netherlands are screened for good conduct using, among other sources, a database in the U.S.

- Internal controls were performed and supporting documentation has been compiled to keep track of the activities of agents (minutes, emails, letters).
- Existing agent agreements will be improved and amended wherever possible.

Capital Structure

The authorized capital stock as at Sunday, December 31, 2017 amounted to €10,000,000, consisting of 100,000,000 A and B shares of €0.10 each. The subscribed and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. As at December 31, 2017 (and 2016), subscribed capital amounted to €2,955,307 in A shares and €3,331,980 in B shares. Unlike with A shares, stock exchange listing has not been requested for B shares. There is no difference in terms of control between the A shares and B shares.

Financing and Financial Instruments

General

The Group's main financial instruments comprise bank loans and credits and cash and cash equivalents. The Group also uses interest rate swaps and inflation swaps to hedge interest and inflation risks arising from corporate and project financing. The main purpose of the financial instruments is to attract financing for the Group's operating activities. In addition, there are various other financial fixed assets and liabilities, including trade receivables and debts to suppliers, which arise directly from the operating activities. No derivatives or financial instruments are held for trading purposes.

All financial assets and liabilities, excluding PPP receivables and derivatives measured at fair value, have been measured according to the 'loans and receivables' category as referred to in IAS 39.

Financial Covenants

Oranjewoud N.V. is in compliance with the conditions agreed with the banks for the entirety of 2017 and as of December 31, 2017.

Strukton Groep N.V. (Strukton) has its own financing arrangement that is fully ring-fenced from Oranjewoud N.V.'s financing. As at December 31, 2017, Strukton is compliant with the covenants agreed with the banks and has been throughout 2017.

Interest Rate Risk

Loans and credit are needed due to the mismatch between receivables and liabilities. Loans and credit with a variable rate of interest are exposed to the risk of cash flow changing due to interest rate fluctuations. The Group's policy aims to acquire long-term financing at a fixed rate of interest by taking out interest rate swaps. Interest rate swaps are always used to hedge interest rate risks on the financing of PPP projects.

Currency Risk

The majority of the Group's activities are carried out in the euro area. Outside Europe, the Riyadh subway project in Saudi Arabia got underway in 2013. The currency risk on a large part of future cash flows from the Riyadh subway project is hedged in US dollars. Incidental non-euro positions are hedged using forward exchange contracts. Currency risk on foreign subsidiaries' shareholders' equity and on long-term loans granted to these subsidiaries, known as the translation risk, is not hedged, with the exception of Antea United States.

Credit Risk

Given that a large number of our clients are public-sector organizations (governments), our exposure to credit risk is minimal. For projects above a certain value for private-sector clients, credit risk is also a factor in the assessment of the contract. Aside from that, billing for contracts (in advance) is based on project progress. The available cash and cash equivalents are held with credit-worthy banking institutions.

Liquidity Risk

Liquidity risk is the risk of the Group being unable to meet its financial obligations at the required time. The basic principles of liquidity management are that there must be sufficient liquidity to be able to meet current and future financial obligations, both under normal and exceptional circumstances, without incurring unacceptable losses or jeopardizing the Group's reputation. The Group uses ongoing liquidity forecasting to monitor whether the available liquidity is sufficient. In case of long-term contracts, clients are generally asked to pay installments to cover the financing of project expenditure.

Bank Guarantees
Bank guarantees have been issued by the Group for projects, lease agreements and investment relief.

Corporate Social Responsibility and Sustainability

Investing in the Future
Finding a balance between financial/economic results, social and staff interests and the environment; not only thinking about the here and now, but also thinking about future generations: Oranjewoud N.V. actively works to ensure corporate social responsibility. This includes sustainability in business, sustainable operational management, volunteer work by employees and sponsorship of social initiatives. We are seeing a constant increase in market demand for sustainable solutions and applications. Oranjewoud N.V. is keeping pace with this significant development. Please refer to the sections on the different segments for specific information about activities and projects as part of Corporate Social Responsibility and Sustainability efforts.

Integrity
We are committed to integrity. Integrity means that we always work to the highest professional and ethical standards, and that we earn trust by being transparent and fair to all stakeholders, including clients, shareholders, partners, and employees.

Reliable Partner
We are a reliable partner to our clients, and our overriding aim is to deliver our products and services without ever losing sight of our partners' interests. We offer our products and services under terms and conditions that do not impair our independent professional judgment or obstruct our pursuit of optimum value creation for clients.

Dilemmas
Although it would simply be impossible to plan for all eventualities, we do encourage our employees to discuss dilemmas with each other and the management.

Anti-Corruption
We are committed to the principles of the free market and fair competition, and we adhere to all applicable rules. Our company code offers specific guidelines on gifts, hospitality, and payments to third parties. Specific instructions to combat corruption are also given. All employees are quizzed on their knowledge of the company code every year.

Responsible Employer
Our employees are our assets and the key to the Group's success. Aside from offering our employees a broad and flexible package of employment conditions and employee benefits, we are committed to supporting our employees in developing their knowledge and skills. And we want them to work and develop in a healthy, safe, and professional work environment. All employees have equal opportunity when it comes to personal recognition, general and career development, and remuneration, regardless of their gender, age, background, or beliefs.

Social Affairs
In all countries where the Group has a presence, we abide by current legislation and regulations and respect the local culture and interests of society. We aim to improve the quality of the world around us.

Personal Affairs
The Group appreciates its staff and respects their human and workers' rights, so that they can work in a safe, healthy, and professional work environment, an environment where co-workers work together. The Group has the ambition to be one of the top employers in every country in which it operates. All employees have equal opportunity when it comes to personal recognition, general and career development, and remuneration, regardless of their gender, age, background, or beliefs. When it comes to discrimination and intimidation, the Group has a zero-tolerance policy. Personal data are only processed and handled in compliance with current data protection legislation.

Human and Workers' Rights
The Group respects human rights and workers' rights as an integral part of responsible business conduct; prohibits the use of any kind of form of forced labor and human trafficking, including child labor; does not accept intimidation or disrespectful or inappropriate behavior; focuses on safety, health, and well-being; promotes work-life balance, and strives for competitive pay.

Diversity Policy
With a view to being a reflection of society, workforce diversity is an important consideration for the Group. Diversity inspires appreciation of all aspects of our internal and external environment and of our relationship with all stakeholders, and it supports our strategy internationally and in the areas of innovation and digital transformation. Our aim for 2018 is to define our diversity policy and, where possible, make it quantifiable.

2018

The results achieved in 2017 and the strategic focus of the segments for which the Group presents figures are a vindication of our policy and inspire confidence for the future. Even so, the Board of Directors refrains from making quantitative statements regarding results projected for 2018.

Statement from the Board as per Section 5:25C(2c) of the *Wet op het financieel toezicht* (Dutch Financial Supervision Act)

We confirm that the financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) as ratified by the European Union, as well as in compliance with Title 9, Book 2 of the Dutch Civil Code and give a true and fair view of the assets, liabilities, financial position and profits of Oranjewoud N.V. and consolidated companies, and that the annual report prepared by the Board of Directors gives a true and fair view regarding the situation as at the balance sheet date and operations during the financial year, as well as of affiliated companies whose data was incorporated into Oranjewoud N.V.'s financial statements, and that important risks the Group is facing have been reflected in the annual report.

Corporate Governance

Organization

Oranjewoud N.V. is governed by a Board of Directors, which is supervised by a Supervisory Board. The members of the Board of Directors and the Supervisory Board are appointed and dismissed by the general shareholders' meeting (the "General Meeting").

Board of Directors

The Board of Directors is in charge of running the company, guided by the interests of the company and associated companies. Members of the Board of Directors are appointed by the General Meeting. A member of the Board of Directors must step down by no later than the day on which the annual general meeting is held in the fourth calendar year following his or her last appointment and will also immediately qualify for reappointment – provided that the candidate has stepped down in accordance with this clause. The Supervisory Board nominates one or multiple candidates for each vacancy. The General Meeting can revoke the binding nature of a binding nomination through a decision adopted with a simple majority of votes cast representing at least a third of the company's subscribed share capital. The General Meeting is authorized to suspend or dismiss any member of the Board of Directors. The General Meeting can only suspend or dismiss a director following a proposal to this effect from the Supervisory Board or with a simple majority of the votes cast representing at least one third of the company's subscribed share capital. A member of the Board of Directors can also be suspended by the Supervisory Board.

Supervisory Board

The Supervisory Board is charged with monitoring the company's management policy and general operations at the company and associated companies. The Supervisory Board also advises the Board of Directors. In fulfilling their task, Supervisory Board members are guided by the interests of the company and associated companies. The Supervisory Board must have at least three members. Supervisory Board members are appointed by the General Meeting on the recommendation of the Supervisory Board. Each Supervisory Board member must step down by no later than the day of the first General Meeting held in the fourth calendar year following his or her last appointment. The Supervisory Board members step down periodically according to a schedule set by the Supervisory Board. The General Meeting can hold a vote of no confidence in the Supervisory Board with an absolute majority of the votes cast, representing at least one third of the subscribed share capital.

Shareholders' Meeting

Oranjewoud N.V. convenes a general shareholders' meeting at least annually. The General Meeting is convened either by the Supervisory Board or by the Board of Directors. The General Meeting will at least deliberate on and/or adopt: the annual report, the financial statements, the proposal to pay a dividend (if applicable), and the appointment of the external auditor. Other issues that may be put on the agenda and announced by the Supervisory Board or the Board of Directors, under observance of the relevant provisions in the articles of association, include the granting of discharge to members of the Board of Directors and the Supervisory Board, the reserve and dividend policy, assignment of a body within the company that is authorized to issue shares, and/or authorization of the Board of Directors to have the company acquire its own shares.

Articles of Association

Oranjewoud N.V. is a public limited liability company under Dutch law. The General Meeting is authorized to amend the articles of association, on the understanding that a decision to that effect can only be made at the proposal of the Board of Directors. A proposal by the Board to amend the articles of association is subject to the approval of the Supervisory Board. Oranjewoud N.V.'s articles of association were last amended on October 29, 2010.

Shares

Oranjewoud N.V.'s authorized capital stock amounts to €10,000,000, consisting of 50,000,000 A shares and 50,000,000 B shares with a nominal value of €0.10 each. As at December 31, 2017, the subscribed share capital stands at €6,287,286.90, consisting of 29,553,066 A shares and 33,319,803 B shares. Unlike the A shares, the B shares are not listed. There is no difference in terms of control between the A shares and B shares.

New Share Issues

Shares are issued following a decision of the General Meeting or by virtue of a decision of the Board of Directors, if and insofar as the Board has been requested to do so by the General Meeting. The decision is subject to the approval of the Supervisory Board. This authority covers all unissued shares of the company's authorized capital stock. The duration of this authority is defined by a decision of the General Meeting and shall be five years at most. The General Meeting of September of 2017 granted the Board the authority, for a period of 18 months starting from the date of the meeting, to issue shares and grant rights to take shares, up to a maximum of 10% of the outstanding capital at the time of the meeting, plus a maximum of 20% if the allocation or issue is carried out within the framework of a merger or acquisition.

Acquisition of Shares in the Company's Own Capital
The company is permitted to acquire its own fully paid-up shares, albeit only for no consideration or if: a) the payable equity is at least equal to the purchase price; and b) the total nominal amount of the shares that the company has acquired, holds, holds in pledge or holds through a subsidiary does not exceed 50% of the company's subscribed share capital. Acquisition, other than acquisition for no consideration, is only possible if the General Meeting has authorized the Board to do so. The Board has not asked the General Meeting for any authorization to purchase the company's own shares.

Corporate Governance Code
Unless stated otherwise, Oranjewoud N.V.'s Board of Directors and Supervisory Board endorse and adhere to the principles and best practice provisions of the Dutch Corporate Governance Code of December 8, 2016 (the Code).

Oranjewoud N.V. deviates from the Code on the following best practice clauses:
- 2.2.1 Oranjewoud N.V. has a director under the articles of association, Mr. G.P. Sanderink, who was appointed to an indefinite term. Besides holding a directorship under the articles of association, he also has a special position and responsibility at the company as a nominal director and the company's major shareholder. Mr. Sanderink does not receive remuneration from the company in exchange for his work.
- 2.5.2 Oranjewoud N.V. has not published a code of conduct on its website. Oranjewoud N.V.'s operations are performed by the various operating companies. Strukton Group and Antea Group have published their codes of conduct on their respective websites. The management of the operating companies sees to compliance with the code of conduct.
- Oranjewoud N.V. does not apply best practices provision 2.7.3 insofar as it concerns the reporting of transactions with a potential conflict of interest to the Board of Directors; Oranjewoud N.V. has one director.

In 2017, there were no transactions of any significance involving a conflict of interests between the director and Oranjewoud N.V.

Risk Management
Business is about taking and managing risks. The Oranjewoud N.V. risk management policy is geared towards protecting the Group from events which may impede achievement of strategic objectives and which may have a material impact on the Group's financial position. A targeted market approach, consistent and regular reporting, and raising awareness across the company are the mainstays of Oranjewoud N.V.'s risk management policy.

Oranjewoud N.V. minimizes risks by requiring effective internal risk management and control systems at the business units and also oversees application of and compliance with these systems. Key factors of risk management include employee commitment, exemplary behavior by management, and transparency and openness when it comes to voicing opinions and discussing dilemmas.

The different Oranjewoud Group business units focus on engineering and consulting services provided by Antea Group on the one hand, and on construction and implementation activities by Strukton Group on the other. Strukton Group and Antea Group each have their own risk management systems within the framework of Oranjewoud N.V.'s overarching risk management policy. Responsibility for maintenance, adaptation and application of these risk management systems primarily lies with the business units themselves.

All business units have a code of conduct in place specifying things such as the managers' level of authorization. These codes of conduct are subjected to regular audits. These audits are conducted both on an ongoing basis (part of the planning and control cycle within the group) and on an as-needed basis (audits conducted by certification institutes or auditors).

Strukton Group Risk Management
Like other companies, Strukton faces various commercial, operational, and financial risks. These risks are inherent in the company's operations. The company tries to limit these risks by taking a systematic approach, both on a strategic and on an operational level.

Strukton identifies and monitors risks across the company in a structured manner. To be able to adequately control risks, it is important that risk awareness be embedded broadly across the company. Strukton works to raise risk awareness by creating an open and transparent corporate culture.

To reduce the organization's risk profile, the boards of the respective operating companies use strict selection criteria for new projects. Strukton bids only for projects that are a good fit with Strukton's core competencies, involve a limited level of risk, and offer good profit prospects. Projects that include a long-term maintenance and management component are of particular interest to Strukton.

In line with the company's strategy, the Group board always weighs returns up against risks within the boundaries of the company's risk appetite. Continuity depends largely on good profit prospects.

Based on the aforementioned systems, the frameworks applied, and the associated reporting structure, we are confident that the risk control and monitoring system is adequate and has functioned properly over the financial year. The Group board and the auditor have, however, identified room for improvement in the areas of bid management, project management, operating capital, and cash management.

The risk management and control systems in place significantly reduced the risk of incorrect decisions, deliberate circumvention of management processes and non-compliance with rules and regulations. However, it is virtually impossible to be aware of all risks at all times, let alone to fully describe and manage them. Therefore, the existing systems cannot provide absolute certainty regarding attainment of objectives, nor can they fully prevent all inaccuracies of material significance, such as losses, fraud or transgressions of rules and regulations.

Antea Group Risk Management
In day-to-day operations, achieving business objectives and managing risk go hand in hand. When it comes to raising awareness of and preventing business risk, the following factors play a key role: attainability of targets, employee commitment and exemplary behavior by management, transparency and openness in voicing opinions and discussing dilemmas, and adherence to and monitoring of risk management systems. The risk management systems are aligned with the nature and scale of clients and contracts. For contracts involving a lower level of complexity, a simpler, but still tried-and-tested and effective, model is used, such as rules of conduct, authorized signatory instructions, a risk assessment protocol, and uniform terms and conditions for entering into obligations. Antea Group is one of the first engineering firms in the Netherlands to be ISO 27001 certified. This ISO standard stands for a process-based approach to defining, implementing, executing, monitoring, maintaining and improving information security using an Information Security Management System.

For cross-border and large-scale projects, a risk management system is used which is derived from the risk management systems of the major oil companies commissioning the work. The quotations and project progress are discussed in full with the responsible management, the financial managers and the legal counsel. When putting together multinational bids and contracts, the Decision Making Framework is used to assess the various project-related and other risks, such as financial risks, local legislation and regulations, dealing with cultural differences, etc. All employees receive regular training in the use of this risk management system. Application of the risk management system is audited on a regular basis by Antea Group's group control and group legal departments.

International (Legislation and Regulations)
As internationalization advances, Oranjewoud N.V. business units increasingly operate on an international scale. The board of Oranjewoud N.V. has drafted clear, verifiable rules for the management of all business units. Each of the countries where Oranjewoud N.V. has operations presents some special focus points. All country organizations are subject to the same rules on matters such as hospitality, bribery, donations to political organizations or charities, and compliance with national legislation and regulations in the area of working conditions and employment terms. The risk management systems are the same for all business units, with local focus points for legislation and regulations, governance and compliance, insurance terms and conditions, and risk management. Strategy, risk management, claims, clients, compliance and governance are fixtures on the agenda of those meetings. This provides a good picture of the financial and project administration and the operational state of affairs in the company.

IT
IT governance is focused on IT security and business continuity: effective and efficient use of IT resources and information security management. Means used to this end include technical solutions such as the creation of a secure IT environment, data backups, arranging and maintaining fallback and recovery plans, and awareness programs for employees who work

in the area of personal data processing.

Financial Instruments
Please refer to note 17 'Financial Instruments' for details on financial risk management measures.

Sensitivity of the Results
Governments and private-sector parties acting on behalf of government bodies are important clients for Oranjewoud N.V.'s business units. The policies of these clients and the associated budgets are a critical factor for the operation of the companies within the Group. Delays in political decisions and adjustments in government investment budgets affect contract volumes. The impact of these cuts cannot be predicted. Through a targeted market approach and diversification, both in the Netherlands and on an international scale, Oranjewoud N.V. seeks to appeal to a more diverse range of clients and reduce dependency on large public-sector clients.

Joint Ventures
Joint ventures with different partners on an operational and financial level are always set up under the internal and external stewardship of specialists. As part of day-to-day operations, financial and project-related activities and results are discussed with the management of the unit participating in the joint venture, as well as with financial and legal experts of Antea Group, Strukton Group, and Oranjewoud N.V.

Safety
The safety policy at the business units is geared toward control and preventing operational activities from leading to accidents, injury and loss of reputation, as well as toward ensuring activities are not in breach of legislation and regulations. All employees have access to the Quality, Labor and Environment (QLE) systems. The QLE systems are tested regularly by independently accredited certification institutes. Prevention takes top priority at the Group. Its safety policy also stresses human behavior as a risk factor. These risks must be minimized using careful work preparation, analysis of near-accidents and toolbox meetings.

Liability Risk
Oranjewoud N.V. has a centralized insurance policy primarily geared towards prevention of fluctuations in profits due to damage and/or losses in projects under the responsibility of a company in the Group. Oranjewoud N.V. has therefore formulated cover requirements and takes out insurance, such as liability insurance, professional indemnity insurance and more specific forms of insurance, at group level. Given the wide variety of projects, both in terms of size and complexity, as well as the requirements imposed by local and other legislation and regulations in the various countries where the companies operate, several supplementary insurance policies that take this diversity into account have been procured.

Agent Contracts
The Group uses agents to a limited degree. In actual fact, there is only one single relevant agent contract, namely the one with the local agent for the Riyadh subway project in Saudi Arabia. This project started in mid-2013. The contract with the local agent was signed in the first quarter of 2013.

In the second quarter of 2017, Oranjewoud N.V.'s Supervisory Board, with the help of external experts, conducted a review of how this contract came about, looking also at the effectiveness of internal procedures with respect to anti-corruption and integrity. The review by Oranjewoud N.V.'s Supervisory Board did not turn up any indications of possible irregularities. The review did, however, find that internal procedures in areas such as compliance and standardization of agent contracts needed further tightening. Given the Group's international ambitions, this process will require continuous focus. Improving compliance and risk management is an ongoing process that is partly subject to the continuously changing social context in which the Group operates.

The Group has meanwhile taken the following rectification measures:

- Internal procedures in the area of anti-corruption and integrity procedures were tightened further, including through additional provisions in the Code of Conduct. The company also draws on third-party expertise in designing such procedures.
- Compliance officers have been appointed and employees involved in international bidding procedures and contracts receive compliance training.
- Best practices in the areas of compliance and duty of care are shared with peer companies in our industry.
- The current standard agent agreement now includes provisions on the obligation to provide information, on anti-corruption, and on compliance with the Code of Conduct. Agents with current agreements are required to confirm compliance with the Code of Conduct on an annual basis through a Letter of Representation.
- Agents outside the Netherlands are screened for good conduct using, among other sources, a database in the U.S.

- Internal controls were performed and supporting documentation has been compiled to keep track of the activities of agents (minutes, emails, letters).
- Existing agent agreements will be improved and amended wherever possible.

Status
The status of risk management efforts at Oranjewoud N.V. was discussed several times in 2017 during individual and joint meetings of the Board of Directors and the Supervisory Board. The conclusion was that internal risk management was effective in the financial year under review.

In Control Statement

The Board of Directors declares acceptance of responsibility for the set-up and functioning of the internal risk management and control system tailored to the Group. During 2017, the Board of Directors systematically analyzed and assessed the relevant significant risks as well as the control environment. Based on this, the Board of Directors declares that the risk management and control systems in the financial reporting provide a reasonable degree of certainty that the financial reporting does not contain any inaccuracies of material significance, and that the risk management and control systems have functioned properly over the financial year.

The risk management and control systems in place significantly reduced the risk of incorrect decisions, deliberate circumvention of management processes and non-compliance with rules and regulations. However, it is virtually impossible to be aware of all risks at all times, let alone to fully describe and manage them. Therefore the existing systems cannot provide absolute certainty regarding attainment of objectives, nor can they fully prevent all inaccuracies of material significance, such as losses, fraud or transgressions of rules and regulations.

On behalf of the Board of Directors

Mr. G. P. Sanderink

Thursday, April 26, 2018

Financial Statements 2017

Oranjewoud N.V.

The Financial Statements 2017 Oranjewoud N.V. are an unofficial translation of the Dutch version.
In the event of any inconsistency between this translation and the Dutch version, the Dutch version shall prevail.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)

	12-31-2017		12-31-2016	
Non-current assets				
Intangible assets (1)	**79,228**		87,912	
Property, plant and equipment (2)	**168,651**		174,750	
Investment property (3)	**5,053**		5,533	
Associates (4)	**37,923**		28,970	
Other financial non-current assets (5)	**33,111**		37,969	
Deferred tax assets (6)	**46,354**		47,786	
		370,320		**382,920**
Current assets				
Inventories (7)	**25,941**		31,029	
Receivables (8)	**574,167**		659,835	
Work in progress (9)	**252,691**		329,223	
Income tax receivables	**14,813**		7,005	
Cash and cash equivalents (10)	**198,945**		222,781	
		1,066,557		**1,249,873**
Total assets		**1,436,877**		**1,632,793**
Equity				
Issued capital	**6,287**		6,287	
Share premium	**201,896**		201,896	
Translation reserve	**4,933**		932	
Legal reserve subsidiaries	**6,178**		7,513	
Hedging reserve	**(1,861)**		(1,945)	
Actuarial reserve	**(12,740)**		(7,896)	
Retained earnings	**68,461**		55,795	
Undistributed profit	**38,111**		11,331	
Equity attributable to equity holders of the parent company	**311,265**		273,913	
Non-controlling interests	**37,475**		35,156	
Total equity (11)		**348,740**		**309,069**
Non-current liabilities				
Deferred employee benefits (12)	**54,857**		47,434	
Provisions (13)	**15,606**		16,582	
Deferred tax liabilities (6)	**9,105**		8,932	
Subordinated loans (14)	**1,000**		1,000	
Non-current liabilities (14)	**52,675**		40,676	
Total non-current liabilities		**133,243**		**114,624**
Current liabilities				
Trade payables	**323,471**		330,288	
Amounts owed to credit institutions (10)	**35,664**		32,936	
Work in progress (9)	**235,261**		381,749	
Corporate income tax payable	**6,667**		5,573	
Provisions (13)	**3,143**		2,825	
Other current liabilities (15)	**350,688**		455,729	
Total current liabilities		**954,894**		**1,209,100**
Total equity and liabilities		**1,436,877**		**1,632,793**

CONSOLIDATED STATEMENT OF INCOME

(in thousands of euros)	**2017**	**2016**
Revenue (18)	**2,384,730**	2,315,565
Other operating income (19)	**1,379**	10
Total operating income	**2,386,109**	**2,315,575**
Project costs of third parties	**(1,240,129)**	(1,240,685)
Staff costs (20)	**(841,372)**	(807,356)
Other operating expenses (22)	**(207,692)**	(196,180)
Depreciation	**(44,635)**	(45,166)
Total operating expenses	**(2,333,828)**	**(2,289,387)**
Operating profit	**52,281**	**26,188**
Finance revenue (23)	**5,078**	5,808
Finance costs (23)	**(16,998)**	(22,117)
Net finance revenue/(costs)	**(11,920)**	(16,309)
Share in profit after taxes of associates (4)	**12,377**	11,645
Profit before taxes	**52,738**	**21,524**
Income tax (24)	**(12,641)**	(7,626)
Net profit for the year	**40,097**	**13,898**
Attributable to:		
Shareholders of the parent company	**38,111**	11,331
Non-controlling interests	**1,986**	2,567

EARNINGS PER SHARE (in euros)

Net earnings per share attributable to equity holders of the parent company (basic and diluted)	0.61	0.19
Average number of shares outstanding	62,872,869	58,948,912

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)

		2017		2016	
Profit after taxes			**40,097**		13,898
Realized results	note 32		**-**		1,972
<u>Other comprehensive income to be reclassified to profit and loss in future periods</u>					
Changes in fair value of derivatives for hedge accounting		**112**		75	
Income tax	note 6	**(28)**		(19)	
	note 32		**84**		56
Unrealized gains and losses associates and joint ventures		**426**		(100)	
Income tax		**-**		-	
	note 32		**426**		(100)
Currency translation differences		**3,575**		1,744	
Income tax		**-**		-	
	note 32		**3,575**		1,744
Other comprehensive income to be reclassified to profit and loss in future periods			**4,085**		**1,700**
<u>Other comprehensive income not to be reclassified to profit and loss in future periods</u>					
Change in actuarial reserve	note 12	**(6,273)**		(2,879)	
Income tax	note 6	**1,429**		643	
Other comprehensive income not to be reclassified to profit and loss in future periods	note 32		**(4,844)**		**(2,236)**
Total comprehensive income after taxes			**39,338**		**15,334**
Attributable to:					
Shareholders of Oranjewoud			**37,352**		12,767
Non-controlling interests			**1,986**		2,567
Total comprehensive income after taxes			**39,338**		**15,334**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in thousands of euros)

Group equity	Attributable to equity holders of the parent company									Non-controlling interests	Total
	Issued share capital	Share premium	Translation differences reserve *)	Legal reserve subsidiaries	Hedge-reserve *)	Actuarial reserve	Retained earnings	Profit for the financial year	Total capital and reserves		
Balance at January 1, 2016	5,873	183,310	(2,684)	8,460	(2,001)	(5,660)	36,760	18,088	242,146	416	242,562
Issue of shares	414	18,586	-	-	-	-	-	-	19,000	-	19,000
Retained earnings for 2015	-	-	-	-	-	-	18,088	(18,088)	-	-	-
Subtotal	6,287	201,896	(2,684)	8,460	(2,001)	(5,660)	54,848	-	261,146	416	261,562
Profit for the financial year	-	-	-	-	-	-	-	11,331	11,331	2,567	13,898
Realized results	-	-	1,972	-	-	-	-	-	1,972	-	1,972
Unrealized gains and losses	-	-	1,644	(947)	56	(2,236)	947	-	(536)	(115)	(651)
Total comprehensive income after taxes	-	-	3,616	(947)	56	(2,236)	947	11,331	12,767	2,452	15,219
Reclassification to liabilities	-	-	-	-	-	-	-	-	-	32,288	32,288
Balance at December 31, 2016	6,287	201,896	932	7,513	(1,945)	(7,896)	55,795	11,331	273,913	35,156	309,069
Balance at January 1, 2017	6,287	201,896	932	7,513	(1,945)	(7,896)	55,795	11,331	273,913	35,156	309,069
Retained earnings for 2016	-	-	-	-	-	-	11,331	(11,331)	-	-	-
Subtotal	6,287	201,896	932	7,513	(1,945)	(7,896)	67,126	-	273,913	35,156	309,069
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	-	-	-	38,111	38,111	1,986	40,097
Realized results	-	-	-	-	-	-	-	-	-	-	-
Unrealized gains and losses	-	-	4,001	(1,335)	84	(4,844)	1,335	-	(759)	-	(759)
Total comprehensive income after taxes	-	-	4,001	(1,335)	84	(4,844)	1,335	38,111	37,352	1,986	39,338
Other changes	-	-	-	-	-	-	-	-	-	333	333
Balance at December 31, 2017	6,287	201,896	4,933	6,178	(1,861)	(12,740)	68,461	38,111	311,265	37,475	348,740

*) In addition to the Legal reserve subsidiaries also the Translation differences reserve and the Hedge reserve concerns legal reserves.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)

		2017		2016	
Profit after taxes		**40,097**		13,898	
Non-cash movements:					
Profit/(loss) of associates	note 4	**(12,377)**		(11,645)	
Corporate income tax	note 24	**12,641**		7,626	
Finance revenue and costs	note 23	**11,920**		16,309	
Depreciation and amortization		**44,635**		45,166	
Impairment by finishing activities		**-**		5,209	
Change in provisions		**1,016**		6,062	
Cash flow from operating activities before changes in working capital		**97,932**		82,625	
Changes in working capital:					
Trade payables		**(7,098)**		(5,558)	
Other current liabilities		**(17,924)**		(12,815)	
Inventories		**5,283**		3,123	
Work in progress		**(99,828)**		6,224	
Trade receivables		**21,258**		7,079	
Other receivables and prepayments and accrued income		**66,283**		25,962	
Change in working capital		**(32,026)**		24,015	
Dividend received from associates		**5,825**		8,783	
Interest received		**4,810**		5,007	
Income tax paid		**(10,696)**		(16,708)	
		(32,087)		21,097	
Cash flow from operating activities			**65,845**		103,722
Investments in intangible assets	note 1	**(1,892)**		(961)	
Investments in property, plant and equipment	note 2	**(28,488)**		(23,026)	
Investments in investment property	note 3	**-**		(160)	
Investments in associates	note 4	**(2,261)**		(2,508)	
Investments in consolidated companies	note 1	**(5,242)**		(6,023)	
Disposal of property, plant and equipment		**3,131**		(1,894)	
Disposal of associates		**(595)**		(286)	
Change in other financial non-current assets		**5,261**		(4,366)	
Cash flow from investing activities			**(30,086)**		(39,224)
Repayments subordinated loans		**-**		(9,000)	
Drawings loans		**10,589**		9,090	
Repayments loans		**(43,535)**		(18,349)	
Other changes		**(75)**		(149)	
Interest paid		**(14,427)**		(21,207)	
Issue of shares		**-**		19,000	
Cash flow from financing activities			**(47,448)**		(20,615)
Net cash flow			**(11,689)**		43,883
Balance of cash and cash equivalents at January 1st			**189,845**		141,897
Exchange differences on cash and cash equivalents			**(14,875)**		4,065
Balance of cash and cash equivalents at December 31st	note 10		**163,281**		189,845

ACCOUNTING POLICIES

Information on the Company
Oranjewoud N.V. is a public limited liability company under Dutch law, headquartered at Antwerpseweg 8, Gouda, the Netherlands. Shares in the company are listed on the official Euronext N.V. Exchange in Amsterdam. Oranjewoud N.V. is 97.69% owned by Sanderink Investments B.V. Sanderink Investments B.V. is 100% owned by Gerard Sanderink's Stichting Administratiekantoor Sanderink Investments. Oranjewoud N.V. is active in the areas of consulting and engineering services, sports and leisure facilities, staffing, rail systems, civil infrastructure, technology and buildings, and PPP/concession projects. The organization is a provider of high-quality services across a wide-ranging field covering infrastructure and accommodation solutions, urban development, construction, nature and landscape, environment and safety, and sports & leisure. Oranjewoud N.V. takes care of the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

The 2017 financial statements were drafted by the Board of Directors on April 26, 2018, and approved by the company's Supervisory Board, and will be submitted to the General Meeting of May 16, 2018 for adoption.

Basic Principles
The consolidated and separate financial statements are presented in euros, which is the company's functional currency. The consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) as ratified by the European Union (IFRS-EU), as well as in compliance with Title 9, Book 2 of the Dutch Civil Code.

Should this English version of the Financial Statements of Oranjewoud N.V. in certain parts be different from the Dutch version, then the Dutch version will be considered leading.

Going-concern assumption
Oranjewoud N.V.'s 2017 financial statements were prepared based on the going-concern assumption. For a detailed explanation of the reasons for this, please refer to the section on Risk Management under Liquidity Risk.

Principles used in preparing the consolidated financial statements
Unless stated otherwise, the consolidated financial statements were prepared based on historical costs. The principles for financial reporting as outlined below have been applied consistently for the periods presented in these consolidated financial statements, excepting only standards and interpretations that have not yet been applied.

Newly applied and revised standards and interpretations (IAS/IFRS)
In 2017, the Group has applied a number of new and revised standards that have been issued by the International Accounting Standards Board (IASB) and that govern reporting periods starting on or after January 1, 2017. The application of new and revised standards did not impact on the current reporting period or previous periods, and this is not expected to affect future reporting periods either.

Standards and interpretations that have not yet been applied
Standards and interpretations that had been issued by the date of publication of the Group's financial statements, but were not yet effective, are detailed below. Wherever applicable, the Group intends to apply these as soon as they come into force. The following standards and interpretations that were not yet mandatory in 2017 have not been applied in these financial statements.

IFRS 9 Financial Instruments
IFRS 9 is the new standard for the accounting of financial instruments. IFRS 9 is divided into 3 main parts: classification and measurement, impairment, and hedge accounting. The most important change in terms of classification and measurement is that the business model and the features of the financial instrument are used as the basis for classification and measurement. Assets are measured at amortized cost or fair value based on the business model and the features of the financial instrument. The IFRS 9 impact analysis showed that the classification and measurement of financial assets will not change for the Group under IFRS 9.

IFRS 9 provides amended conditions that have to be met to be able to use hedge accounting. Although the hedge models have remained the same, hedge accounting rules have been relaxed. IFRS 9 offers the option to continue to apply former hedge accounting regulations. The Group uses hedge accounting for forward exchange contracts for the Riyadh subway project. In doing so, the Group will continue to apply the former standard (IAS 39) and not switch to the new standard (IFRS 9). The Group will, however, have to meet more extensive disclosure requirements.

When it comes to impairments, IFRS 9 introduces one single impairment model based on projected losses to replace the model that was based on incurred losses. This means that credit losses will have to be recognized at an earlier stage. The impact analysis performed so far shows that this may have an impact on the Group in terms of the measurement of trade receivables, contract assets, and other receivables.

IFRS 9 is set to come into force for financial years starting on or after January 1, 2018. The cumulative effect of switching to IFRS 9 will be recognized in the initial capital. At the time of publication of these financial statements, the Group has not yet completed the impact analysis for the 2017 financial year. The impact on the initial capital for 2018 will be detailed in the interim figures for 2018.

IFRS 15 Revenue from contracts with customers
IFRS 15 contains new rules for the recognition of and the inclusion of notes to revenue in the financial statements. This standard is focused on the reporting of useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Under IFRS 15, revenue is recognized when control passes to the customer. The new standard replaces IAS 18 'Revenue,' and IAS 11 'Construction contracts' and related interpretations. The standard applies to financial years starting on or after January 1, 2018, while using it for periods prior to that date is also allowed.

The Group will implement this standard in the 2018 financial year using the modified retrospective method, which means that the comparative figures in the 2018 financial statements will still be based on the former standards (IAS 11 and IAS 18). In the 2018 financial year, revenue will be recognized based on the new standard (IFRS 15). The impact on the initial capital will be recognized on the 2018 balance sheet.

In the 2017 financial year, the Group has worked hard on an impact analysis to identify the contracts for which recognition of revenue will change as a result of IFRS 15. Analyses performed so far show that IFRS 15 will not have a material impact on the opening balance sheet for 2018.

The way in which revenue is recognized is not expected to change. For virtually all contracts for which revenue was recognized based on the percentage of completion method of calculation (IAS 11) up to 2018, the expectation is that revenue recognition will be based on the 'over time' method of calculation (IFRS 15) from the 2018 financial year onward. This projection is based on the fact that the Group is active in the development, realization, maintenance, and management of infrastructure projects, buildings, and engineering systems and rail systems where the client has full control over the asset. When control of the asset lies with the client during the project, revenue is recognized based on IFRS 15 in proportion to the percentage of completion of the project. The percentage of completion is then determined based on the input method, whereby the degree of completion is measured based on the input delivered by the entity to fulfill a performance obligation. This is largely aligned with current revenue recognition based on IAS 11, where the percentage of completion is determined based on costs incurred in proportion to the estimated total costs.

The contract analysis turned up two loss-making contracts that include two performance obligations. These are contracts under which the Group is responsible for realization of real estate and long-term maintenance. For both contracts, the realization phase has returned a loss, while the maintenance phase is expected to return a profit. Based on current regulations, the loss on the realization phase of the project is recognized as soon as it has been calculated. The profit on the maintenance phase is recognized as soon as the maintenance phase starts, prorated to maintenance progress. The new regulations (IFRS 15) do not provide specific instructions for loss-making contracts that make them subject to IAS 37. Under IAS 37, a loss is recognized if the contract as a whole returns a loss. This means that the loss on the realization phase must be reduced by the profit on the maintenance phase. Loss determination is currently still a topic of discussion at IFRIC (International Financial Reporting Interpretation Committee). These discussions are focusing on the use of the incremental cost approach or the integral cost approach. The outcome of these discussions will determine the impact that application of IFRS 15 will have in case of loss-making contracts. This impact will be established as soon as discussions on the subject have come to a conclusion.

Contract analyses performed so far have shown that the number of contracts with multiple performance obligations is limited. For the contracts analyzed that do involve multiple performance obligations, the impact of IFRS 15 is expected to be zero, given that revenue is currently already recognized for each performance obligation under the current regulations. For example, revenue from contracts with a maintenance phase and a realization phase is, under current regulations (IAS 11) recognized in proportion to the percentage of completion of the performance in question. Maintenance and realization are treated as two separate forms of performance or projects. The consideration that, based on current regulations, is attributed to these two separate kinds of performance represents (in case of the contracts that have been analyzed) the stand-alone selling price. As a result, revenue recognition based on IFRS 15 is not expected to differ from revenue recognition based on IAS 11.

The difference in revenue recognition between IAS 11 and IFRS 15 is not expected to affect contracts involving contract extras or requests for changes. In most cases, the contract extras are not expected to differ from the other contracted work, as a result of which the cumulative catch-up method must be applied based on IFRS 15. Given that, for the contracts analyzed, the percentage of completion of the projects is reassessed after each reporting period, including contract extras and margin on contract extras, the current regulations (IAS 11) produce the same outcome.

Under IFRS 15, the effects of the time value of money must be recognized separately if the time of payment leads to a significant financing benefit for the client or the Group. As a practical exception, derogation from this rule is permitted if the time between payment and completion is under one year. Analyses that have been performed so far have shown that this is expected to lead to material differences in comparison to the current regulations, as the Group will be using the practical exception.

The impact analysis of a number of major contracts, including the Riyadh subway contract, is still ongoing. This IFRS 15 assessment will be concluded after publication of the 2017 financial statements. The outcome of current discussions at IFRIC will be taken into consideration. The quantitative impact of IFRS 15 on the opening balance sheet and future financial statements is therefore as yet unknown.

IFRS 16 Leases
IFRS 16 will take effect on January 1, 2019. IFRS 16 will replace the current standard, IAS 17, and associated interpretations. The new standard requires systematic recognition of rights and commitments under lease agreements. As a result, nearly all lease and rental agreements have to be recognized on the tenant’s balance sheet. IFRS 16 will have an impact on various significant ratios. The Group is currently in the process of analyzing the impact of implementation of IFRS 16. It is not possible at this stage to quantify the impact of the implementation of IFRS 16. The Group has a number of property leases and operating leases that, under the new standard, will in principle have to be recognized on the balance sheet.

Consolidation Principles

Subsidiaries (full consolidation)
Subsidiaries are all entities that are directly or indirectly controlled by the Group. Control exists when the Group:
- has the power to direct relevant operations of a participation to obtain benefits from its operations;
- is exposed or has entitlement to variable returns from its involvement with the participation; and
- is able to use its power to influence returns.

Subsidiaries are fully consolidated from the date on which the Group acquires control. Subsidiaries are deconsolidated as soon as the Group no longer has control.

The Group recognizes the acquisition of subsidiaries as per the acquisition method. The amount paid for an acquisition is set at the fair value of the assets stated, the equity instruments as at the acquisition date, and liabilities acquired or assumed. The amount paid also includes the fair value of assets, fees, and liabilities under contractually agreed conditional provisions. Transaction costs in relation to an acquisition are recognized at the expense of the profits on the date they are incurred.

At initial recognition in the financial statements, the acquired identifiable assets and the acquired liabilities/contingent liabilities are measured at fair value as at the acquisition date. For each acquisition, the Group measures a possible minority stake either at fair value or at the share of the minority stake in the identified net assets of the acquired entity.

If the amount paid, the minority stake, and the fair value as at the acquisition date of a stake in the acquired entity that already existed on the acquisition date exceeds the fair value of the Group’s share in the identifiable net assets, the difference will be recognized as goodwill. If the amount paid is lower than the fair value of the identifiable net assets, the difference is recognized directly in the statement of income.

Joint Arrangements
Based on IFRS 11, joint arrangements are classified as joint ventures or joint operations. Classification depends on each shareholder's or partner's rights and obligations and is unrelated to the legal format. The Group is involved in both joint ventures and joint operations.

Joint Operations
Joint operations are participating interests in entities of which the Group has joint control with third parties under a contract. The Group recognizes its stake in the revenue and costs, assets, and liabilities of the joint operation and combines this item by item with corresponding items in the Group's financial statements.

Joint Ventures
Joint ventures are entities of which the Group has joint control with third parties, whereby such control is laid down in an agreement. The Group is entitled to a share of these entities' net profits, as well as to a share of the net asset. The consolidated financial statements recognize joint ventures as a participation as per the equity method. Participations are measured including the goodwill established upon acquisition, less possible cumulative impairments. The parties involved have contractually agreed to share control and that decisions on relevant operations require unanimity of the parties that have joint control of the joint venture.

Associates
Associates are entities where the Group has significant influence on financial and operating policy without having decision-making authority, as these are not joint ventures. The consolidated financial statements recognize the Group's share in total loss/income from unconsolidated investments as per the equity method, after correction of the principles in accordance with the Group's principles, from the date on which the Group gained significant influence until the date on which it ceased to have significant influence. Participations are measured including the goodwill established upon acquisition, less possible cumulative impairments.

Elimination of transactions upon consolidation
Intra-group balances and possible unrealized gains and losses on transactions within the Group or income and expenses relating to such transactions are eliminated upon preparation of the consolidated financial statements. Unrealized gains and losses on transactions with participations and entities of which the group has joint control are eliminated in proportion to the Group's stake in the entity.

Consolidated interests
The consolidated participations and the percentage of the interest are detailed in note 40.

Basis of valuation

Foreign currency transactions and investments in foreign operations
Transactions in foreign currencies are initially recorded at the functional currency rate at the time of the transaction. Cash and cash equivalents, receivables, debts and obligations in foreign currencies are translated at the rate applicable at the reporting date. Translation differences are recognized in the statement of income, with the exception of differences on foreign currency loans providing a hedge against an investment in a foreign operation. These differences are taken to the translation differences reserve until the date of sale of the fo reign operations, following which they are recognized in the statement of income.

Assets and liabilities of foreign operations are translated into euros at the exchange rates ruling at the reporting date via OCI. Currency differences ensuing from this conversion are included in conversion difference reserves of the shareholders' equity. In case of full or partial divestiture of foreign subsidiaries, joint operations, joint ventures and participations in which the Group has ceased to have decision-making authority, conversion differences are transferred to the statement of income. Income and expenditure from foreign operations are converted to euros at the rate that approximates the exchange rate on the transaction date.

Derivative financial instruments

The Group uses interest rate swaps, inflation swaps and an “overdraft facility” to hedge interest rate and inflation risks arising from corporate and project financing. For the interest rate swaps and inflation swaps, which were concluded with Strukton in the acquisition of Strukton, hedge accounting is not applied. These interest rate swaps, inflation swaps and “overdraft facility” are measured at fair value. The change in fair value of these swaps is directly recognized in the statement of income. No hedge accounting is applied since the hedge in fact starts at the acquisition date and then ineffectiveness would arise for sure.

For interest rate swaps, inflation swaps and “overdraft facility” which were conducted after the acquisition of Strukton Groep, hedge accounting is applied. The change in fair value of the interest rate swaps, inflation swaps and “overdraft facility”, which serve to hedge interest rate risks and currency risks arising from future interest payments and future cash flows in US dollars, are reported directly in equity, if the hedge can be characterized as effective. The amounts deferred in equity are transferred to the income statement when the hedged future interest coupons and hedged future indexation payments are accounted for in the income statement. For the part where the hedge effectiveness cannot be proved, the value changes are immediately justified in the consolidated statement of income. When the interest rate swap is sold or terminated, or if the hedge relationship is no longer effective, the cumulative gain or loss at that point remains included in equity, unless no longer is expected that the original hedged cash flows will occur. At that time, the deferred results in equity are immediately justified in the in the consolidated statement of income.

Intangible assets

Patents and Intellectual Property

Patents and Intellectual Property are carried at cost less accumulated amortization and any impairments. Patents are amortized on a straight-line basis over their useful lives of five years. The lifespan of Intellectual Property is seven years.

Software

Software is measured at historical cost, including capitalised finance costs, less annual straight-line amortization based on the expected lifespan and accumulated impairment. The lifespan of software is between two and five years.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. When the Group acquires an enterprise, it evaluates the acquired financial assets and liabilities so they can be classified properly and, in accordance with the contractual conditions, so economic circumstances and other applicable circumstances can be identified. This also includes the separation of embedded derivatives by the acquired party. If the business combination is carried out in various phases, then the fair value as of the acquisition date of the interest in the acquired party held previously by the Group is recalculated, incorporating changes in value into the statement of income.

Any contingent fee to be transferred by the Group shall be recognized at fair value as of the acquisition date. Future changes in the fair value of the contingent fee regarded as an liability shall be accounted for in the statement of income. If the contingent fee is classified as equity, then it shall only be reevaluated on final settlement in the equity.

Goodwill is first valued at its cost price, which is the amount by which the transferred fee exceeds the balance of the assets acquired and the liabilities taken on. If this fee is less than the fair value of the net assets of the acquired subsidiary, then the difference shall be accounted for in the statement of income.

After initial recognition, the goodwill is valued at cost price minus any accumulated impairment losses. To check for impairment, the goodwill resulting from a business combination starting from the acquisition date is allocated to the cash flow-generating units expected to profit from the business combination, regardless of whether assets or liabilities from the acquired entity have been allocated to these units.

If goodwill is part of a cash flow-generating unit and some of the business activity within the unit is disposed, then the goodwill pertaining to the disposed activity will be included in that activity's carrying amount to determine the earnings resulting from the disposal. Goodwill that is disposed under the conditions described above is determined on the basis of the relative proportions of the values of the disposed activity and the part of the cash flow-generating unit to be retained.

Other intangible assets
If intangible assets can be separately identified on the acquisition of an entity, these are capitalised and amortized within the amortization period applicable. An amortization period varying between 4 to 12 years applies to client bases, depending on their nature and expected churn rate. An amortization period of 0.5 to 6 years is applied to the value of a backlog. Amortization periods are reviewed annually.

Property, plant and equipment
Land and buildings
Buildings are carried at cost less linear depreciation, based on their expected life-cycle, taking into account a residual value, and accumulated impairment. The lifespan of buildings is twenty-five years. If major repairs are carried out, the amount is activated and depreciated. Future buildings are being activated including interest. Land is not depreciated (excluding land hardening (ten years)).

Plant, tools, fixtures, fitting and other
Plant, tools, fixtures, fittings and other (including inventories) are carried at cost less straight-line depreciation, based on their expected useful lives and residual value, and accumulated impai rment. Cost includes the cost of replacing spare parts in the plant and tools, provided that those costs meet the requirements for recognition in the statement of financial position. The lifespan of plant, tools, fixtures and fittings are between two and six years, and of other between three and ten years.

Assets under construction
Assets under construction are valued at incurred costs and consist mainly of term payments for the acquisition of equipment that is not already in use.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the statement of income in the year in which the item is derecognized. Residual values, useful lives and measurement methods are reviewed and adjusted, if appropriate, at the end of each financial year.

Where tangible fixed assets consist of significant parts, they are listed as separate items (major components) under tangible fixed assets.

Leased assets with the Group acting as a lessee
Leases under which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is carried at the lower of fair value and the present value of the minimum lease installments. They are subsequently accounted for in accordance with the applicable accounting policy.
Other leases relate to operating lease agreements, for which the leased assets are not included in the statement of financial position of the Group. The leased assets are attributed linearly to the lease term.

Property investments
Property investment is an asset that is held to earn rentals or for capital appreciation, or both. Property investments are valued at cost price reduced with accumulated depreciation and impairment losses. When a property is issued for personal use, it is transferred to tangible assets. The fair value of investment properties is listed in the consolidated financial statement notes. Fair value is being defined as the price that would be received to sell an asset or that would be paid to transfer a liability in a orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell an asset or transfer a liability takes place at: the principal market for the asset or liability, or in the absence of a major market, at the most favorable market for the asset or liability. The principal or most favorable market should be accessible to the Group.

Depreciation is charged to the income statement on a straight-line method based on the estimated life cycle of each component. Depreciation rates are similar to those of the categories of tangible fixed assets. Depreciation methods, life cycle and residual values are reassessed at the reporting date.

Non-current assets held for sale
Non-current assets (or groups of assets and liabilities that are disposed) of which the carrying amount is expected to mainly be realized through a sale transaction and not through the continued use of the asset are classified as 'held for sale'.

Immediately prior to this classification, the assets (or the components of a group of assets that are to be disposed) are revalued in line with the Group's financial reporting principles. The assets (or a group of assets that are to be disposed) are subsequently valued based on the carrying amount, or, if lower, the fair value (less cost of sales).
Impairment losses on a group of assets to be disposed will initially be recognized as goodwill and subsequently be prorated to the remaining assets and liabilities. Impairment losses ensuing from the initial classification are included in the statement of income.

Other financial assests
Other long term receivables
Receivables with fixed or determinable repayments are initially recognized at fair value and subsequently at amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the receivables are derecognized or impaired, and through the amortization process. A non-current financial asset is written off as soon as the Group is no longer entitled to the cash flows from the asset.

Ppp claims
Receivables from public/private partnerships (ppp receivables) are pending concession payments from public bodies (governments) in relation to ppp concession projects. The ppp claims are recognized as financial fixed assets. In the first processing in the consolidated financial statements, the ppp assets are rated at fair value and subsequently at amortized cost using the effective interest method. This method uses a rate which is (almost) equal to the interest (after hedging) of the ppp related non-recourse loan (ppp loan where the borrower is not jointly and severally liable against the lender).

With the acquisition of Strukton the long-term receivables of four ppp projects, existing on acquisition date, were consolidated. At acquisition date these claims were rated at fair value, in accordance with IFRS 3. Valuation after initial recognition takes place at fair value, to avoid an accounting mismatch between ppp receivables and ppp liabilities, that would arise from valuing against amortized cost. The change in fair value is recognized directly in the statement of income. For a more detailed explanation of the circumstances that led to this way of valuing the claim, reference is made to the explanations under note 17.

Deferred taxes
Deferred tax assets and liabilities are recognized for temporary differences between the tax bases of assets and liabilities and the accounting policies used in these financial statements as well as for carry-over losses for the portion for which sufficient taxable profit is likely to be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that sufficient future taxable profits are not likely.

Deferred taxes are calculated at the rate that is likely to apply at the time of settlement pursuant to legislation. Deferred taxes are recognized in the statement of income, except if related to items recognized as unrealized results, in which case the deferred taxes are likewise recognized as unrealized results.

If after settlement a deferred tax asset arises, it is recognized under non-current assets. Deferred tax assets and liabilities are offset if a legally enforceable right to do so exists, if they relate to income tax assessed by the same tax authority and if the company has the legally enforcable right to settle on a net basis.

Impairment
Financial assets
A financial asset is considered to be subject to impairment if objective evidence indicates that one or more events have had a negative effect on the expected future cash flows of that asset. An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between carrying amount and the present value of expected future cash flows, discounted at the original effective interest rate.
All impairment losses are charged to the statement of income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was taken. For financial assets carried at amortized cost, the reversal comes in favor of the statement of income. When it involves financial assets shares which are available for sale, the reversal is recognized directly in equity.

Non-financial assets
The carrying amounts of non-financial assets of the Group, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, an estimate of the recoverable amount of the asset is made. Of goodwill and intangible assets with indefinite lifecycles or not yet in use, an estimate of the recoverable amount is made at each reporting date.

An impairment loss is recognized when the carrying amount of an asset or its cash flow generating unit to which it belongs, exceeds its recoverable amount. Impairment losses are included in the statement of income. For an asset or a cash flow generating unit, the recoverable amount equals the highest company value or the fair value minus the costs to sell. In determining the company value, the present value of the estimated future cash flows is calculated using a discount rate that reflects current market assessments of the time value of money and the specific risks relating to the asset.

With respect to goodwill (excluding goodwill included in the bookvalue of investments) impairment losses are not reversed. For other assets, impairment losses included in prior periods are reviewed at each reporting date to determine indications that the loss has decreased or no longer exists. An impairment loss is reversed if the estimates used to determine the recoverable amount, have changed. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount, after depreciation or amortization, which would have been determined if no impairment loss was recorded.

Inventories
Inventories are stated at cost price or net realizable value if lower. Net realizable value is the estimated selling price in the ordinary course of business, reduced with the estimated costs of completion and selling expenses. The costs of inventories are based on the average purchase costs or cost price, and include expenditure incurred in acquiring the inventories and related purchase costs. The cost price of inventories of finished goods includes an appropriate share of the overhead based on normal operating capacity.

Receivables
Projects in progress
Works in progress are gross amounts that still have to be charged for contract work performed up to the reporting date that are pending collection from clients. This item is valued at cost, plus profit recognized up to that point, less installments billed and losses recognized. The cost encompasses all expenditure related directly to specific projects and attribution of fixed and variable indirect costs incurred for the Group's contract operations, based on normal output capacity. Works in progress are recognized on the balance sheet as receivables from, or liabilities to, the client under the contract. This is a receivable when the amount of the costs incurred (including the result recognized) exceeds the amount of the installments billed. If the amount of costs incurred (including the result recognized) is lower than that of the installments billed, work in progress is a liability. Contract extras are recognized if the client is likely to accept the change and the amount in revenue that will be generated by the change, and if the revenue can be measured reliably. Claims are recognized if negotiations have reached an advanced stage and it is likely that the client will accept the claim and the amount that the client is likely to accept can be measured reliably.

Trade receivables, receivables from affiliated companies and *other receivables*
Trade receivables, receivables from affiliated companies and other receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents are bank balances, deposits and cash balances. Bank balances that are available on demand and that form an integral part of the company's cash management system is included in the statements of cash flows under cash and cash equivalents.

Equity attributable to equity holders of the parent company
Reserves
The reserves consist of a share premium, a translation differences reserve, a legal reserve subsidiaries, a hedge reserve and an actuarial reserve. The share premium reserve is a reserve created through additional capital injections by the shareholder. The conversion difference reserve contains all currency exchange rate differences arising due to conversion

of the Group's net investment in foreign subsidiaries. The statutory reserve for participations consists of non-paid-out profits from participations, which cannot be paid out without limitations. The hedge reserve consists of the cumulative change in fair value of hedge instruments when the hedged transactions have not yet been carried out or the hedge position has not yet ended. An actuarial reserve is created for the cumulative change in fair value of pension liabilities as a result of changes in actuarial assumptions.

Retained earnings
Retained earnings include the cumulative results of previous financial years less the dividend payment.

Non-controlling interests
Non-controlling interests concerns the equity that is entered by third parties and relates to non-controlling interests in consolidated subsidiaries.

Group equity
The group equity consists of the equity attributable to equity holders of the parent company and non-controlling interests.

Pensions
Oranjewoud N.V. operates various pension plans in accordance with local regulations and terms.

Defined contribution plans
For defined contribution plans the Group pays on mandatory, contractual or voluntary basis contributions to pension funds or insurance companies. Apart from the payment of contributions, the Group has no further obligations. Obligations for contributions to pension based on defined contributions are charged to the statement of income when the contributions are due.

Defined benefit plans
Defined benefit plans lead to a fixed remuneration after leaving employment, the amount of which among other things depends on salary, service time and accrual percentage. Under IAS 19 the Group is required to take a provision for this fixed remuneration after employment. The Group's net obligation in respect of defined benefit pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service during the reporting period and prior periods. The present value of these entitlements is determined and deducted with the fair value of Investment Funds. The discount rate is the return at balance date from high quality corporate bonds of which the duration approaches the pension obligation deadlines of the Group. The calculation is performed by a qualified actuary using the 'projected unit credit' method. This method takes into account future salary increases as a result of career opportunities for employees and general wage developments including inflation.

If the benefits under a plan are improved, the part of the improved benefit plan relating to the past service of employees is then charged to the income statement immediately. During the financial year defined benefits are directly recognized in the statement of income.

The Group recognizes all actuarial gains and losses related to defined benefit plans and the notional return of investments immediately in the consolidated statement of comprehensive income. The notional return on investments is based on the same discount rate. If the investment funds exceed obligations, withdrawal of benefits will be restricted up to an amount equal to the balance of any unrecognized pension of past service and the present value of any future refunds from the fund or reductions in future contributions.

Provisions
Provisions are recognized in the statement of financial position if the Group has a present legal or constructive obligation as a result of a past event and when it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made by discounting expected future cash flows. The discount rate used is a pre-tax discount rate that reflects both the current market estimations of the time value of money and specific risks relating to the liability.

Restructuring provision
A provision for restructuring is entered if a detailed formal plan for such has been approved and the stakeholders have a warranted expectation that the restructuring will be carried out, due to initiation of plan execution or due to communication of its key elements to the stakeholders.

Project provision (warranty obligations)
A warranty provision is entered if the underlying projects or services have been sold and delivered. This provision is included for costs that it is strictly necessary to incur in order to remove defects appearing after delivery but during the warranty period. The provision is based on the best estimate of the outgoing cash flow.

Jubilee provision (Other long term employee benefits)
The Group's net obligation for long-term employee benefits, except pension, is the amount of future benefits, such as jubilee payments, that employees have earned in exchange for their services during the reporting period and previous periods. The obligations are calculated with the 'projected unit credit' method and are discounted to present value. The discount rate is the result at balance sheet date on high quality government bonds of which the duration approaches the term of these long term obligations of the Group. Any actuarial gains or losses are recognized in the income statement in the period in which they occur.

Other
The other provisions include provisions for specific guarantees issued in selling participations, risks of legal proceedings against the group and/or its operating companies, severance schemes and other relatively minor risks.

Subordinated loans
When a loan is subordinated to other recognized debts, it is classified as a subordinated loan. At initial recognition in the financial statements, subordinated loans are valued at fair value (less transaction costs) and subsequently at amortized cost based on the effective interest method.

Non-current liabilities
In the consolidated annual account non-current liabilities are initially recognized at fair value (less transaction costs) and subsequently at amortized cost using the effective interest method. Transaction costs are amortized over the term of the financing. The portion of the non-current liabilities due within one year is recognized as repayment of non-current liabilities under current liabilities. A liability is written off when the obligations ends, expires or matures.

Unconditional obligations which are based on an option agreement are valued at fair value. This fair value is calculated based on the discounting of the real rate of nominal liability.

Current liabilities
Trade payables, other current liabilities and amounts owed to credit institutions are initially recognized at fair value and subsequently at amortized cost using the effective interest method. Income tax payable is recognized at nominal value.

Basis of accounting policies

Operating income

Services
Proceeds arising from services provided or goods supplied are credited to the statement of income, insofar as the economic benefit is likely to accrue to the Group. This is prorated on the basis of the extent of completion of a project at the reporting date (percentage of completion method).

The completed portion of the total expected proceeds is determined by expressing the recorded production costs as a percentage of the total recorded and expected project costs. The estimate of the total expected project costs is based in part on advance costing and experience adjustments, on the basis of the actual efficiency of the project and contract extras, for instance.

Losses, calculated to the completion of a project, are recognized immediately. Costs incurred on projects for which no engagement has yet been obtained and is not expected either, are charged to the statement of income.

Projects commissioned by others
Contractual revenues and expenses in the income statement are recognized in proportion to the stage of completion of the project based on a reliable estimate of the outcome of the particular construction. The contractual revenues is defined as the contract price, more or less work as a result of changes to the contract, claims and incentive fees, provided it is probable that this will result in revenue and can be measured reliably. The interest expenses, to be allocated to a project, are a part of the contractual costs. The stage of completion is determined based on the proportion of costs against the total expected costs.

If the results of a project cannot be estimated reliably, revenue is only recognized to the extent that contract costs will most likely be recoverable. Expected losses on projects are recognized immediately in the income statement.

Service and maintenance contracts
Revenue from service and maintenance contracts is recognized in the income statement in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined based on assessments of the work done.

Revenue from goods in stock
Revenue of goods on stock concern mainly stock revenue of prefabricated concrete applications. Proceeds from the sale of stock is recognized in the income statement when significant risks and benefits of ownership are transferred to the buyer, the collection of the fee is probable, the associated costs and possible return of goods can be reliably estimated and there is no continuing management involvement with the goods.

Concessions
During the operational phase of concession management, revenue consists of:
- The fair value of the delivery of contractual services;
- Interest income related to the investment in the project.
Revenues are recognized when the related services are delivered. Interest is accounted for as financial income in the period to which it relates.

Other operating income
Other operating income include amongst others trading companies, real estate, and tangible assets transaction results. Transaction results are recognized when the significant risks and benefits of ownership are transferred to the buyer, the collection of the fee is probable, the associated costs can be reliably estimated and there is no continuing management involvement with the assets.

Revenues are recognized at fair value of the service contribution, net of discounts and direct taxes.

Operating expenses
Operating expenses are allocated to the year to which they relate.

Lease payments under operating leases
Lease payments under operating leases are recognized in the statement of income over the lease term using the straight-line method.

Public/private partnerships (concessions)
Bidding costs for public/private partnerships are incorporated into the statement of income as costs up to the point where it becomes likely that the contract will be secured. As soon as it becomes likely that the contract will be secured, the costs are capitalized. In practice, the point when it becomes likely that the contract will be secured is generally equivalent to the preferred bidder announcement time. If a provisional or final design is delivered
at the time of 'Financial Close', income will be recognized for this, less capitalized costs. This income is agreed between the contractual parties and represents the fair value of the delivered goods/services.

Finance revenue and costs
Financial income includes interest income on invested funds, foreign exchange gains, gains on hedging instruments included in the income statement.

Financial expenses includes interest payable on borrowings, unwinding of provisions, foreign currency losses, impairment losses on financial assets and losses on hedging instruments included in the income statement. Financial income and expenses directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset during the period the asset is manufactured.

Government grants
Government grants are recorded if a reasonable assurance can be given that the entity can accomplish the conditions attached to the grant, and if therefore the grant will be received. Government grants are deducted from related expenses.

Profit Tax
Profit Tax includes the payable and deductible profit taxes and deferred income taxes for the reporting period. Income Tax is recognized in the income statement, except where it relates to items recognized directly in equity, in which case the tax is incorporated in equity.

The payable and deductable tax over a financial year is the expected tax payable on the taxable profit for the year, calculated using tax rates which are established at reporting date, or decided upon at reporting date, and any corrections from previous tax years.

Deferred tax assets and liabilities are recognized for temporary differences between the amounts of assets and liabilities according to the basis of valuation and accounting policies in this annual account and according to the tax base.

Deferred tax liabilities are not recognized in the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business concern and neither has influence on commercial or taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities in that in the foreseeable future will probably not be settled. Deferred tax liabilities are measured using the tax rates that are expected to apply in the reversal of temporary differences based on the laws that are established at reporting date.

Deferred tax assets are only recognized to the extent it is probable that in the future taxable profits will be available for the realization of the temporary difference and can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the related tax benefit will be realized.

Additional income tax in respect of dividend payments is included at the same time as the obligation to pay the related dividend.

Discontinued operations
Discontinued operations are operations of the Group that represent a separate significant business operation or a separate significant geographic business region, which have been sold or are being held for sale. Discontinued operations can also be a subsidiary that was acquired purely to be sold on.

Such operations are classified as discontinued from the moment they are disposed or as soon as the business operation meets the criteria for classification as held for sale. When an operation has been classified as discontinued, the comparative figures in the statement of income will be revised as if the operation had been terminated from the start of the period of comparison.

Segmented information
For management purposes, the Group is divided into segments, based on products and services. The statement of income and a number of statement of financial position items are accounted for by segment. This classification is supported by the management reporting structure, under which the aforesaid units are reported wholly separately to the Group management. The Management monitors the operating results of the segments separately to support decision making concerning allocation of resources and review of results. Segment results are assessed on the basis of the operating result which in turn is based on the operating profit or loss disclosed in the consolidated financial statements. However, Group financing and income taxes are managed at Group level. Prices for transactions between segments are determined at arm’s length.

Principles for the statement of cash flows

Statement of cash flow

The statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies are converted at the exchange rates ruling at the transaction date, with cash flows of associates being translated at the average exchange rate during the financial year. The in acquisitions included stocks, receivables, liabilities, provisions and amount owed to credit institutions are included in the cash flow from investing activities. Acquisition prices paid for associates acquired (after deduction of cash and cash equivalents purchased as part of the transaction) as well as selling prices received for disposed associates are included in the cash flow from investing activities. Revenue from interest, dividend and income taxes are included in the cash flow from operating activities. Transactions involving no exchange of cash are not included in the statement of cash flows. Bank debts that are payable on demand and which constitute an integral part of the company's cash management system are included under the liquid assets in the cash flow statements.

Key estimates and evaluations

In order to draw up the consolidated annual financial statements, the management must form opinions and make estimates and assumptions which affect application of principles and the reported value of assets and liabilities, and of income and expenses. The estimates and associated assumptions are based on past experience and various other factors which are considered to be reasonable according to the circumstances. Actual results may deviate from these estimates. The estimates and underlying assumptions are subject to continuous review. Estimate revisions are incorporated in the period in which the estimate was revised, or in future periods if the revision applies to future periods.
The main elements in uncertainties regarding estimates are as follows:

Earnings taken from projects

As soon as a reliable estimate can be made of the earnings from a project, the contractual revenues and expenses in the statement of income are incorporated in proportion to the project completion phase. The completion phase is determined on the basis of the ratio of booked costs to total projected costs. Loss provisions for projects are taken out if it is likely that the costs of a project will exceed its revenue. This is evaluated periodically for each project by the project manager and the management. This assessment is conducted on the basis of the project administration, the project monitoring system, project files and stakeholder knowledge and experience. Making estimates is an inherent part of this process. For long-term projects in particular, there exists a risk that reality will deviate from the estimates. Past experience has shown that, in general, the estimates on which project provision sums are based are adequately reliable.

Performance-based pay and project claims

Bonuses on projects are included if the project has progressed far enough along for the sum of the bonus to be reliably determined and if it is likely that the specified performance targets will be met or exceeded. Claims are accounted for if negotiations between parties have progressed to such an extent that it is likely that the counterparty will accept the claim and the amount of the claim can be reliably determined.

Work in progress

The item work in progress contains besides the incurred cost and the billed amounts by project also the interim profit or the interim loss provision. Both this profit or this loss are based on an estimate of the final result by project, the forecast end work.

The mentioned estimate of the result contains more uncertainty when for example:

- The agreed contract form contains more risk for the contractor. In a design & construct contract the contractor also takes the design risk on his behalf. In a DBMO contract this is expanded with the responsibility for maintenance and operation;
- The contract is still in an early stage of design or realization. In elaborating a provisional design to a final design material deviations from the provisional design can occur (because an initial solution may turn out to be impossible on second thoughts, or because the land conditions are better or worse than expected, or because the dialogue with stakeholders is much more complicated and therefore more expensive than assumed beforehand. Also during the realization a number of risks may prove that are on behalf of the contractor. The deviations mentioned can moreover be positive and negative.
- The term of the contract is longer and thus the forecasts of the final work is inherently more subject to uncertainty;
- Projects are subject to more work and claim situations.

Bonuses on projects are recognized if the project has progressed far enough along, the amount of the bonus can be measured reliably, and it is likely that the specified performance targets will be met or exceeded.

Claims are recognized if negotiations between parties have progressed to such an extent that it is likely that the counterparty will accept the claim and the amount of the claim can be measured reliably.

Intangible and tangible assets
The depreciation periods for the intangible and tangible assets are based on the expected service life.
Goodwill is tested for impairment on an annual basis. Based on the business plans for the coming five years, cash flow projections are formulated for each business unit separately. A weighted average cost of capital (WACC) is defined for each business unit. Projected cash flows and the WACC are used as the basis for the discounted cash flow method that is used to test goodwill. The Group has developed a standard method for this purpose.

Deferred tax
Deferred tax assets and liabilities are based on expected future profits, differences between book and tax accounting policies and corporate income tax rates.

Defined benefit plans and employee benefits
The main actuarial premises underlying the reported pension liabilities and other employee benefits are given in the explanatory notes on the relevant items.
All assumptions, expectations and forecasts used as a basis for estimates in the consolidated financial statements reflect the prospects of the Group as closely as possible.

Impairment
An estimate of the realizable value is needed in order to be able to test for impairment losses on assets. The realizable value of an asset or cash-generating unit equals the value in use or fair value less cost of sales, whichever is highest. If possible, fair value less cost of sales is calculated based on a binding sales contract in an arm's length transaction between independent parties. If there is no binding sales contract, but the asset is traded in an active market, fair value less cost of sales equals the market price of the asset less the costs of disposal. In the absence of both a binding sales contract for an asset and an active market, fair value less cost of sales will be based on the best available information to arrive at a figure that, on the balance sheet date, could be obtained through disposal of the asset in a transaction between knowledgeable and willing independent parties after deduction of the costs of disposal. In determining this value, the results of recent transactions involving similar assets in the same industry are also factored in.

In determining the value in use, the present value of projected future cash flows is calculated using a discount rate that reflects both the current market rate and specific risks relating to the asset. Cash flow projections are based on reasonable and well-founded assumptions that constitute the management's best estimate of economic conditions as they are expected to be during the remainder of the asset's service life.

Risk Management

Agent Contracts
The Group uses agent contracts. Given the heightened corruption risk that is inherent in such contracts, we perform a corruption risk analysis every year and have formulated an anti-corruption policy. Tone at the top and boosting employees' resilience are the mainstays of this anti-corruption policy, as is the effectiveness of internal anti-corruption and integrity procedures. Improving our compliance and risk management is therefore an ongoing process. In 2017, this has seen us, among other things, update our Code of Conduct. Compliance officers were trained and employees who are involved in international bidding procedures and contracts now also receive compliance training. We share best practices in the areas of compliance and duty of care with peer companies. Agent contracts now include information obligations, anti-corruption clauses, and clauses for compliance with the Code of Conduct. We now also run background checks on agents based outside the Netherlands. Invoices and payments require approval based on the four-eyes principle before payment is actually made. We intend to comply with anti-corruption legislation and regulations at all time, hence preventing corruption and possible ensuing criminal prosecution and reputational damage.

Financial risks
The Group has a strict policy that aims to minimize and control present and future risks and to minimize financial costs. This is done by means of general management, including internal procedures and instructions and specific measures aimed at controlling the specified risks.

The financial risks of the Group are mainly credit risks, interest rate risks, currency risks, liquidity risks and inflation risks. The risk of fluctuations in exchange rates and interest are partly hedged using various derivatives so risks to primary financial instruments are transferred to other contract parties. Interest and currency risks are largely managed centrally. Speculative positions are not taken.

Credit risk
A significant part of clients consist of public organizations (governments) so that credit risk is minimal. For deliveries to private customers higher than a certain amount, credit risk is involved in the contract assessment. In addition, invoices are sent in conjunction with the progress of the project (pre-pay). The available cash is placed with creditworthy banks.

Interest rate risk
Loans are required because of the mismatch between assets and liabilities. Variable rate loans are exposed to the risk of change in cash flows due to interest rate changes. The Group policy is aimed at long-term financing partially at fixed interest rates. To achieve this interest rate swaps are taken. The interest rate risk relating to the financing of PPP-projects is always hedged using interest rate swaps.

Currency risk
Most of the activities of the Group take place in the Euro area. In addition, the metro project in Riyadh, Saudi Arabia, is started in 2013. For the metro project in Riyadh the currency risk is hedged on a large part of the future cash flows in US dollar. Occasional foreign currency exposures are hedged by currency term contracts. The foreign currency risk on the equity of foreign subsidiaries and the provided long term loans to these subsidiaries, the so called translation risk, is not hedged, except for Antea Group USA.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations at the required moment. The principles of liquidity management require that there are sufficient liquidity funds to meet current and future financial obligations, under normal and special circumstances, without suffering unacceptable losses or jeopardizing the reputation of the Group. Rolling cash flow forecasts are used to determine that sufficient liquidity is available. In long-term contracts clients are often requested for payments in installments to finance the project.

Oranjewoud N.V. has several ringfenced financing arrangements.

On April 13, 2018, a new deal was sealed for the financing of the Dutch group companies of Strukton Group with a three-year term with two one-year extension options.

Liquidity is guaranteed by a committed facility for the Dutch group companies to an amount of €115 million (2016: €115 million). This facility consists entirely in a current account facility. Aside from that, the guarantee facilities total €310 million (of which €130 million for the Riyadh subway project). No compulsory repayments are due during the term.

Based on the liquidity forecast and the agreed financing, the Strukton Group board expects to have sufficient financial headroom to be able to implement the business plan. Forecasting liquidity is largely dependent on the development of external market conditions, order intake, the development of project results, and on the net working capital.

Strukton does not have any specific indications that point to unfavorable developments in certain market conditions, such as price development both at contracting authorities and suppliers and subcontractors, or arrangements with suppliers and credit insurance companies. The same goes for order intake and timely lead conversion and development of project results within the expected bandwidths.

The board of Strukton has identified a range of measures that will (or may) produce additional financial scope. These measures include:
- faster billing, better payment terms and payment collection on invoices to boost working capital;
- securing dividends from non-credit base subsidiaries, participations, and associated partnerships;
- selling investment property.

Based on the new financing obtained, the additional paid-in capital of Oranjewoud N.V., the business plan (factoring in identified sensitivities), measures to create additional financial scope, and previously realized results, the boards of

Strukton and Oranjewoud are of the opinion that the company will be able to stay within the boundaries of its credit and guarantee facilities and comply with the covenants that were agreed.

For Q4 2016 until December 31, 2017 covenants are agreed, in accordance with the old financing, with respect to ebitda, capital expenditure, minimum available liquidity, leverage, interest cover, fixed charge cover and solvency. As of December 31, 2017, Strukton complies with the covenants.

De covenants are:
- In 2017 a set minimum ebitda for the last 12 months for the Credit Base (the Dutch Strukton companies) and the entire Strukton Groep (excluding the metro project in Riyadh), with a maximum deviation of 20%. For the metro project in Riyadh in 2017 a minimum ebitda for the last 12 months with a maximum deviation of 50%; and
- Maximum amount spent on recourse capital expenditures (of the Dutch Credit Base) of €17.5 million in 2017.

For 2017:
- Minimum liquidity covenant, with a liquidity surplus of at least €5 million at the moment of reporting;
- Recourse senior leverage ratio (of the Dutch credit base and with a maximum deviation of 20%);
- Recourse interest cover ratio (of the Dutch credit base and with a maximum deviation of 20%);
- Recourse fixed charge cover ratio (of the Dutch credit base and with a maximum deviation of 20%); and
- Recourse solvency ratio (of Strukton Groep excluding the metro project in Riyadh and with a maximum deviation of 20%).

The agreed covenants as part of the new financing relate to:
- Leverage ratio (of the Dutch Credit Base);
- Interest cover ratio (of the Dutch Credit Base);
- Solvency ratio (of Strukton Groep excluding the metro project in Riyadh).

To the banks guarantees are provided for the realization of the facility. This means that the majority of the assets of Strukton Groep have been pledged to the banks that have presented the committed facility.

Inflation risk
Long-term contracts typically include indexation with respect to the client. Incidentally, the inflation risk is hedged using an inflation swap.

Capital management
The policy of the management is geared towards maintaining a strong capital position to retain the confidence of clients, creditors and the markets and ensure future development of business operations. Capital consists of issued and paid-up capital, retained earnings, share premium reserve, hedge reserve, translation difference reserve and an actuarial reserve. In addition to the yield from equity, the management also monitors the amount of the dividend to be paid to the shareholder. Management strives to strike a balance between higher yield, which would be possible with more loan capital, and the benefits and security offered by a solvent capital position.

The management strives for a solvency rate of at least 25%. By year-end 2017, the solvency was 21.7% (2016: 16.8%).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)

1. Intangible assets	Patents	IP	Software	Goodwill	Brand-name	Client base	Backlog	Total
Balance at January 1, 2016:								
Cost	1,003	8,777	7,924	65,192	6,100	46,427	64,227	199,650
Amortization	(703)	(1,465)	(5,930)	-	(3,770)	(34,973)	(52,047)	(98,888)
Carrying amount	300	7,312	1,994	65,192	2,330	11,454	12,180	100,762
Carrying amount at January 1, 2016	300	7,312	1,994	65,192	2,330	11,454	12,180	100,762
Acquisition of subsidiaries	-	-	-	1,029	-	546	400	1,975
Investments	163	-	797	-	-	-	-	960
Deconsolidation	-	-	-	(2,107)	-	(387)	-	(2,494)
Other	-	-	-	1	-	-	-	1
Exchange differences	-	-	(49)	11	-	74	-	36
Amortization and impairment	(189)	(1,437)	(1,192)	(29)	(765)	(4,075)	(5,641)	(13,328)
Carrying amount at December 31, 2016	274	5,875	1,550	64,097	1,565	7,612	6,939	87,912
Balance at December 31, 2016								
Purchase Value	1,166	8,777	6,510	64,097	2,600	42,245	22,551	147,946
Amortization	(892)	(2,902)	(4,960)	-	(1,035)	(34,633)	(15,612)	(60,034)
Carrying amount	274	5,875	1,550	64,097	1,565	7,612	6,939	87,912
Carrying amount at January 1, 2017	274	5,875	1,550	64,097	1,565	7,612	6,939	87,912
Acquisition of associates	58	-	6	426	-	407	355	1,252
Investments	137	-	1,718	-	-	-	-	1,855
Other	-	-	(4)	1	-	-	-	(3)
Exchange differences	-	-	15	(68)	-	(226)	-	(279)
Amortization and impairment	(156)	(1,438)	(1,136)	(423)	(240)	(3,385)	(4,731)	(11,509)
Carrying amount at December 31, 2017	313	4,437	2,149	64,033	1,325	4,408	2,563	79,228
Balance at December 31, 2017:								
Purchase Value	1,360	8,777	6,974	64,033	2,600	34,633	22,506	140,883
Amortization	(1,047)	(4,340)	(4,825)	-	(1,275)	(30,225)	(19,943)	(61,655)
Carrying amount	313	4,437	2,149	64,033	1,325	4,408	2,563	79,228

Patents are amortized using the straight-line method over a five-year service life, and software for two to five years. There are no financing costs capitalized in 2017 and 2016 as part of the cost price of software in development.

In the category software the software tool iEHS, developed by Antea USA for selling to third parties is the main component. The total development costs have a carrying amount as of December 31, 2017 of €0 (2016: €91,000). The decrease is the result of regular amortization.

Business Combinations
At November 27, 2017 Oranjewoud N.V. via Antea Group N.V. acquired the shares of Iceacsa Consultores S.L.U. from Suma de Vectores S.L. A breakdown of the fair value is set out below:

Iceacsa Consultores S.L.U.	Fair value
Intangible assets	628
Property, plant and equipment	168
Financial non-current assets	242
Non-current assets subtotal	1,038
Trade receivables	1,397
Other receivables	1,980
Cash and cash equivalents	445
Current assets subtotal	3,822
Assets subtotal	4,860
Non-current debt	768
Trade payables	687
Other liabilities	1,066
Current debt subtotal	1,753
Liabilities subtotal	2,521
Assets subtotal less liabilities subtotal	2,339
Acquisition price	2,350
Fair value of assets and liabilities on acquisition date	2,339
Goodwill purchased on acquisition	11

Current assets include work in progress on the basis of the accounting policies of the Group.

The goodwill purchased on acquisition of €11,000 includes the expected synergies arising from the acquisition. Separately from goodwill at the acquisition the value of the backlog and the client base have been included in the intangible assets. There is no value assigned to other intangible assets, because this value is not deemed material.

The external (consulting) costs relating to the acquisition of the associates amounted at most to some tens of thousands of euros.

The contribution to the Group's 2017 total revenue by Iceacsa Consultores S.L.U. is €1.2 million and to the 2017 profit after taxes €0.1 million. The pro forma revenue 2017 is €6.2 million en the profit after taxes €0.2 million.

At September 6, 2017 Strukton Rail Italy S.r.l. acquired 60% of the shares of Promofer S.r.l. Promofer S.r.l. realizes security systems for railways and shipyards. Promofer S.r.l. has 25 employees and the operating profit is €3.5 million.

Summary overview goodwill per Cash Generating Unit (CGU):

At December 31, 2017	Acquisition price	Fair value at date of obtaining control	Aggregate impairments	Goodwill	Negative goodwill
Antea Nederland B.V.	47,500	44,113	(34)	3,353	-
Temporary Staff	35,359	21,014	(1,000)	13,576	232
Van der Heide Beheer B.V.	15,246	9,186	-	6,060	-
Antea USA Inc.	16,172	15,860	-	312	-
Other acquisitions in 2008	741	433	(360)	0	52
France	16,700	6,760	-	9,940	-
J&E Sports B.V.	4,659	2,809	-	1,850	-
Strukton Groep N.V.	168,475	155,143	-	13,332	-
Ooms Nederland Holding B.V.	17,876	24,774	-	-	6,898
Van Straten B.V.	1,039	1,039	-	-	-
Rasenberg Holding B.V.	15,850	8,438	-	7,412	-
Unihorn India Pvt. Ltd.	1,500	2,725	-	-	1,225
Costruzioni Linee Ferroviarie S.p.A.	48,920	43,378	-	5,542	-
Van Rens B.V.	1,273	976	(119)	178	-
Strukton Rail Västeräs AB	2,407	1,678	-	729	-
Sieben Spoorbouw BVBA	1,300	1,006	-	294	-
NS Spooraansluitingen B.V.	7,200	8,941	-	-	1,741
Edel Grass B.V.	3,891	2,862	-	1,029	-
Iceacsa Consultores S.L.U.	2,350	2,339	-	11	-
Other acquisitions in 2017	1,492	1,078	-	414	-
Total	409,950	354,552	(1,513)	64,033	10,148

The negative goodwill was credited to the statement of income for the years concerned, where it was presented as "other operating income".

2017	Payment	Net cash[1)]	Net payment
Iceacsa Consultores S.L.U.	2,150	445	1,705
Other acquisitions in 2017	1,460	323	1,137
NS Spooraansluitingen B.V.	2,400	-	2,400
Total 2017	6,010	768	5,242

[1)] Relates to cash available in the associate at the date of acquisition.

Impairments and amortization

Acquired associates generate cash flows independently or in collaboration with other segment components and are therefore defined internally, either independently or jointly with the other segment components, as cash generating units (CGU). Capitalized goodwill has been tested, as referred to in IAS 36.

The valuation methodology relates to the discounted cash flow method, assuming a indefinite lifespan. The test is conducted on the future cash flows in the countries in which the CGU's are active. For each of the (combined) acquisitions as CGU the value has been determined on the basis of the cash flows expected by management. The rate of growth applied varies on the basis of fixed amounts, or by means of relative increases per year, depending on management expectations. Management expectation is based on historical data, backlog, reviews and external information. The weighted average cost of capital (Wacc) applied varies between 11.8% to 16.2%, depending on the CGU's risk profile.

The key assumptions and the method of quantification for impairment for the CGU's are listed below. The pre-tax Wacc is a percentage. The revenue growth is also a percentage. If the annual revenue growth for the CGU varies per year, the range is listed.

Percentages	**Wacc (pre-tax)**		**Revenue growth planperiod**		**Revenue growth perpetual**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Antea Nederland B.V.	13.0	13.3	3.0	3.0	0.5	0.5
Temporary Staff	13.8	13.9	10-20	10-30	0.5	0.5
Van der Heide Beheer B.V.	12.9	13.3	3.0	3.0	0.5	0.5
Antea USA Inc.	14.5	18.2	3.0	3.0	2.0	2.0
J&E Sports B.V.	12.9	13.3	3.0	3.0	0.5	0.5
France	12.5	13.9	3.0	3.0	0.5	0.5
Edel Grass B.V.	12.8	13.3	3.0	3.0	0.5	0.5
Iceacsa Consultores S.L.U.	16.2		3.0		0.5	
Strukton Groep N.V.:						
- Railsystems	14.0	14.6	2,2-3,5	0-3,9	0.5	0.5
- Technique and Buildings	12.9	13.3	-4,1-+13,5	-3,4-+12,2	0.5	0.5
Rasenberg Holding B.V.	11.8	13.1	0-2,3	1,8-2,4	0.5	0.5
Strukton Milieutechniek B.V.	11.8	13.3		0-7,4	0.5	0.5
Siebens Spoorbouw BVBA	13.3	16.3	-7,8-+27,4	-7,7-+2,4	0.5	0.5
Costruzioni Linee Ferroviarie S.p.A.	15.9	15.8	-10-+5,3	3.0	0.5	0.5

The table below shows the impact on the realizable values in the impairment test for the sensitive CGU's of changes in the assumptions while the other assumptions remain the same:

Sensitivity amounts in millions of euros	**Wacc + 1%**		**Wacc - 1%**		**Annual revenue growth -1%**		**No perpetual growth**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Temporary Staff	-1.7	-1.7	2.0	1.9	-1.1	-1	-0.5	-0.5
France	-4.0	-3.0	4.7	3.5	-1.6	-1.1	-0.8	-0.5
Costruzioni Linee Ferroviarie S.p.A.	-6.1	-7.4	10.6	8.4	-3.8	-4.2	-1.1	-3.1

The result of the calculation of the realizable value is higher than the carrying amount of the CGU's, including the goodwill entered there (see table Head-room hereafter). The Group did not recognize any impairment on the goodwill for the CGU's in this financial year.

If for Temporary Staff de Wacc (pre-tax) is higher than 18%, or the annual revenue growth is lower than 5%, the realizable value is lower than the carrying amount. For France this is the case if the Wacc (pre-tax) is higher than 15% or the annual revenue growth is negative. For Costruzioni Linee Ferroviarie S.p.A. the limit is a Wacc (pre-tax) of 19.5%.

Sensitivity amounts in millions of euros	**Head-room**
Temporary Staff	6.0
France	8.7
Costruzioni Linee Ferroviarie S.p.A.	23.5

Sensitivity
A 1% point higher Wacc decreases the cash value of the total cash flows by some €68 million. A 1% point lower Wacc increases the cash value of the total cash flows by some €83 million. A 1% point change in the rate of growth has an impact of around €43 million.

2. Property, plant and equipment

	Buildings	Land	Plant and tools	Other	Assets under construction	Total
Balance at January 1, 2016						
Cost	80,931	8,907	205,189	33,991	2,394	331,412
Depreciation	(23,026)	(308)	(108,400)	(19,612)	-	(151,346)
Carrying amount	57,905	8,599	96,789	14,379	2,394	180,066
Carrying amount at January 1, 2016	57,905	8,599	96,789	14,379	2,394	180,066
Acquisition of subsidiaries	-	-	1,218	-	-	1,218
Deconsolidation	-	-	(636)	(151)	-	(787)
Other changes	(1,446)	937	2,324	(75)	(14)	1,726
Additions	357	-	20,624	3,569	(116)	24,434
Disposals	-	-	(161)	(53)	-	(214)
Exchange differences	-	-	(369)	8	(1)	(362)
Depreciation	(2,951)	(15)	(24,114)	(4,251)	-	(31,331)
Carrying amount at December 31, 2016	53,865	9,521	95,675	13,426	2,263	174,750
Balance at December 31, 2016						
Purchase Value	79,840	9,844	224,612	37,032	2,263	353,591
Depreciation	(25,975)	(323)	(128,937)	(23,606)	-	(178,841)
Carrying amount	53,865	9,521	95,675	13,426	2,263	174,750
Carrying amount at January 1, 2017	53,865	9,521	95,675	13,426	2,263	174,750
Acquisition of subsidiaries	309	-	689	5	-	1,003
Other changes	29	-	(575)	(90)	119	(517)
Additions	535	-	20,368	3,068	4,541	28,512
Disposals	(174)	(154)	(1,254)	(92)	-	(1,674)
Exchange differences	-	-	(488)	(28)	(5)	(521)
Depreciation	(3,375)	(2)	(25,440)	(4,085)	-	(32,902)
Carrying amount at December 31, 2017	51,189	9,365	88,975	12,204	6,918	168,651
Balance at December 31, 2017						
Purchase Value	80,271	9,690	237,033	39,718	6,918	373,630
Depreciation	(29,082)	(325)	(148,058)	(27,514)	-	(204,979)
Carrying amount	51,189	9,365	88,975	12,204	6,918	168,651

In 2017 assets for an amount of €1.0 million have been consolidated. This concerns mainly the assets from the acquisition of Iceacsa Consultores S.L.U.

In 2016 assets for an amount of €1.2 million have been consolidated. This concerns the assets from the acquisition of Edel Grass B.V.

Depreciation periods:

Buildings	25 years
Land	none (surfacing is in fact depreciated)
Plant and tools	2 to 6 years
Other	3 to 10 years
Assets under construction	none

Mortgages on sites with buildings with a carrying amount of €11.0 million (2016: €14.1 million) have been taken out as security for a loan (see explanatory note 14).

In 2017 as well as in 2016, an assessment of the value of the tangible assets found that no impairments were necessary.

Tangible assets financed by means of financial lease agreements have a carrying amount of €17.0 million (2016: €19.0 million) and concern cars, it-hardware, machines and installations. The payment obligations associated with the lease agreements have been entered under the current and long-term liabilities. The Group does not have legal ownership of these assets.

Additions in 2017 mainly concern, as well as in 2016, the segment rail systems.

The majority of the tangible assets are being used as security for banks and/or other providers of loan capital.

3. Investment property

	Total
Carrying amount at January 1, 2016	5,369
Additions	160
Depreciation	(113)
Deconsolidation	117
Carrying amount at December 31, 2016	5,533
Balance at December 31, 2016	
Purchase Value	6,414
Depreciation	(881)
Carrying amount	5,533
Carrying amount at January 1, 2017	5,533
Disposals	(415)
Depreciation and impairments	(110)
Other	45
Carrying amount at December 31, 2017	5,053
Balance at December 31, 2017	
Purchase Value	6,044
Depreciation	(991)
Carrying amount	5,053

The fair value of investment property as at December 31, 2017 amounts to €5.1 million (2016: €5.5 million). This value is based on valuation reports prepared by recognized experts.

The Group receives in 2017 €0.6 million (2016: €0.5 million) annually for its operations.

The depreciation periods are based on the projected service life.

- Foundation/Structure/Other 50 years
- Roof/Heating/Ventilation 15 years
- Window and Door frames/Façades/Natural gas/Electrical/Elevators 25 years

4. Associates and joint ventures

Changes	2017	2016
Carrying amount at January 1st	28,970	27,758
Investments	2,261	2,508
Share in the profit/(loss)	12,377	11,645
Decline attributable to increase in equity interest	(457)	(4,444)
Dividends	(5,825)	(8,783)
Exchange differences	-	68
Other	597	218
Carrying amount at December 31st	37,923	28,970

The Group has investments in (unlisted) associates and joint ventures.

Entity	Company activity	Principal place	Share Oranjewoud 12-31-2017	Share Oranjewoud 12-31-2016
Angelbrasil Geologia	Engineering and consultancy	Sao Paulo, Brasil		47%
TRS Europe B.V.	Thermal Remediation Services	Ede	50%	50%
Strukton Finance Holding B.V.	Manage/fund ppp projects	Maarssen	20%	20%
Dual Inventive B.V.	Services and products track work	Oisterwijk	50%	50%
A1 Electronics Netherlands B.V.	Production/maintenance of electronic systems	Almelo	50%	50%
Eurailscout Inspection & Analysis B.V.	Maintenance rail infrastructure	Utrecht	50%	50%
Tubex	Foundation work	Oostburg	50%	50%
DMI Geräte GmbH	Concrete injection and sealing work	Berlin	50%	50%
Aduco Holding B.V.	GRW activities	Haarlem	25%	25%
APA B.V.	Production and sales of road contruction products	Amsterdam	25%	25%
APRR B.V.	Production and sales of road contruction products	Rotterdam	25%	25%
Bituned B.V.	Trade oil and other bituminous products	Reeuwijk	50%	50%
NOAP B.V.	Production and sales of road contruction products	Heerenveen	50%	50%
Fast Consortium LLC	Construction of Riyadh metro	Riyadh	18%	18%
Exploitatatiemaatschappij Alanes A15 B.V.	Management and maintenance of infrastr. and civil engineering works	Nieuwegein	33%	33%
R Creators B.V.	DBFMO for National Office in Knoop	Utrecht	80%	80%
Strukton Arrigoni SpA	Construction activities and building materials	Santiago	50%	50%

In December 2017 the interest of the Group in Angelbrasil Geologia Ltda. is expanded to 51%.

In the table below also the amounts of interest of the Group in the associates are listed.

2016	interest	non-current assets	current assets	non-current liabilities	current liabilities	balance	balance in proportion to interest	operating income	profit	profit in proportion to interest	liquid assets	finance revenue	finance costs	income tax	divi-dend
Edel Grass B.V.	*50%*							34,355	609	305		22	51	190	
Angelbrasil Geologia Ltda.	*47%*	274	608	10	247	626	294	1,905	180	84	355	-	5	100	-
Dual Inventive B.V.	*50%*	5,618	1,690	380	688	6,240	3,120	3,468	540	270	312	-	16	98	-
A1 Electronics Netherlands B.V.	*50%*	686	2,832	610	782	2,126	1,063	7,484	916	458	88	-	32	266	100
Eurailscout Inspection & Analysis B.V.	*50%*	23,772	14,744	6,002	14,634	17,880	8,940	27,114	754	377	8,036	24	266	874	-
Tubex	*50%*	343	2,434	147	470	2,160	1,080	6,340	282	141	416	-	9	-	-
DMI Geräte GmbH	*50%*	116	5,482	-	1,796	3,802	1,901	6,448	296	148	1,752	10	4	188	1,600
Aduco Holding B.V.	*25%*	2,300	5,768	732	1,984	5,352	1,338	11,948	1,636	409	2,948	-	8	452	2,040
APA B.V.	*25%*	3,464	6,784	308	4,532	5,408	1,352	21,748	1,664	416	1,688	-	-	632	2,000
APRR B.V.	*25%*	6,072	3,232	860	2,188	6,256	1,564	12,298	912	228	597	-	11	243	1,000
Bituned B.V.	*50%*	80	5,918	100	2,164	3,734	1,867	19,919	758	379	3,264	-	6	245	700
NOAP B.V.	*50%*	2,905	1,382	2,127	1,138	1,022	511	6,950	363	182	71	-	41	-	-
Fast Consortium LLC	*18%*	43,267	264,061	2,283	295,500	9,544	1,718	1,045,850	33,333	6,000	127,994	-	-	12,311	27,556
Other							4,222			2,248					
Total							**28,970**			**11,645**					

2017	interest	non-current assets	current assets	non-current liabilities	current liabilities	balance	balance in proportion to interest	operating income	profit	profit in proportion to interest	liquid assets	finance revenue	finance costs	income tax	divi-dend
Angelbrasil Geologia Ltda.		-	-	-	-	-	-	1,905	-	-	116	-	-	110	-
TRS Europe B.V.	*50%*	855	3,990	-	4,984	(139)	(70)	3,608	20	10	829	-	25	7	-
Dual Inventive B.V.	*50%*	8,360	6,084	7,322	426	6,696	3,348	3,686	456	228	522	-	52	(48)	-
A1 Electronics Netherlands B.V.	*50%*	3,568	718	1,118	514	2,654	1,327	8,822	828	414	526	40	26	(262)	300
Eurailscout Inspection & Analysis B.V.	*50%*	19,094	24,758	13,236	9,966	20,650	10,325	26,934	1,170	585	13,492	122	324	(356)	-
Tubex	*50%*	2,576	310	994	140	1,752	876	5,168	80	40	(150)	-	-	34	-
DMI Geräte GmbH	*50%*	4,914	116	1,550	-	3,480	1,740	7,678	876	438	1,522	2	6	376	1,200
Aduco Holding B.V.	*25%*	5,510	1,725	1,503	434	5,298	1,325	8,731	1,352	338	2,760	-	-	436	1,404
APA B.V.	*25%*	8,261	3,791	4,848	696	6,508	1,627	21,473	2,100	525	770	-	-	596	1,000
APRR B.V.	*25%*	4,260	5,338	2,118	950	6,530	1,633	14,875	1,278	319	(179)	-	14	346	1,000
Bituned B.V.	*50%*	6,664	54	2,906	109	3,703	1,852	24,950	671	335	2,874	6	-	218	700
NOAP B.V.	*50%*	1,046	-	66	72	908	454	824	86	43	1,044	-	-	-	-
Fast Consortium LLC	*18%*	233,139	12,139	208,766	2,305	34,208	6,157	762,978	34,633	6,234	25,867	-	-	18,789	13,456
Exploitatiemij. Alanes A15 B.V.	*33%*	13,831	297	10,206	-	3,922	1,306	-	-	-	2,153	-	-	-	-
R Creators B.V.	*80%*	644	95,345	2,104	92,302	1,583	1,266	47,780	1,175	940	631	2,277	708	392	-
Strukton Arrigoni SpA	*50%*	8,034	218	4,406	1,690	2,155	1,078	25,260	2,144	1,072	892	14	74	636	-
Other							3,680			856					
Total							**37,923**			**12,377**					

The section Other in 2016 and 2017 concerns several, relatively small, non-consolidated associates of the road construction companies and International.

Cash flows realized in the ppp projects are not freely available to the Group. For other associates, there are no limitations. The (pro rata interest in the) profit of associates is €12.4 million positive (2016: €11.6 million positive), as presented.

Comprehensive income associates	2017	2016
Share in the profit/(loss)	12,377	11,645
Other comprehensive income	426	(100)
Total comprehensive income	12,803	11,545

The activities of the Group are partly performed in joint operations (temporary and permanent). The consolidated financial statements include the following items, which correspond to the interests of the Group in the revenues, assets and liabilities of the various joint operations:

Joint Operations

The Group has investments in project entities. See note 40.

Pro rata equity interest in Joint Operations	12-31-2017	12-31-2016
Assets	262,700	391,426
Liabilities	(319,208)	(467,904)
	2017	2016
Total Revenue	457,054	428,867
Net profit	22,849	(9,468)

All material general partnerships (V.o.f.'s) are processed as Joint Operation. Joint and several liability applies to the general partnerships. There are however no contingent liabilities. The Joint Operations consist primarily of combinations aiming at the creation of projects.

5. Other financial non-current assets

	Non-current receivables	Ppp-receivables	Investments	Financial derivatives	Total
Carrying amount at January 1, 2016	28,009	2,644	2,950	-	33,603
Loans	7,951	198	-	-	8,149
Loan repayments	(5,590)	(395)	-	-	(5,985)
Accretion	-	113	-	-	113
Other changes	2,089	-	-	-	2,089
Carrying amount at December 31, 2016	32,459	2,560	2,950	-	37,969
Carrying amount at January 1, 2017	32,459	2,560	2,950	-	37,969
Acquisition of associates	15	-	-	-	15
Loans	50	-	-	385	435
Loan repayments	(1,226)	(495)	-	-	(1,721)
Accretion	-	94	-	-	94
Other changes	(3,681)	-	-	-	(3,681)
Carrying amount at December 31, 2017	27,617	2,159	2,950	385	33,111

The ppp-receivables relate to payments to be received under concession contracts in the Netherlands. The duration of the various ppp-receivables is approximately 25 years. The majority (of the amount of the receivables) has a maturity of over five years. Given the nature of the contract parties, the credit risk has been estimated at nil. (See also note 27).

6. Deferred tax

The deferred tax position at December 31st can be broken down as follows:	Consolidated statement of financial position		Consolidated statement of income	
	2017	2016	2017	2016
Deferred tax assets (DTA)				
Valuation of carry-forward losses	35,734	37,867	2,133	(2,603)
Temporary differences in valuation of provisions	2,041	2,716	675	(1,443)
Temporary differences in valuation of (in)tangible assets	847	942	95	7
Financial derivatives	-	1,298	2	(28)
Other	10,067	8,918	269	(283)
DTA	48,689	51,741		
Temporary differences in valuation of (in)tangible assets	(2,335)	(3,955)	(1,710)	3,955
Temporary differences in valuation of work in progress	-	-	-	524
Temporary differences in valuation of provisions	-	-	-	1,213
Valuation of carry-forward losses	-	-	-	2,200
Other	-	-	-	(10)
Deferred tax positions netted	(2,335)	(3,955)		
Deferred tax liabilities (DTL)				
Temporary differences in valuation of (in)tangible assets	(2,574)	(3,833)	(1,259)	(6,708)
Fixed assets	(4,034)	(3,678)	356	209
Temporary differences in valuation of work in progress	(1,791)	(1,417)	374	(171)
Other	(706)	(4)	20	47
DTL	(9,105)	(8,932)		
Balance of DTA and DTL *(presented as DTA)*	46,354	51,741		
Balance of DTA and DTL *(presented as DTL)*	(9,105)	(12,887)		
Deferred tax expense (income)			955	(3,091)
Balance of DTA and DTL	37,249	38,854		

The deferred tax has changed through the consolidated statement of comprehensive income for the income tax of changes in fair value of derivatives for hedge accounting (financial derivates) of €28,000 (2016: €19,000) and for the income tax of change in actuarial reserves of €1,429,000 negative (2016: €643,000 negative).

The recognized deferred tax asset of €46,354,000 (2016: €47,786,000) relates in particular to the valuation of compensable losses. This valuation is based on expected future profits based on estimates of the responsible management. In addition it concerns the goodwill capitalized for tax purposes (to be amortized for tax purposes) on acquisitions of Antea USA, Inc. effected prior to the acquisition of Antea USA, Inc. by Oranjewoud N.V. Since this goodwill has not been recognized for financial reporting purposes, higher amortization for tax purposes is involved in respect of this deferred tax asset. Dividend payments, if any, to shareholders of Oranjewoud N.V. will not have any corporate income tax consequences.

Carry-forward losses totaling €49.6 million (2016: €45.1 million) are available at several mainly foreign associates. No deferred tax asset has been recognized for this amount, as no future profits are expected. The losses can be carried forward indefinitely. Other then these carry-forward losses with foreign subsidiaries, no non-valued compensable losses are applicable.

In determining the valuation of the deferred tax a corporation tax rate was taken into account of between 25.0% and 40.0%, depending on the rates applicable in the relevant jurisdiction.

Deferred tax liabilities (DTL)
Deferred tax liabilities have been recognized for differences between the tax and the accounting bases of assets and liabilities, arising mainly from valuation differences arising on the valuation of assets and liabilities obtained in acquisitions.

7. Inventories	12-31-2017	12-31-2016
Raw materials and consumables	14,643	14,275
Finished goods and trade goods	8,285	7,602
Real estate	3,013	9,152
Total	25,941	31,029

The not sold part of real estate projects, that are already being realized, has decreased in 2017 with €6.2 million (2016: decrease €3.7 million). The not sold part of the real estate concerns land positions and incurred costs for real estate projects in progress.

8. Receivables	12-31-2017	12-31-2016
Receivables from affiliated companies	128	104
Trade receivables	419,644	441,905
To be invoiced for completed projects	44,047	39,894
Taxes and social security	9,773	7,161
Other receivables	83,854	146,956
Prepayments and accrued income	16,721	23,815
Total	574,167	659,835

The receivables from affiliated companies concern regular (short-term) intercompany balances between units of Oranjewoud N.V. and Centric (Holding) B.V. No interest is calculated on the balances owing to their short-term nature. Owing to their short-term nature, the face value approximates the fair value.

In other receivables and prepayments and accrued income €31 million (2016: €81 million) is related to payments in advance to subcontractors of the metro project in Riyadh. The remaining other receivables and prepayments and accrued income concern receivables on combinations and various kinds of other payments in advance.

The credit risks of the Group mainly relate to trade receivables, other receivables and amounts to be invoiced on completed projects and work in progress. To manage the credit risks, Oranjewoud N.V. has developed a credit policy and credit risks are continually monitored. There is no significant concentration of credit risk within Oranjewoud N.V., as there are a large number of customers, with the exception of rail operations, where there is a limited number of customers for which the credit risk is assessed as very limited. The collectability of the receivables is reviewed on a customer-by-customer basis, depending on the customer profile and the risk assessment drawn up by management. The provision for doubtful debts has been deducted from trade receivables in the statement of financial position. No write-downs of amounts to be invoiced on account of creditworthiness reviews were necessary.

The majority of the assets of two affiliates have been pledged to the banks that have presented a committed facility.

At December 31st the aging of trade receivables was as follows:	2017	2016
- Not past due and not provided for (0 - 30 days):	236,840	252,187
- Past due:		
31 - 60 days	74,192	103,053
61 - 90 days	20,036	18,650
91 - 180 days	56,276	38,612
181 - 365 days	11,423	17,039
> 365 days	20,877	12,364
Total	419,644	441,905
Provided for as at January 1st	(10,827)	(7,026)
Addition for the year	(11,563)	(4,351)
Written off	1,769	531
Unutilized reversed amounts	256	3
Other	7	16
Provided for as at December 31st	(20,358)	(10,827)

9. Work in progress

	12-31-2017	12-31-2016
Of which projects with a balance:		
To be invoiced	252,691	329,223
Invoiced in advance	(235,261)	(381,749)
Total	17,430	(52,526)
Proceeds	4,604,435	4,113,031
Invoiced installments	(4,587,005)	(4,165,557)
Total	17,430	(52,526)

To be invoiced on work in progress is presented as work in progress asset. The net amount invoiced in advance is presented as work in progress liability in the statement of financial position. The balance of uninvoiced projects currently in progress consists of all projects currently in progress whose contractual revenue plus the profit entered, minus the loss entered, is greater than the declared installments. This balance is accounted for under current assets. The pre-invoiced balance consists of all projects currently in progress whose contractual revenue plus the profit entered, minus the loss entered, is less than the declared installments. This balance is accounted for under current liabilities. On the balance sheet date, some of the pre-invoiced amounts had been received and some were outstanding accounts receivable.

In total in 2017 interest has been activated to the amount of €0.3 million (2016: €0.2 million). Big long-term projects are in most occasions pre-financed with invoiced amounts on these projects exceeding the costs incurred. The positive balance of work in progress consists mainly of current projects.

10. Cash and cash equivalents

	12-31-2017	12-31-2016
Banks	198,893	222,733
Cash	52	48
Total	198,945	222,781
Amounts owed to credit institutions:		
Part of the cash management system of the Group	35,664	32,936
Not a part of the cash management system of the Group	-	-
Total	35,664	32,936
For the statement of cash flows:		
Cash and cash equivalents	198,945	222,781
Subtracting: amounts owed to credit institutions part of the cash management system of the Group	35,664	32,936
Balance of cash and cash equivalents at December 31st	163,281	189,845

Bank balances are receiving a market interest rate.

Cash and cash equivalents are bank balances, deposits and cash balances. Bank balances that are due on demand and that form an integral part of the company's cash management system is included in the statement of cash flows under cash and cash equivalents.

The liquid assets include cash from contractor combinations to the amount of €109.0 million (2016: €139.2 million) and cash received on blocked accounts to the amount of €1.3 million (2016: €2.6 million).

The cash included in contractor combinations is cash in partnerships with contractual stipulations against free access to the liquid assets. The cash received on blocked accounts is for blocked accounts that must be maintained due to the *Wet Ketenaansprakelijkheid* (Dutch Chain Liability Act). All other cash and cash equivalents are freely available.

11. Group equity

Equity attributable to equity holders of the parent company

Share capital

The authorized share capital at December 31, 2017 amounted to €10,000,000 consisting of 100,000,000 A and B shares of €0.10 each. The issued and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. The issued share capital at December 31, 2017 consists of €2,955,307 in A shares and €3,331,980 in B shares (December 31, 2016: €2,955,307 in A shares and €3,331,980 in B shares). Unlike for A shares, no listing was requested for B shares. There is no difference in terms of control or profit entitlements between the A shares and B shares.

The articles of association of the company provide that issues of shares take place pursuant to a decision of the Management. The company may acquire fully paid-up shares in its own capital, but only for no consideration. Acquisition other than for no consideration can only take place if the general meeting has authorized the Management accordingly.

On December 21, 2016, Oranjewoud N.V. increased its shareholders' equity through a private share issue of 4,139,434 B shares. The shares were issued to Sanderink Investments B.V. at the average closing price over the period from November 28, 2016 to December 9, 2016. The issue price is €4.59 per share. These B shares will not be listed.

Earnings per share

The profit attributable to holders of ordinary shares amounted to €38,111,000 (2016: € 11,331,000). The number of shares outstanding is at January 1, 2016 58,733,435 and at December 31, 2016, January 1, 2017 and December 31, 2017 62,872,869. The profit per share amount to €0.61 (2016: €0.19).

The calculation of net earnings per share at December 31, is based on the net profit available to ordinary shareholders divided by the average weighted number of shares outstanding that were in issue during the year (2017: 62,872,869 shares and 2016: 58,948,912 shares). Diluted earnings per share were equal to basic earnings per share in 2017 and 2016.

Dividend

Oranjewoud N.V. intends in principle to make 30% of the net profit available for dividend payment. Dividend payment is subject to future profit developments, market developments, desired solvency and the leverage under existing and future bank covenants. Dividend will be made available as optional dividend (cash and/or shares).

To boost solvency and bolster the company's cash position, Oranjewoud N.V. added €19 million to its Shareholders' Equity on December 21, 2016 through a private share issue to Sanderink Investments B.V. In 2017, Shareholders' Equity grew further owing to realized gains (€38.1 million) and unrealized gains (- €0.7 million). The balance sheet total has dropped clearly. The solvency is therefore increased from 16.8% to 21.7%, but the solvency is still lower than the internal target of 25%. The company needs sufficient resources to be able to fund possible growth of operating capital due to an increase in activity. There are also restrictions imposed in the financing documentation in respect of dividend payments. The combination of these facts prompted the proposal from the Board of Directors to forgo payment of dividends for the 2017 financial year, with the approval of the Supervisory Board.

Non-controlling interests
Strukton Railinfra Projekten B.V. has on December 31, 2017 and 2016 a 60% share in the Italian Railway Builders Costruzione Linee Ferroviarie S.p.A. and Uniferr S.r.l. The Group controls these companies and therefore they are consolidated for 100%.

In the 2017 financial year Costruzione Linee Ferroviarie S.p.A. did not pay dividend to its

stakeholders. The table below shows the shortened financial data of Costruzione Linee Ferroviarie on

100% basis.

	12-31-2017	12-31-2016
Non-current assets	50,567	50,709
Current assets	158,789	173,989
Non-current liabilities	(20,325)	(32,583)
Current liabilities	(103,504)	(112,210)
Balance	85,527	79,905
Cash and cash equivalents	18,846	16,179

	2017	2016
Operating income	168,148	161,328
Net profit for the year	6,083	7,806
Unrealised gains and losses	-	-
Total result	6,083	7,806

12. Deferred employee benefits
Oranjewoud N.V. operates various pension plans in accordance with local regulations and terms. These plans are mostly classified as defined contribution plans. These pension plans are based on a contribution which is a fixed percentage of the pensionable amount. The employer’s portion of this contribution is accounted for in the statement of income.

Pension plans in the Netherlands are subject to the provisions from the Dutch Pensions Act (Pensioenwet). The Dutch Pensions Act stipulates that pension plans must be fully funded and provided independently from the company by a separate legal entity. The various pension plans are administered by a range of industry-wide pension funds and insurers. The Group has no additional responsibility for the administration of these plans.

Each employee’s basic pension is covered by group plans, to which multiple employers have signed up, because they are required to by law. These plans contain an indexed career average pension scheme and are therefore considered to be defined-benefit plans. This applies in particular to the industry-wide pension funds for the construction, metal, engineering and rail industries. Given that these funds are unable to provide the required information on the Group’s proportional share of the pension liabilities and fund investments, defined-benefit pension schemes are recognized as defined-contribution schemes. The Group is required to pay a pre-established premium for these schemes. The Group will not be able to claim a refund of any overpaid premiums and is not required to make good any shortfalls, unless these are caused by amendment of future premiums. The part exceeding the basic pension (top-up part), which is not covered by group schemes, is administered by external parties and concerns defined-contribution schemes.

For the personnel and many of the Group companies, the benefit plans for the following pension funds apply, with indication of the number of active participants as of December 31, 2016 and the coverage of the funds as of December 31, 2017 and 2016:

	Actives	Coverage 2017	Coverage 2016
• Industry-wide pension fund - Construction	1,346	117.9%	110.3%
• Industry-wide pension fund - Concrete production industry	18	103.7%	99.8%
• Industry-wide pension fund - Metal and Technology	1,583	102.1%	97.2%
• Railway pension fund	1,695	115.0%	107.5%
• Pension fund - Transport	12		
• Delta Lloyd	55		
• Alecta pension insurance plan Sweden ITP scheme	439	154.0%	149.0%
• Alecta pension insurance plan Sweden SAF-LO scheme	661		
• Axa pension insurance Strukton Railinfra NV Belgium	52		
• FONDO TFR – Pension Fund - ITALY	358		
• BeFrank SES	8		

Antea France SAS, Géo-Hyd and Groupe IRH Environnement SAS and a part of the Strukton Groep companies operate pension plans which are classified as defined benefit plans. The obligation comprises pension entitlements with the principal actuarial results (changes in value of plan assets, life expectancy and the likelihood of the employee leaving the company) being for the account of the company.

The costs of these plans and the cash value of the future pension obligations are measured actuarially. The actuarial methods applied, comprise the use of assumptions regarding discount rates, future salary increases, mortality rates and the future indexation of pensions. All assumptions are reviewed at each reporting date. The table below lists the net provision for pensions, the fair value of the plan assets and the pension plan financing status.

The pension provision is specified below:	12-31-2017	12-31-2016
Antea France SAS and Géo-Hyd SARL (France)	2,918	3,269
Groupe IRH Environnement SAS (France)	1,234	1,255
Strukton Rail AB (Sweden)	41,946	36,675
Strukton Railinfra NV (Belgium)	1,284	1,405
Reef Infra B.V. (The Netherlands)	2,784	1,280
Rasenberg Infra B.V. (The Netherlands)	2,397	1,219
Costruzioni Linee Ferroviarie S.p.A. (Italy)	2,294	2,331
Total	54,857	47,434

The increase of the pension provision in 2017 is mainly caused by the increase in the number of participants in the pension scheme in Sweden and a rise in inflation in Sweden.

Antea France SAS and Géo-Hyd SARL (France)
These benefit plans provide for an amount to be paid to the employee if the employee is employed by the employer until the agreed pension age. The amount to be paid, in addition to the monthly salary, depends on the number of years of employment when the pension date is reached. The liability is a pension entitlement for which the biggest actuarial gains and losses are covered by the company.

Groupe IRH Environnement SAS (France)
There are two plans, a retirement indemnity plan and a retirement benefits plan. The retirement benefits plan is a closed plan for participants who were employed before 1996.

Strukton Rail AB (Sweden)
The pension scheme for Strukton Rail AB (Sweden) employees who were born before 1978 is a defined benefit plan. All active participants in this plan have been enrolled in the Sweden Pension Plan ITP2. The other two current schemes are the Sweden Pension Plan Balfour Beatty and the Sweden Pension Plan KPA. All the remaining participants in these two

pension plans are retirees of the former Balfour Beatty and the former Svensk Banproduktion. All three pension plans are administered by pension insurer PRI. As at the end of 2017, the total liability amounts to €41.9 million. Pension entitlements were calculated at present value based on IAS 19. This calculation was made by a certified actuary. The liability has to be financed by the company. Pension payments are handled by Alecta. The company is insured against bankruptcy with PRI. As part of this policy, guarantees totaling SEK160 million were provided to PRI. In calculating the pension liability, Alecta uses bases that differ from those used by PRI. As a result, the liability calculated by Alecta is greater. An annual premium paid to PRI covers the 'estimated redemption cost'.

Strukton Rail Infra NV (Belgium)
This pension insurance plan for employees of Strukton Railinfra N.V. is a defined benefit plan. The pension liability is financed with an insurance agreement.

Reef Infra B.V. (The Netherlands)
For Reef Infra B.V. an indexation liability has been entered for the benefit plan. The indexation liability is financed with an insurance agreement with Nationale Nederlanden. New entitlements are no longer being accrued in this benefit plan.

Rasenberg Infra B.V. (The Netherlands)
For Rasenberg Infra B.V. an indexation liability has been entered for the benefit plan. The indexation liability is financed with an insurance agreement with Delta Lloyd.

Costruzioni Linee Ferroviarie S.p.A. (Italy)
Costruzioni Linee Ferroviarie S.p.A. has a defined benefit plan (FONDO TFR – Pension Fund) for its employees. A sum of €2.3 million (2016: €2.3 million) has been reserved on the company balance sheet for this. The pension provision in Italy has not been externally financed but should be financed by the company.

Starting points
The identified material starting points for the calculation of the pension liability are the inflation, the discount rate and the mortality tables. The inflation is an 'indirect starting point'. Salary growth and pension growth are direct starting points derived from this inflation.

Starting points	**December 31, 2017**	**December 31, 2016**
Benefit plan discount rate	1.25-2.75%	1.25-2.75%
Inflation	1.75-2.00%	1.50-2.00%
Projected fund investment returns	1.25-2.75%	1.25-2.75%
Projected salary increase	1.25-2.75%	1.25-2.75%

The following mortality tables are used as of December 31, 2017:

Groupe IRH Environnement SAS	: RET Plan: TG HF 2005
Strukton Rail AB	: DUS14
Strukton Railinfra NV	: MR/FR (1993 Belgium mortality
table) Reef Infra B.V.	: AG 2016 prognosis
Rasenberg Wegenbouw B.V.	: AG 2016 prognosis
CLF S.p.A.	: ISTAT 2013

Sensitivity
If the discount rate would increase by 1% point, under the same other assumptions, than the present value of pension liabilities would decrease by €10.3 million. A decrease in the discount rate by 1% point and the same other conditions, would cause the present value of pension liabilities to increase by €13.3 million.

If the inflation would increase by 0.25% point, under the same other assumptions, than the present value of pension liabilities would increase by €2.0 million. A decrease in the inflation by 0.25% point and the same other conditions, would cause the present value of pension liabilities to decrease by €1.9 million.

Duration
The duration of the Defined Benefit Obligation as of December 31, 2017 for the plans amount to 20.6 years.

Sweden
If the discount rate would increase by 1% point, under the same other assumptions, than the present value of pension liabilities would decrease by €8.6 million. A decrease in the discount rate by 1% point and the same other conditions, would cause the present value of pension liabilities to increase by €11.3 million.

If the inflation would increase by 0.25% point, under the same other assumptions, than the present value of pension liabilities would increase by €1.8 million. A decrease in the inflation by 0.25% point and the same other conditions, would cause the present value of pension liabilities to decrease by €1.7 million.

If the participants of the three Swedish plans are supposed to live one year longer than assumed, then the liabilities increase by around 4.3%.

The actuarial loss on the pension plans in Sweden (which together make up 76% of the total provision) is €4.1 million, of which €2.3 million is down to a drop in the notional interest rate, beside which a profit of €1.8 million is realized by modified demographic starting points.

Amounts payable by the employer directly over the coming years range from €0.4 million to €0.7 million per year. The ITP2 plan has a term of 24.0 years, while the term for the KPA plan is 21.5 years.

Breakdown
The pension liabilities and the pension plan assets are determined based on actuarial calculations that are performed as of December 31. The breakdown and the progress of the pension liabilities and the pension plan assets concerning the defined benefit plans are listed hereafter.

Provision for pension liabilities	12-31-2017	12-31-2016
Breakdown:		
Pension plan assets (fair value)	19,460	2,468
Pension liabilities (net present value)	74,317	49,902
Negative difference	54,857	47,434
Pension plan assets (fair value) presented as asset	-	-
Provision for pension liabilities	54,857	47,434

Changes:	**2017**	**2016**
Pension plan assets as at January 1st	2,468	2,111
Expected return on plan assets	44	48
Pension contributions	1,258	1,483
Pensions paid	(1,207)	(1,338)
Net actuarial gain or loss on plan assets	16,897	164
Pension plan asset as at December 31st	19,460	2,468
Pension liabilities as at January 1st	49,902	45,703
Claims to be awarded in financial year	2,462	2,724
Interest expense	1,195	1,274
Pensions paid	(1,203)	(1,338)
Net actuarial gain or loss on pension liabilities	23,170	2,816
Exchange rate differences	(1,223)	(1,282)
Other changes	14	5
Pension liabilities as at December 31st	74,317	49,902
Actuarial results as at January 1st	-	-
Net actuarial gain or loss on pension liabilities	6,273	2,878
Net actuarial gain or loss on plan assets	-	1
Recognized in other comprehensive income	(6,273)	(2,879)
Actuarial results as at December 31st	-	-
Pension expense components under defined benefit plans		
Claims to be awarded in financial year	2,462	2,724
Interest expense	1,195	1,274
Expected return on plan assets	(44)	(48)
Other	14	6
Total pension expense under defined benefit plans in statement of income	3,627	3,956

The result realized on plan assets is €0 (2016: €0). The Group did not hold or use any plan assets. The major categories of plan assets as a percentage of the fair value of total plan assets were as follows:

	2017	2016
Bonds	0%	0%
Funds	0%	0%
Other plan assets	100%	100%

Given that the vast majority of the benefit plans is financed with an insurance policy, the assets consist of the guarantee by the insurer that specific pensions will be paid out in the future. The value of these assets is the current cash value of these guaranteed payments. Allocation to different financial instruments is not applicable, therefore these assets are presented under other fund investments.

Please refer to note 20 for the breakdown of pension expenses into defined benefit plans and defined contribution plans. The expected contribution to the defined benefit plans in 2018 is €4.4 million (2017: €4.0 million).

13. Provisions

	12-31-2017	12-31-2016
Provision for restructuring	2,021	1,699
Provision for projects	8,435	7,472
Jubilee provision etc.	7,837	10,236
Other provisions	456	-
Total	18,749	19,407
Non-current part	15,606	16,582
Current part	3,143	2,825
Total	18,749	19,407

The non-current component of the provisions (excluding the jubilee provision, etc.) is expected to be settled after one year, and will certainly be settled within five. The current component is expected to be settled within one year.
The jubilee provision and such like are based on an IAS19 calculation, including discount. The likelihood of departure falls over a range from 25% for employees aged 20 years to 0% for employees aged 60 years and up. The other non-current provisions are small.

Change in provisions	Restruc-turing	Projects	Jubilee etc.	Other	Total
Balance at January 1, 2016	2,693	4,507	10,181	150	17,531
Changes due to:					
Additions	721	3,720	352	-	4,793
Acquisition of subsidiaries	-	401	-	-	401
Utilization	(1,644)	(879)	(297)	-	(2,820)
Exchange rate differences	-	1	-	-	1
Other	786	(56)	-	(150)	580
Release	(857)	(222)	-	-	(1,079)
Balance at December 31, 2016	1,699	7,472	10,236	-	19,407
Non-current part	-	7,272	9,310	-	16,582
Current part	1,699	200	926	-	2,825
Balance at December 31, 2016	1,699	7,472	10,236	-	19,407
Balance at January 1, 2017	1,699	7,472	10,236	-	19,407
Changes due to:					
Additions	2,272	6,010	1	456	8,739
Acquisition of subsidiaries	-	48	-	-	48
Utilization	(1,163)	(4,323)	(605)	-	(6,091)
Other	-	(56)	-	-	(56)
Release	(787)	(716)	(1,795)	-	(3,298)
Balance at December 31, 2017	2,021	8,435	7,837	456	18,749
Non-current part	-	8,335	7,271	-	15,606
Current part	2,021	100	566	456	3,143
Balance at December 31, 2017	2,021	8,435	7,837	456	18,749

Provision for restructuring
As part of reorganizations underway a restructuring provision has been formed for expected severance costs. The provision is carried at nominal value.

Provision for projects
The provision for projects comprises a provision for claims for damages and foreseeable losses. The provision is carried at at nominal value. Other changes concerne a reclassification to work in progress.

Jubilee provision etc.
The provision is the amount of future benefit payments and claims for jubilee payments and leave entitlements. The obligations are realized to present value. Any actuarial gains or losses are recognized in the statement of income in the period in which they occur.

As part of service anniversary schemes at the Group, bonuses are paid out after a certain number of years of service. Given that there are various such schemes in place across the Group, the extent of this bonus and when it is paid depends on the entity at which an employee works. The primary risk the Group runs in relation to this facility is the interest rate risk, as a lower interest rate means a higher liability.

Other
The other provisions include provisions for specific guarantees issued in selling participations, risks of legal proceedings against the group and/or its operating companies, severance schemes and other relatively minor risks.

14. Subordinated loans and Non-current liabilities

Subordinated loans	12-31-2017	12-31-2016
Sanderink Investments B.V.	1,000	1,000
Total	1,000	1,000

The subordinated loan granted by associated party Sanderink Investments B.V. has a term of 55 years. Early repayment is possible. Interest on this loan is payable at a rate of 5.0%.

Subordination applies to all of the Group's obligations towards the lender (Sanderink Investments B.V.), ensuing from this subordinated loan in relation to all current and future receivables of the Rabobank under the Rabobank Loan Agreement, both in cases of bankruptcy or suspension of payments on the part of the borrower and otherwise.

Non-current liabilities	12-31-2017	12-31-2016
Total current and non-current liabilites	107,116	143,675
Less:		
Current portion of non-current liabilities	(54,441)	(102,999)
Non-current liabilities	52,675	40,676
Property, plant and equipment financing	436	556
Term loan	29,845	-
Building Oosterhout mortgage loan	-	9,168
Debts financing real estate projects	2,109	2,980
Bankloans	17,252	18,143
Groupe IRH	483	1,001
Lease liabilities	706	6,916
Non-recourse Ppp-financing	1,509	1,905
Other non-current liabilities	335	7
Total	52,675	40,676

The decrease of the non-current liabilities is caused by shifts to current liabilities. See below and also note 15.

Non-current loans with terms up to and including 2022 have been taken out to finance property, plant and equipment (cars, tools and software).

The term loan consists of a USD-part of 23.8 million (A) and a Euro-part of 10 million (2016: 17,5 million) (B). The loan runs until July 27, 2020. Interest consists of three-month Libor (A) or Euribor (B) plus a margin of 1.8%-point (A) or 1.6% (B). Given the duration till July 27, 2020 this term loan is recognized as non-current liability. In 2016 this term loan was recognized under the current liabilities.

Strukton Rail has been a CLF shareholder since 1998, and had previously upped its stake from 40% to 60% in 2013 by acquiring the shares of fellow shareholder Unieco. As part of this deal, a put option was agreed with Unieco. On December 18, 2015, Unieco exercised this put option, obliging the Group to buy the remaining 40% of shares at the pre-agreed price of €32.0 million. However, Unieco was unable to meet its contractual obligation to transfer the shares in 2016. The put option order was consequently automatically canceled and the non-current liability was reclassified from long-term debt to minority stakes.

The mortgage loan on property Oosterhout is repaid in 2017. The carrying amount of the item of property, plant and equipment encumbered with the mortgage was €10,955,000 at year-end 2017 (2016: €11,405,000).

The interest rate on debt financing real estate projects is 2.00%, duration till 2021. The interest on bank loans is 3.35%, duration varies from 2018 to 2026. Due to consolidation of ppp projects, in 2017 the non-recourse ppp-financing came to €1.5 million (2016: €1.9 million). The interest rate is between 3.30% and 4.51% and the duration varies from 2018 to 2024. The other non-current liabilities concern private loans.

Strukton Groep's €40-million term loan in their credit facilities is recognized under bank financing and has a term that runs through to June 30, 2018. In 2016 this term loan was recognized as current liability, because then the duration was limited to April 30, 2017.

The repayment plan for the non-current liabilities and the repayment liabilities entered under the current liabilities is as follows:

2016	< 1 year	1-5 years	> 5 years	Total
Property, plant and equipment financing	335	556	-	891
Term loan	40,079	-	-	40,079
Building Oosterhout mortgage loan	573	9,168	-	9,741
Debts financing real estate projects	518	2,980	-	3,498
Bankloans	56,406	15,166	2,737	74,309
Financial derivatives	1,794	-	-	1,794
Groupe IRH	663	1,001	-	1,664
Lease liabilities	2,232	7,156	-	9,388
Non-recourse Ppp-financing	399	1,512	393	2,304
Other non-current liabilities	-	7	-	7
Balance at December 31, 2016	102,999	37,546	3,130	143,675

2017	< 1 year	1-5 years	> 5 years	Total
Property, plant and equipment financing	238	436	-	674
Term loan	-	29,845	-	29,845
Debts financing real estate projects	216	2,109	-	2,325
Bankloans	47,207	14,932	2,320	64,459
Groupe IRH	649	483	-	1,132
Lease liabilities	5,735	706	-	6,441
Non-recourse Ppp-financing	396	1,245	264	1,905
Other non-current liabilities	-	335	-	335
Balance at December 31, 2017	54,441	50,091	2,584	107,116

2017	Balance at 1-1-2017	Dra-wings	Repay-ments	Exchange differences	Acquisi-tion/sale	Other	Balance at 12-31-2017
Property, plant and equipment financing	891	-	(217)	-	-	-	674
Term loan	40,079	10,000	(17,500)	(2,734)	-	-	29,845
Building Oosterhout mortgage loan	9,741	-	(9,741)	-	-	-	-
Debts financing real estate projects	3,498	-	(1,173)	-	-	-	2,325
Bankloans	74,309	-	(10,135)	-	285	-	64,459
Financial derivatives	1,794	-	-	-	-	(1,794)	-
Groupe IRH	1,664	-	(532)	-	-	-	1,132
Lease liabilities	9,388	589	(3,838)	(1)	-	303	6,441
Non-recourse Ppp-financing	2,304	-	(399)	-	-	-	1,905
Other non-current liabilities	7	-	-	-	328	-	335
Total	143,675	10,589	(43,535)	(2,735)	613	(1,491)	107,116

For more information about interest and currency risks, see the section on financial instruments and the financial risk management section. Further reference is made to the continuity paragraph in the accounting policies.

15. Other current liabilities	12-31-2017	12-31-2016
Repayment obligations	54,441	101,205
Financial derivatives	-	1,794
Debts to affiliated companies	2,175	880
Debts in respect of other taxes and contributions	67,317	65,428
Pension obligations	3,059	3,256
Other liabilities	137,884	198,138
Accrued liablities	85,812	85,028
Total	350,688	455,729

The Oranjewoud term loan consists of a USD-part of 23.8 million (A) and a Euro-part of 10 million (2016: 17.5 million) (B). The loan runs until July 27, 2020. Given the duration till July 27, 2020 this term loan is recognized as non-current liability. In 2016 this term loan was recognized under the current liabilities. See also note 14.

Other payables and accrued liabilities consist largely of outstanding invoices for work completed (mainly the metro project in Riyadh) and holiday money and days.

Oranjewoud N.V. is for its financing arrangement in compliance with the conditions agreed with the banks for the entirety of 2017 and as of December 31, 2017.

16. Liabilities not included in the statement of financial position
Contingent liabilities
Contingent liabilities are liabilities resulting from events in the past whose existence is only confirmed by the occurrence of one or more uncertain future events, over which the entity does not have total control.

If it is not likely that an outflow of means that contain economic benefits will be required to settle a liability or if the amount of the liability cannot be valued in a sufficiently reliable manner, then the liabilities in question will also be designated as contingent liabilities. The contingent liabilities are guarantees issued and any liabilities from legal proceedings against Oranjewoud N.V. and/or its operating companies for which the scope of the risks and any resulting liabilities cannot be valued in a sufficiently reliable manner.

In addition to this, Oranjewoud N.V. is jointly and severally liable for all liabilities of general partnerships (contractor combinations) in which it is directly involved. This liability is limited to the Group companies participating in the general partnership. Liabilities of this kind have not been entered in the financial statements.

Bank guarantees, rental and lease obligations
The bank guarantees for projects, leases and capital commitments amounted to €307,084,000 (2016: €388,987,000). The total financial obligations for rental and operating lease amounted to €144,985,000 (2016: €147,713,000). The installments mature as follows:

	12-31-2017	12-31-2016
Within one year	48,554	48,981
After one year but within five years	84,688	97,239
After five years	11,743	1,493
Total	144,985	147,713

The lease installments relate to cars and computer equipment. The rental obligations relate mainly to office buildings. Investment obligations related to tangible fixed assets amounted to €7,641,000 (2016: €1,078,000). The investment obligations in 2017 relate mainly to contractual commitments that came with the investment in two specific machines.

Dividend payments, if any, made by Oranjewoud N.V. to shareholders do not result in corporate income tax consequences.

Legal proceedings
The Group was involved in a number of legal proceedings at year-end 2017 and 2016, most of which are small scale.

Agent remuneration
The metro project in Riyadh (Saudi Arabia) is the biggest project in the history of the company. At the start of the project (2013) Strukton International signed an agent contract. The agent is paid a fixed percentage of Strukton's contract value. The payments to the agent stay in line with progress on the project and stay within the standards set by the OECD.

The 2016 financial statements included a note stating that the agreement with the agent could have included more compliance guarantees among which, documentation on the work performed under the contract. ,The risk of non-compliance with applicable laws and regulations cannot be excluded. Because possible consequences of such risk for the financial statements could not be estimated reliably, no provision was included.

Because any consequences of non-compliance with applicable laws and regulations for the financial statements could not be reliably estimated, no provision was recognized.
No provision was recognized because any impact on the financial statements of the risk of non-compliance with applicable legislation and regulations, which could not be excluded, could not be estimated reliably.

In 2017, several remediation and improvement measures were implemented in the area of compliance and internal controls. Partly following these measures, as described in the Measurement Bases under Risk Management and in the Director's Report under 'Internal controls', there was no reason in 2017 to include further notes under 16 'Off-balance sheet liabilities and securities provided'.

17. Financial instruments
General
The main financial instruments of the Group comprise of bank loans and credits and cash and cash equivalents. The Group also uses interest rate swaps and inflation swaps to hedge interest rate and inflation risks arising from corporate and project financing. The main purpose of the financial instruments is to raise financing for the operating activities of the

Group. In addition there are various other non-current financial assets and liabilities, including trade receivables and debts to suppliers, which arise directly from the operating activities. No derivatives and financial instruments are held for trading purposes.

All financial assets and liabilities, excluding (rated at fair value) ppp-claims, annuity loans and derivatives, are valued according to the category "loans and receivables" as referred to in IAS39.

On conclusion of the ppp-contracts, the variable interest rate on the non-current non-recourse financing will be switched to a fixed rate using interest rate swaps. Here, the interest accrual factor is also determined for the non-current ppp-receivable. The swapped interest and the interest accrual factor are interlinked in models and are close together. When determining the fair values of the ppp-liability and ppp-receivable, we look at the future cash flows and the differences in value resulting from the change in market interest rates with respect to the interest accrual factor and the swap interest, respectively.

Interest rate risk
The interest rate risk in respect of interest-bearing loans and bank debts is discussed under the heading Non-current liabilities.

The impact of a 1 percentage point interest increase on profit before taxes and equity is around €1.0 million negative (2016: €0.5 million negative). The impact of a decrease is similar in size but contrary. This interest rate risk is exclusive the effect of derivates.

Currency risk
The majority of the Group's activities are carried out in the euro area. Most subsidiaries outside of the euro area do business in their country's currency. For transactions in foreign currency the policy is to hedge the total net position by means of foreign currency contracts. In 2014 and 2016 forward exchange contracts are closed to the metro project in Riyadh, where the currency risk on future cash flows in USD is covered. The translation risk on equity and loans granted to subsidiaries is not hedged outside of the euro area, except for Antea USA (see below). The Group's currency risk is limited to its foreign subsidiaries in India, Brasil, Scandinavia and in Riyadh (Saudi Arabia). The total equity of these foreign subsidiaries amount to €41.6 million at year-end 2017 (2016: €32.3 million).

The high volatility of the US dollar versus the euro is a risk. The acquisition of Antea USA in early 2008 for a sum of USD 23,750,000 was settled in full by means of a transaction in euros. The euro/dollar rate at the time of the transaction was 1.47. The currency risk for this non-current investment was hedged by means of a loan in early 2011. As of August 1, 2013 and as of July 27, 2017 the mentioned US dollar loan has been replaced with a new loan of US dollar 23.8 million. The US dollar loan functions as a natural hedge as to the equity value in US dollar of Antea USA.

The main exchange rates over the financial year are as follows:

	Average rate		Spot rate	
	2017	2016	2017	2016
USD	1.1322	1.1069	1.1993	1.0541
DKK	7.4269	7.4452	7.4449	7.4344
NOK	9.3270	9.2906	9.8403	9.0863
SEK	9.6351	9.4689	9.8438	9.5525
GBP	0.8770	0.8195	0.8872	0.8562
INR	73.5324	74.3717	76.6055	71.5935
SAR	4.2389	4.1409	4.5003	3.9436

A 10% increase in the value of the euro against other currencies at year -end would have reduced equity by €3.0 million (2016: €3.2 million) and profit by €2.2 million (2016: €0.7 million). All other variables, interest rates in particular, are assumed to remain unchanged. A 10% fall in the euro against the other currencies would have had a similar, but contrary, effect, assuming that all other variables remain unchanged.

Interest rate and inflation swaps
A 100 bps rise in the interest rate means a gain of €0.7 million on the financial derivative. Virtually the entire amount of €0.7 million will be recognized in the shareholders' equity. A 100 bps drop in the interest rate means a loss of €0.8 million on the financial derivative. Virtually the entire amount of € 0.8 million will be recognized in the shareholders'

equity. The measurement of derivatives is based on data supplied by banks and checked against corresponding figures from the market.

Credit risk

The Group applies procedures and policies to limit the extent of the credit risk with any counterparty or in any market. These procedures and the spread across numerous customers limit the Group's exposure to the risk related to credit concentrations and market risks. In addition, projects are invoiced on a progress basis and to the extent possible under the contract advanced billing are used. Escrow arrangements have been drawn up for specific projects as security for payment.The available cash and cash equivalents is held with creditworthy banking institutions. See also note 8.

Liquidity risk

The Group monitors its risk of a cash deficit by means of a liquidity planning tool. This tool considers the maturity of both investments and operating cash flows. The liquidity planning tool is used where relevant for specific parts of the Group. The Group aims for a balance between continuity in financing and flexibility in the use of credit facilities, loans and equity.

The total credit facilities for Oranjewoud N.V. (included Strukton Groep) amounted to some €246 million (2016: €209 million). Oranjewoud N.V. and its Group companies established in the Netherlands are jointly and severally liable for the aforesaid facility. The borrowers have imposed themselves not to encumber their assets with security without the lender's advance consent. Assets have been pledged as security for some of the debts. From these current account facilities €67 million (2016: €30 million) was used at December 31, 2017.

To finance accounts receivables, factoring agreements have been concluded with financiers with a total facility of €49 million (2016: €77 million). Of this, an amount of €24 million (2016: €10 million) was used.

The maturity profile of the financial obligations of the Group as at December 31, 2016 and 2017 is as follows:

Maturity profile (amounts x € 1,000)	Book Value	Contracted Cash flows	Within 6 months	6 to 12 months	1 to 5 years	> 5 years
At December 31, 2016						
Subordinated loans	1,000	1,103	-	-	1,103	-
Interest-bearing loans	141,881	146,260	53,317	57,143	32,256	3,543
Trade payables and other liabilities	1,165,037	1,174,846	619,841	450,952	104,053	-
Amounts owed to credit institutions	32,936	33,328	30,697	2,631	-	-
Financial derivatives	1,794	1,794	1,683	111	-	-
Total	1,342,648	1,357,330	705,538	510,837	137,412	3,543
At December 31, 2017						
Subordinated loans	1,000	1,103	-	-	1,103	-
Interest-bearing loans	107,116	109,525	45,022	10,203	51,302	2,999
Trade payables and other liabilities	917,145	917,145	492,788	347,120	77,237	-
Amounts owed to credit institutions	35,664	36,139	33,710	2,429	-	-
Total	1,060,925	1,063,911	571,520	359,751	129,641	2,999

Given the policy to cover liquidity and interest risks the Group has entered into several swaps. The special purpose companies have entered into interest and inflation swaps for the PPP-projects. The changes of these interest and inflation swaps have been accounted in the PPP-projects. Fair value accounting was applied for all swaps that existed at the time of Strukton's acquisition. This means that the value transactions for the derivative are accounted for directly in the statement of income. For the other swaps, hedge accounting was applied using the cash flow model.

Cash Flows due to derivatives (amounts x € 1,000)	Book Value	Contracted Cash flows	Within 6 months	6 to 12 months	1 to 5 years	> 5 years
2016						
Interest swaps: liabilities	(333)	(333)	(222)	(111)	-	-
Forward exchange contracts: liabilities	(1,461)	(1,461)	(1,461)	-	-	-
Total	(1,794)	(1,794)	(1,683)	(111)	-	-
2017						
Financial derivatives: assets	385	385	385	-	-	-
Total	385	385	385	-	-	-

Fair values

A comparison of the carrying amounts and fair values of financial assets and liabilities of the Group are set out below:

(amounts x € 1,000)	Carrying amount		Fair value	
	2017	2016	2017	2016
Financial assets				
Trade receivables	419,644	441,905	419,644	441,905
Other receivables	422,027	554,158	422,027	554,158
Non-current receivables	27,617	32,459	27,617	32,459
Ppp-receivables	5,109	5,510	5,109	5,510
Cash and cash equivalents	198,945	222,781	198,945	222,781
Total	1,073,727	1,256,813	1,073,727	1,256,813
Financial liabilities				
Interest-bearing loans	107,116	141,881	107,116	141,881
Trade payables and other liabilities	944,357	1,146,113	944,357	1,146,113
Amounts owed to credit institutions	35,664	32,936	35,664	32,936
Financial derivatives	0	1,794	0	1,794
Total	1,088,137	1,323,724	1,088,137	1,323,724

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing financial instruments, distinguishing between valuation methods.

Level 1: quoted (non-adjusted) prices in active markets for similar assets or liabilities.

Level 2: other methods with all variables having a significant impact on the recognized fair value and being directly or indirectly observable

Level 3: methods using variables that have a significant impact on the recognized fair value, but are not based on observable market data.

The fair values are based on a model in which the main variable is the market rate and in which indications of value from third parties have been processed.

Assets measured at fair value
(amounts x € 1,000)

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Ppp-receivables	2,560	-	-	2,560
Total	2,560	-	-	2,560

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Ppp-receivables	2,159	-	-	2,159
Financial derivatives	385	-	385	-
Total	2,544	-	385	2,159

Progress Level 3

(amounts x € 1,000)	2017	2016
Ppp-receivables		
Balance as at January 1	2,560	2,644
Loans	(495)	(197)
Accretion	94	113
Balance as at December 31	2,159	2,560

Liabilities measured at fair value
(amounts x € 1,000)

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Interest swaps: liabilities	333	-	333	-
Forward exchange contracts: liabilities	1,461	-	1,461	-
Total	1,794	-	1,794	-

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Interest swaps: liabilities	-	-	-	-
Forward exchange contracts: liabilities	-	-	-	-
Total	-	-	-	-

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

18. Segmented information

Performance details of operational segments are reported based on internal reports to the board. The board assesses business operations from a combination of industries and geographical regions and defines Consultancy and Engineering Services, Rail Systems, Civil Infrastructure, International Infrastructure and Rail Systems, Technology and Buildings, and Other as operational segments. Operational segments have not been aggregated. The distribution of total revenue and profit and the distribution of statement of financial position items on the basis of the core segments of the company are as follows:

In millions of euros	Consultancy & Enginee-ring Services		Rail		Civil		International		Technology & Buildings		Other		Eliminations		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Total revenue (external)	**396.6**	388.4	**877.9**	828.9	**420.9**	483.8	**268.0**	244.1	**347.5**	323.2	**73.8**	47.2			**2,384.7**	2,315.6
Between segments	**18.5**	14.4	**14.0**	11.5	**8.6**	10.2	**4.3**	3.4	**5.8**	4.6	**12.6**	8.3	**-63.8**	-52.4		
Depreciation	**6.1**	7.0	**18.0**	16.7	**4.7**	5.1	**1.3**	0.9	**1.7**	2.0	**1.3**	0.2			**33.1**	31.9
Amortization	**3.2**	4.3	**5.7**	5.6	**1.3**	1.9		0.2		0.2	**1.3**	1.1			**11.5**	13.3
Operating profit	**20.5**	3.0	**39.7**	26.0	**-10.9**	-2.4	**-0.4**	7.3	**2.6**	-8.1	**0.8**	0.4			**52.3**	26.2
Total assets	**247.9**	242.5	**621.0**	639.8	**225.8**	297.3	**192.6**	277.5	**245.8**	250.3	**66.3**	66.4	**-162.5**	-141.0	**1,436.9**	1,632.8
Total financial assets	**14.0**	18.0	**27.6**	25.9	**12.3**	11.5	**13.0**	7.3	**3.7**	3.8	**0.4**	0.4			**71.0**	66.9
Total liabilities	**139.3**	133.4	**477.4**	486.9	**171.5**	258.7	**170.5**	267.2	**212.7**	223.3	**79.2**	95.2	**-162.5**	-141.0	**1,088.1**	1,323.7
Total investments	**5.6**	3.3	**18.1**	16.2	**3.8**	2.9	**0.1**	1.0	**0.6**	0.9	**0.3**	0.1			**28.5**	24.4
Employees	**3155**	3052	**3743**	3497	**1221**	1253	**136**	155	**1765**	1701	**212**	206			**10232**	9864

The geographical spread is as follows:

In millions of euros	The Nether-lands		Italy		Sweden		Other Europe		US		South-America		Asia		Middle East		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Total revenue	**1,384.1**	1,342.5	**171.2**	161.6	**266.9**	272.7	**229.3**	214.8	**75.6**	81.3		1.6	**2.9**	2.4	**254.7**	238.7	**2,384.7**	2,315.6
Total assets	**722.9**	827.2	**223.9**	237.8	**120.5**	119.1	**168.8**	160.5	**41.6**	47.0	**0.7**		**3.7**	3.6	**154.8**	237.6	**1,436.9**	1,632.8
Total financial assets	**49.3**	45.0	**7.6**	8.1	**5.2**		**-4.7**	-3.4	**13.6**	17.2							**71.0**	66.9
Total liabilities	**543.0**	648.7	**160.3**	192.7	**53.9**	64.8	**147.3**	145.8	**35.4**	39.9	**0.1**		**0.3**	0.2	**147.8**	231.6	**1,088.1**	1,323.7
Total investments	**12.3**	11.9	**7.6**	9.1	**2.1**	-1.5	**5.5**	3.4	**0.9**	0.4		0.2	**0.1**			0.9	**28.5**	24.4

The increase in the net revenue of the **Consulting and Engineering Services** segment was generated in the Netherlands. The sharp rise in profits came largely on the back of improved performance in France, which had posted a loss in 2016 and returned to clear profit in 2017. In 2017, Dutch and Belgian operations improved on already impressive performance. Termination of operations in Colombia had a significant impact in 2016, leading to a negative exceptional EBITDA of €7.4 million. The effect on net profits was €5.2 million. It did not have such impact in 2017.

The **Rail Systems** segment again showed solid performance in the 2017 financial year. Revenue and profits were both up on 2016. Rail Netherlands delivered good results in 2017, reinforcing its position as the market leader by landing various performance-based maintenance contracts. Rail operations in Sweden, Denmark, and Italy also returned excellent results. The Belgian market continues to be challenging. Workforce growth compared to 2016 was particularly visible in Sweden and less so in Italy.

The drop in revenue at the **Civil Infrastructure** segment is down to completion of the realization phase of a number of large-scale projects in 2016. Output at regional companies was also lower than in the previous financial year. This is partly related to the lowering of the risk profile that saw the strategic focus shift to technology in combination with specialist products and services. The company is increasingly cautious and critical when it comes to bidding for large-scale and high-risk projects. The focus is on good profit prospects.

Lower output compared to the previous financial year combined with a number of disappointing projects led to a loss in the 2017 financial year. Steps are being taken at Strukton Civiel's regional operations and sub-companies to further reduce risks. 2018 will see the merger of Strukton Civiel's and Strukton International's respective civil engineering activities and specialist products and services.

The drop in the **International infrastructure and rail systems** segment's profits on the previous financial year is due mainly to the fact that civil engineering output of the construction joint venture (CJV) for the Riyadh subway project had already peaked in 2016. The Riyadh subway project is on schedule, reaching the 64% complete stage by the end of 2017. This project is expected to be completed in 2020. The profit forecast for the project as a whole has not changed. Even despite the drop in output of the CJV, this segment's total operating income rose. Operating income was pushed up by higher output of other activities as part of the Riyadh subway project, for which Strukton's margin share is limited.

The **Technology and Buildings** segment recorded good results in 2017. The 'revitalization and development' and 'management and maintenance' units showed solid performance.

In 2017, we agreed on a technical solution to the vibration issues that had hampered the project for the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG). A committee of experts has issued advice on the financial compensation. The financing arrangement has been adjusted accordingly. Construction work is underway. Strukton's move to acquire the shares of consortium partners Hurks and Heijmans has meanwhile reached an advanced stage. The loss provision created in 2016 will be maintained at the same level. This project is fully under control. Besides the RIVM/CBG project, several other loss-making projects in this segment were a cause for concern.

According to revenue categories, the breakdown of the total revenue is as follows:

In millions of euros	2017	2016
Projects for third parties	1,798.3	1,764.1
Temporary staff	11.0	10.7
Service maintenance and concessions	538.7	514.0
Revenue from inventory	6.9	2.6
Other	29.8	24.2
Total	2,384.7	2,315.6

19. Other operating income

Other operating income relates to the book profit on the sale of the production activities of Edel Grass B.V.

20. Staff costs

	2017	2016
Wages and salaries	537,779	518,263
Social security contributions	102,315	99,719
Defined contribution plans	41,484	39,835
Defined benefit plans	3,627	3,956
Temporary agency staff	63,461	53,417
Other staff costs	92,706	92,166
Total	841,372	807,356

Some of the Group companies also have defined benefit plans (see note 12). The lease payments for passenger cars, included under other staff costs, were €41.5 million (2016: €40.8 million).

At December 31, 2017, the number of employees in the Group, expressed in full-time equivalents, was 9879 (2016: 9529).

The breakdown is as follows:

	2017	2016
The Netherlands	6121	6142
Other Europe	3134	2814
US	367	386
South America	70	24
Asia	187	163
Total	9879	9529

21. Related parties

Sanderink Investments B.V. with its associates is identified as a related party. Oranjewoud N.V. is for 97.69% owned by Sanderink Investments B.V. Sanderink Investments B.V. is for 100% owned by Stichting Administratiekantoor Sanderink Investments of Gerard Sanderink. The related parties of the Group consist of the associates, the directors and other related parties. For a list of the subsidiaries see note 40.

Purchases from related parties were made at normal market prices and concern IT related purchases in "the normal course of business" of both Oranjewoud and other companies belonging to the Group. The total amount of these purchases amounted to €2.7 million (2016: €3.0 million). As of the year end, we have the following outstanding receivables and liabilities due to transactions with Sanderink Investments B.V.: receivables €128,000 (2016: €104,000) and liabilities €2,175,000 (2016: €880,000).

Balances outstanding at year-end are not covered by collateral security, carry no interest and are settled in cash. Current account balances with foreign related entities carry interest, with a limited divergence from the current variable market rate of interest. No guarantees have been issued nor received for the amounts payable to or receivable from related parties.

In addition, there is a subordinated loan of Sanderink Investment B.V. of €1 million (2016: €1 million). See also note 14 “Subordinated loans”.

Board of Directors
In 2017, the membership of the Board of Directors consists of Mr G.P. Sanderink and Mr P.G. Pijper. The remuneration provided by the company for the financial year, consisting of fixed and variable remuneration, as well as pension expenses, for directors (also key decision-makers in the Group) came to €319,998 (2016: €314,449).

The remuneration of Mr. P.G. Pijper is as follows. The fixed salary including holiday allowance, fixed year end bonus and reimbursements amounts to €235,598 (2016: €233,545) on an annual basis. The variable remuneration (exclusive one time bonuses), based on agreed upon criteria per financial year, is no more than 35% of the annual salary. Besides this the employer pays a pension contribution of 8.0% (2016: 8.0%) of the pension giving salary. Once a year, at June 30, the remuneration may be adjusted.

	Year	Salary	Bonus [1]	Pension
G.P. Sanderink	2017	-	-	-
	2016	-	-	-
P.G. Pijper	2017	235,598	71,400	13,000
	2016	233,545	71,400	9,504

[1] The bonus is based on agreed criteria by calendar year.

The bonus 2017 of €71,400 is the maximum amount. The actual amount is determined after the General Meeting. No loans, advances or related guarantees have been issued to the management.

Supervisory Board
The remuneration for the members of the Supervisory Board, consisting only of fixed remuneration, is €101,625 (2016: €94,500).

	2017	
H.G.B. Spenkelink	37,500	
J.P.F. van Zeeland	28,500	
W.G.B. te Kamp	28,500	
H.P.J.M. Jans	7,125	

22. Other operating expenses

	2017	
Facility expenses	37,294	
Office expenses	13,259	
Selling expenses	5,186	
Other expenses	151,953	
Total	207,692	

The lease payments for company cars, included under other expenses, amount to €25.7 million (2016: €21.4 million). The rental costs, included in facility costs, amount to approximately €25.3 million (2016: €26.5 million). The rental costs mainly relate to leases of office buildings. Leases are entered into for an average of 5 to 10 years, generally with renewal options. The future lease obligations are specified in the "Liabilities not included in the statement of financial position" (note 16).

In 2017, a total of €1.3 million of grants was received (2016: €0.9 million). These grants are deducted from the costs of which the grant relates to. The costs for 'research and development' (excluding training costs) amounted to €0.2 million in 2017 (2016: €0.1 million).

23. Finance revenue and costs		2017	2016
Finance revenue:	Interest income	4,531	4,931
	Accretion financial non-current assets	94	113
	Result on associates	228	190
	Exchange gains	225	574
	Subtotal	5,078	5,808
Finance costs:	Interest expense for bank debt and affiliated companies	(13,762)	(15,586)
	Exchange losses	(468)	(862)
	Results forward exchange contracts	(2,768)	(5,669)
	Subtotal	(16,998)	(22,117)
	Total finance revenue and costs	(11,920)	(16,309)

In comparison to 2016, the negative balance of financial income and expenditure was €4.4 million less, due mainly to the forward exchange contracts.

The result forward exchange contracts relates to contracts for the Riyadh subway project that were entered into in 2014 and 2016 and settled in 2017. Losses are offset by a positive Ebitda result as US-dollar cash flows from Riyadh lead to more euros because of the relative increase of the US-dollar against the euro.

In 2017 interest has been activated to the amount of €0.3 million (2016: €0.2 million) in work in progress, see also note 9.

24. Income Tax

The main components of the corporate income tax expense for 2017 and 2016 were:

Consolidated statement of income	2017	2016
Current corporate income tax		
Corporate income tax payable on profit for the year	11,519	10,741
Adjustment tax expense previous years	167	(24)
Deferred corporate income tax		
Relating to acquisition of associates concerning intangible assets and property, plant and equipment	(2,518)	(2,537)
Relating to valuation of carry-forward losses	2,133	(403)
Relating to other temporary differences	1,340	(151)
Corporate income tax presented in the statement of income	12,641	7,626

The reconciliation between the nominal and the effective tax rate is as follows:	2017	%	2016	%
Profit before tax	52,738		21,524	
Nominal corporate income tax	13,185	25.0	5,381	25.0
Effect adjustment tax expense previous years	167	0.3	(24)	(0.1)
Participation exemption	(3,132)	(5.9)	(1,738)	(8.1)
Effect of foreign group companies	1,190	2.3	1,478	6.9
Impairment goodwill	98	0.2	-	-
(Not) valued compensable losses	2,109	4.0	1,940	9.0
Other	(976)	(1.9)	588	2.7
Total	12,641	24.0	7,626	35.4

The effective tax rate in 2017 differs only limited from what can be expected on the basis of the nominal rate. The effects of participation exemption, foreign group companies and (not) valued compensable losses cancel each other out. In 2016 the aforementioned factors affected the effective tax rate substantially, wherefore it is different from the nominal rate.

25. Cash flow statement

In the cash flow statement the changes without a cash flow have been made visible separately as a part of the operational cash flow. Besides that the interest received, the interest paid and the income tax paid has been stated separately.

The total net cash flow in 2017 is €11.7 million negative (2016: €43.9 million positive). This cash flow includes the negative cash flow of the combinations of €30.2 million which is mainly caused by the decrease of cash and cash equivalents of the metro project in Riyadh.

The operational cash flow in 2017 is €65.8 million positive (2016: €103.7 million positive).

Acquisition of associates of €5.2 million in 2017 concerns Iceacsa Consultores S.L.U. and NS Spooraansluitingen. In 2016 the €6.0 million concerns Edel Grass B.V. and NS Spooraansluitingen.

26. Subsequent events

In January of 2018, Strukton Rail A/S acquired Eltel's Danish rail system maintenance operations. This transaction consisted of the acquisition of maintenance contracts and track maintenance equipment. Eltel's 26 employees will join Strukton Rail. With this acquisition, Strukton Rail Denmark is bolstering its technological position in the area of overhead lines and track maintenance.

Following the acquisition of Eltel's Danish rail operations, Strukton Rail AB took over Eltel's Swedish operations on March 29, 2018. This acquisition, too, saw contracts, track maintenance equipment, and staff move to Strukton.

On April 13, 2018, Strukton Group agreed a new financing arrangement with an expiry date of April 13, 2020, plus an option for an extension through to April 13, 2023 at the latest. The main features of this financing arrangement are:

- three-year term with two options for a one-year extension;
- no compulsory repayments up to the end date;
- committed revolving credit facility of €115 million, the credit margin is 150 bps (all-in) through to year-end 2018. From 2019, the credit margin depends on a price grid that is linked to the leverage ratio (price range of 100 to 175 bps);
- committed bank guarantee facilities totaling €130 million specifically for the Riyadh subway project in Saudi Arabia;
- uncommitted (bank) guarantee facilities amounting to €180 million, granted by a total of five guarantors.

27. Services rendered for concessions and public private partnership (ppp)

Oranjewoud Group companies participate at year-end 2017 in a set of six Special Purpose Companies for ppp-concession projects. These companies have closed a concession agreement for provision of services. All agreements are based on a public private partnership. These contracts are of a type known as DBFM(O) (Design, Build, Finance, Maintain and Operate). The companies over which the Group can (collectively) exercise decision-making authority have been consolidated (proportionally). If the Group does not have collective decision-making authority, then the company is accounted for as a participation or investment.

The following applies for all concession agreements:

- the concession payments depend on the availability of the installation or accommodation;
- insofar as the payment is for provision of (support) services, it is accounted for in proportion to the services provided;
- the concession agreement contains indexation provisions and certain aspects can be adjusted on the basis of a benchmark;
- the Group itself is not the owner of the installation or accommodation;
- the volatility of the revenue and earnings is limited;
- the concession agreement does not include an option for extension.

Schoolbuildings

The Group holds a 9% (2016: 9%) stake in Talentgroep Montaigne B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of a school building for the Montaigne Lyceum high school in The Hague. The concession started in 2004 and runs until 2034.

The Group holds a 10% (2016: 10%) stake in SPC ISE B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of a school building for the International School Eindhoven. The concession started in 2011 and runs until 2043.

Public buildings

The Group holds a 6% (2016: 6%) stake in Duo2 B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of the shared accommodations of the Education Executive Agency (Dienst Uitvoering Onderwijs) and the Tax Administration (Belastingdienst) in Groningen. The concession started in 2008 and runs until 2031.

The Group holds a 50% (2016: 50%) stake in Strukton Hurks Heijmans Holding B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of the new accommodations of the National Institute for Public Health and Environment (Rijksinstituut voor Volksgezondheid en Milieu (RIVM)) and the Medicines Evaluation Board (College ter Beoordeling van Geneesmiddelen (CBG)) at the Utrecht Science Park. The concession started in 2014 and runs until 2043.

The Group holds since July 2015 a 80% (2016: 80%) stake in consortium R-creators Holding B.V. The concession agreement is a DBFMO contract for the redevelopment of the national office the Knoop. The project involves the combination of partial demolition, renovation and extension on the site of the former Knoopbarracks for the realization of a combined office and meeting centre of approximately 30,000 m^2 gross floor area for the National Government. The realization will start in the spring of 2016 and the national office will be put to use at the beginning of 2018. Then will start a maintenance and operation period of 20 years.

Infrastructure
The Group holds a 4.8% (2016: 4.8%) stake in A-Lanes A15 B.V. The concession agreement is a DBFM contract for construction and maintenance of sustainable infrastructure solutions which will ensure maximum traffic flow and safety on the A15 Maasvlakte - Vaanplein route, both during and after the works. The concession started in 2010 and runs until 2035.

The special purpose companies in question were financed with non-recourse loans. Repayment and interest guarantees were not issued by the Group. At 2017 year-end, the ppp-projects had a backlog of €444.3 million (2016: €441.7 million).

SEPARATE STATEMENT OF FINANCIAL POSITION
before proposed profit appropriation (in thousands of euros)

	12-31-2017		12-31-2016	
Non-current assets				
Intangible assets (28)		**16,685**		16,719
Associates and receivables from associates (29)	**325,839**		306,370	
Other financial fixed assets (30)	**11,250**		11,250	
Deferred tax assets	**-**		28	
		337,089		317,648
		353,774		334,367
Current assets				
Receivables (31)	**818**		126	
Cash and cash equivalents	**617**		1,023	
		1,435		1,149
Total assets		**355,209**		335,516
Equity				
Issued capital	**6,287**		6,287	
Share premium	**201,896**		201,896	
Translation differences reserve	**4,933**		932	
Legal reserve	**6,178**		7,513	
Hedge reserve	**(1,861)**		(1,945)	
Actuarial reserve	**(12,740)**		(7,896)	
Retained earnings	**68,461**		55,795	
Undistributed profit	**38,111**		11,331	
Total equity (32)		**311,265**		273,913
Provisions (29)		**11,572**		9,165
Non-current liabilities				
Subordinated loans (14)	**1,000**		1,000	
Non-current liabilities (14)	**29,845**		9,168	
Total non-current liabilities		**30,845**		10,168
Current liabilities (33)		**1,527**		42,270
Total equity and liabilities		**355,209**		335,516

SEPARATE STATEMENT OF INCOME
(in thousands of euros)

	2017	2016
Internal charges	**1,496**	1,497
Staff costs (35)	**(107)**	(104)
Other operating expenses (36)	**(1,709)**	(1,537)
Total operating expenses	**(1,816)**	**(1,641)**
Operating profit	**(320)**	**(144)**
Finance revenue	**2,993**	2,773
Finance costs	**(317)**	(474)
Net finance revenue/(costs)	**2,676**	**2,299**
Share in profit after taxes of associates	**35,873**	**9,654**
Profit before taxes	**38,229**	**11,809**
Income tax	**(118)**	(478)
Profit after taxes	**38,111**	**11,331**

NOTES TO THE SEPARATE STATEMENT OF FINANCIAL POSITION

Accounting policies
The separate financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with Section 362 (8) of Book 2 of the Code, the accounting policies applied are consistent with the accounting policies applied by Oranjewoud N.V. in the consolidated financial statements, with the exception of the accounting policy concerning associates. For the accounting policies see the notes to the consolidated financial statements.

Associates
Subsidiaries included in the consolidation (please refer to Consolidated equity interests and associates in note 37) are accounted for using the equity method pursuant to Section 362 (8) of Book 2 of the Code, with equity and profit of the subsidiaries being determined in accordance with the accounting policies of Oranjewoud N.V.

Associates with a negative net asset value are valued at zero. If the company fully or partly guarantees the debts of the associate concerned, a provision is formed primarily against the receivables from this associate and then in the other provisions for the share in the losses incurred by the associate, or the expected obligations at the company on behalf of these associates.

28. Intangible assets	Goodwill
Carrying amount at January 1, 2016	16,719
Amortization	-
Carrying amount at December 31, 2016	16,719
Balance at December 31, 2016:	
Accumulated cost	16,719
Amortization	-
Carrying amount	16,719
Carrying amount at January 1, 2017	16,719
Amortization	-
Other	(34)
Carrying amount at December 31, 2017	16,685
Balance at December 31, 2017:	
Accumulated cost	16,685
Amortization	-
Carrying amount	16,685

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29. Associates and receivables from associates	Associates	Receivables	Provisions	Total
Balance of receivables at January 1, 2016	255,765	80,390	112	336,267
Balance of provisions at January 1, 2016	-	-	(112)	(112)
Position at January 1, 2016	255,765	80,390	-	336,155
Capital funding	19,000	-	-	19,000
Change in actuarial reserve	(2,236)	-	-	(2,236)
Translation differences	4,342	-	-	4,342
Reported profit	9,654	-	-	9,654
Increase in receivables	-	(69,710)	-	(69,710)
Position at December 31, 2016	286,525	10,680	-	297,205
Balance at December 31, 2016	286,525	10,680	9,165	306,370
Balance of provisions at December 31, 2016	-	-	(9,165)	(9,165)
Position at December 31, 2016	286,525	10,680	-	297,205
Balance of receivables at January 1, 2017	286,525	10,680	9,165	306,370
Balance of provisions at January 1, 2017	-	-	(9,165)	(9,165)
Position at January 1, 2017	286,525	10,680	-	297,205
Reclassification and other	(699)	733	-	34
Change in actuarial reserve	(4,844)	-	-	(4,844)
Dividend payment	(20,000)	-	-	(20,000)
Translation differences	1,268	-	-	1,268
Reported profit	36,368	(495)	-	35,873
Increase in receivables	-	4,731	-	4,731
Position at December 31, 2017	298,618	15,649	-	314,267
Balance at December 31, 2017	298,618	15,649	11,572	325,839
Balance of provisions at December 31, 2017	-	-	(11,572)	(11,572)
Position at December 31, 2017	298,618	15,649	-	314,267

The receivables from associates were influenced in particular by the distribution of dividend, the set-off in current account of the corporate income tax within the tax group and by the issue of loans by Oranjewoud N.V. On loans to associates an interest of 5% is charged.

30. Other financial fixed assets

The other financial fixed assets include the provided subordinated loan to Strukton Groep of €11 million (2016: €11 million). The interest on the subordinated loan to Strukton Groep is 5% per year. The duration is 55 years. Early repayment is possible.

In addition, this item includes a loan to Sanderink Holding B.V. of €0.25 million (2016: €0.25 million). Interest 3.5% per year. Repayment per June 30, 2018.

31. Receivables

	12-31-2017	12-31-2016
Other receivables	818	126
Total	818	126

Other receivables have a remaining term to maturity of less than one year.

32. Equity

	Issued share capital	Share premium	Translation differences reserve	Legal reserve subsidiaries	Hedge-reserve	Actuarial reserve	Retained earnings	Profit for the financial year	Total
Balance at January 1, 2016	5,873	183,310	(2,684)	8,460	(2,001)	(5,660)	36,760	18,088	242,146
Issue of shares	414	18,586	-	-	-	-	-	-	19,000
Dividend payment for 2015	-	-	-	-	-	-	-	-	-
Retained earnings for 2015	-	-	-	-	-	-	18,088	(18,088)	-
Realized results	-	-	1,972	-	-	-	-	-	1,972
Unrealized results	-	-	1,644	(947)	56	(2,236)	947	-	(536)
Add: profit for the financial year	-	-	-	-	-	-	-	11,331	11,331
Balance at January 1, 2017	6,287	201,896	932	7,513	(1,945)	(7,896)	55,795	11,331	273,913
Dividend payment for 2016	-	-	-	-	-	-	-	-	-
Retained earnings for 2016	-	-	-	-	-	-	11,331	(11,331)	-
Realized results	-	-	-	-	-	-	-	-	-
Unrealized results	-	-	4,001	(1,335)	84	(4,844)	1,335	-	(759)
Add: profit for the financial year	-	-	-	-	-	-	-	38,111	38,111
Balance at December 31, 2017	6,287	201,896	4,933	6,178	(1,861)	(12,740)	68,461	38,111	311,265

The authorized share capital at December 31, 2017 amounted to €10,000,000 consisting of 100,000,000 A and B shares of €0.10 each. The issued and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. The issued capital at December 31, 2017 consisted of €2,955,307 in A shares and €3,331,980 in B shares (December 31, 2016: €2,955,307 in A shares and €3,331,980 in B shares). Unlike for A shares, no listing was requested for B shares. There is no difference in terms of control between the A shares and B shares.

On December 21, 2016, Oranjewoud N.V. increased its shareholders' equity through a private share issue of 4,139,434 B shares. These shares were issued to Sanderink Investments B.V. The issue price is €4.59 per share. These B shares will not be listed.

The translation difference reserve contains all currency exchange rate differences arising due to conversion of the Group's net investment in foreign subsidiaries with a currency other than the functional currency. As a result of the deconsolidation of Antea Colombia SAS by the cessation of the activities in June 2016, the related translation differences reserve to the amount of €1,972,000 is realized.

The legal reserve subsidiaries concerns not free distributable profits and reserves of joint ventures.

The hedge reserve consists of the cumulative change in fair value of hedge instruments when the hedged transactions have not yet been carried out or the hedge position has not yet ended.

The actuarial reserve consists of the cumulative change in present value of pension liabilities minus the fair value of the plan assets as a result of changes in actuarial assumptions. It concerns a distributable reserve.

The Articles of Association of the company provide that issues of shares take place pursuant to a decision of the Management. The company may acquire fully paid-up shares in its own capital, but only for no consideration. Acquisition other than for no consideration can only take place if the general meeting has authorized the Management accordingly. The translation differences reserve and the actuarial reserve are not freely distributable. Other reserves consist of the balance of accumulated losses and retained earnings.

33. Current liabilities

	12-31-2017	12-31-2016
Repayment obligations	-	40,763
Amounts owed to suppliers and trade payables	1	21
Other liabilities	1,526	1,486
Total	1,527	42,270

Oranjewoud N.V. and its Group companies established in the Netherlands are jointly and severally liable for the credit facility. The borrowers have undertaken not to encumber their assets with security without the lender's advance consent.

The amounts owed to credit institutions are further explained in note 10. For an explanation on the repayment obligations see note 14.

34. Liabilities not included in the statement of financial position

All Dutch wholly-owned associates, which are not a part of the Strukton Groep, are part of the tax group for corporate income tax purposes of Oranjewoud N.V. (with the exception of Edel Grass B.V.). Consequently, the aforesaid companies are jointly and severally liable for corporate income tax liabilities of Oranjewoud N.V. and the companies forming part of this tax group.

Within the tax group the corporate income tax will be settled in current account. The corporate income tax is calculated by applying the current rate (2017 and 2016: 25%) to the profit before taxes.

As of October 29, 2010 Strukton Groep N.V. is forming a new taxable unit with the majority of its 100% domestic subsidiaries.

NOTES TO THE SEPARATE STATEMENT OF INCOME

35. Remuneration

For details of the remuneration of the Board of Directors and the Supervisory Board as referred to in Section 383 (1) of Book 2 of the Dutch Civil Code, see note 21 to the consolidated statement of income.

36. Other operating expenses

	2017	2016
Office expenses	58	76
Selling expenses	-	1
Other expenses	1,651	1,460
Total	1,709	1,537

37. Audit fees

The audit firm's fees can be broken down as follows:

	2017 PwC The Netherlands	2017 PwC Network	2017 PwC Total	2016 PwC The Netherlands	2016 PwC Network	2016 PwC Total
Audit of the financial statements	1,200	401	1,601	1,147	378	1,525
Other assurance services	-	36	36	17	-	17
Total PwC Assurance	1,200	437	1,637	1,164	378	1,542
Tax advice	-	141	141	-	39	39
Other non assurance services	-	-	-	-	-	-
Total PwC tax/other	-	141	141	-	39	39
Total	1,200	578	1,778	1,164	417	1,581

The audit firm's fees have been disclosed in accordance with Section 382a of Part 9 of Book 2 of the Dutch Civil Code.

38. Proposal regarding profit appropriation over 2017

The Board of Directors, with the approval of the Supervisory Board, has proposed to pass dividend payment for the financial year 2017.

39. Subsequent events

See explanatory note 26.

40. Consolidated interests and associates

The consolidated subsidiaries and the equity interest percentages are:	Equity interest (%) 2017	2016
Oranjewoud N.V., Gouda	100	100
Antea Nederland B.V., Heerenveen	100	100
Croonen B.V., Rosmalen	100	100
BodemBasics B.V., Oosterhout	100	-
Oranjewoud Beheer B.V., Heerenveen	100	100
Ingenieursbureau Oranjewoud III B.V., Heerenveen	100	100
Oranjewoud International B.V., Heerenveen	100	100
Antea Inspection B.V., Heerenveen	100	100
HMVT B.V., Rotterdam	100	100
Hazelaar/HMVT Milieutechniek B.V., Coevorden	100	100
Inogen Design en Management B.V., Capelle aan den IJssel	100	100
WeGroSport N.V., Antwerp (Belgium)	100	100
WeGroSan/HMVT B.V.B.A., Antwerp (Belgium)	100	100
Antea Belgium N.V., Antwerp (Belgium)	100	100
Antea Group N.V., Gouda	100	100
Inogen Global Holding Inc., Delaware (USA)	100	100
Antea USA Inc., St. Paul (USA)	100	100
Integrated Rail Solutions North America Inc., Delaware (USA)	100	100
AG Participations SNC, Olivet (France)	100	100
Antea France SAS, Orléans (France)	100	100
Géo-Hyd SARL, Olivet (France)	100	100
Antea Burkina Faso, Ouagadougou (Burkina Faso)	100	100
Groupe IRH Environnement SAS, Gennevilliers (France)	100	100
ICF Environnement SAS, Gennevilliers (France)	100	100
IRH Ingenieur Conseil SAS, Gennevilliers (France)	100	100
Sorange SAS, Bezannes (France)	100	100
Angelbrasil Geologia e Meio Ambiente, Sao Paulo (Brasil)	50,94	46,94
Iceacsa Consultores S.L., A Coruña (Spain)	100	-
Iceacsa Colombia SAS, Bogotá (Colombia)	100	-
Iceacsa Panama S.A., Ciudad de Panamá (Panama)	100	-
Iceacsa Mexico S.A., México (Mexico)	100	-
Iceacsa Peru SAC, Lima (Peru)	100	-
Unihorn India Pvt. Ltd, New Delhi (India)	100	100
Oranjewoud Realisatie Holding B.V., Gouda	100	100
Antea Realisatie B.V., Oosterhout	100	100
Van der Heide Beheer B.V., Kollum #	100	100
Van der Heide Bliksembeveiliging B.V., Kollum #	100	100
Van der Heide Bliksembeveiliging Inspecties B.V., Kollum #	100	100
Van der Heide Opleidingen & Inspecties B.V., Kollum #	100	100
Van der Heide Cathodic Protection & Corrosion Engineering B.V., Kollum #	100	100
Instituut voor Technische Vakexamens B.V., Kollum #	100	100
Waterrijk Infra Boskoop B.V., Oosterhout	100	100
Gebrüder Becker GmbH, Taunusstein-Hahn (Germany)	100	100
Edel Grass B.V., Genemuiden #	100	100
Oranjewoud Detachering Holding B.V., Gouda	100	100
TecQ B.V., Capelle aan den IJssel	100	100
InterStep B.V., Utrecht	100	100

	Equity interest (%) 2017	2016
InterStep Projects B.V., Utrecht	100	100
InterStep Professionals B.V., Utrecht	100	100
Nexes Services B.V., Utrecht	100	100
Ingenieursbureau Oranjewoud II B.V., Gouda	100	100
Centric Information Engineering Gouda B.V., Gouda	100	100
Oranjewoud Holding B.V., Gouda	100	100
KSI Software Solutions B.V., IJsselstein	100	100
KSI Interactive B.V., IJsselstein	100	100
Delphi Data B.V., Gouda	100	100
Multihouse TSI B.V., Gouda	100	100
ASAC Belgium N.V., Brussels (Belgium)	100	100
Strukton Groep N.V., Utrecht	100	100
Strukton Rail B.V., Utrecht	100	100
Strukton Rail Nederland B.V., Utrecht	100	100
Strukton Rail Short Line B.V., Utrecht	100	100
IWORKX B.V. (v/h Strukton Rail Projects B.V.), Utrecht	100	100
Strukton Rolling Stock B.V., Utrecht	100	100
Strukton Embedded Solutions B.V., Utrecht	100	100
Strukton M&E B.V., Maarssen	100	100
Strukton Systems B.V., Utrecht	100	100
Strukton Rail Equipment B.V., Utrecht	100	100
Strukton Rail Consult B.V., Utrecht	100	100
Strukton Railinfra Projecten B.V., Utrecht	100	100
Strukton Rail Italy S.r.l., Bologna (Italië)	100	100
Strukton Rail Australia PTY Ltd., Perth (Australia)	100	100
Strukton Rail International B.V., Utrecht	100	100
Nova Gleisbau AG, Baar (Switzerland)	100	100
Strukton Rail N.V., Merelbeke (Belgium)	100	100
Siebens Spoorbouw B.V.B.A., Wilrijk (Belgium)	100	100
Strukton Railinfra AB, Stockholm (Sweden)	100	100
Strukton Rail AB, Stockholm (Sweden)	100	100
RBS ban och signal AB, Stockholm (Sweden)	100	100
Strukton Rail A/S, Copenhagen (Denmark)	100	100
Strukton Railinfra Nordic AB, Stockholm (Sweden)	100	100
Strukton Rail Västeras AB, Stockholm (Sweden)	100	100
SR Kraft AS, Oslo (Norway)	100	100
Strukton Rail Holding A/S, Taastrup (Denmark)	100	100
Strukton Rail S-Bane A/S, Taastrup (Denmark)	100	100
Strukton Rail North America Inc., Delaware (USA)	100	100
THV Noordzuidlijn, Merelbeke (Belgium)	100	100
Strukton Civiel B.V., Utrecht	100	100
Strukton Civiel Projecten B.V., Utrecht	100	100
GBN Groep B.V., Utrecht	100	100
Grondbank Stadskanaal B.V., Utrecht	100	100
Grind & Ballast Recycling Nederland B.V., Utrecht	100	100
A-Lanes Asset Management B.V. (v/h Strukton Asset Management Civiel B.V.), Utrecht	100	100
Terracon Molhoek Beheer B.V., Werkendam	100	100
Terracon Funderingstechniek B.V., Nieuwendijk	100	100
Terracon International B.V., Nieuwendijk	100	100
Terracon Spezialtiefbau GmbH, Berlin (Germany)	100	100
Molhoek Aannemingsbedrijf B.V., Nieuwendijk	100	100

	Equity interest (%) 2017	2016
Strukton Industriebouw B.V., Utrecht	-	100
Strukton Engineering B.V., Utrecht	100	100
Strukton Infratechnieken B.V., Utrecht	100	100
Strukton Microtunneling B.V., Maarssen	100	100
Canor Benelux B.V., Utrecht	100	100
Reanco Benelux B.V., Utrecht	100	100
Strukton Prefab Beton B.V., Utrecht	100	100
Strukton Verkeerstechnieken B.V., Utrecht	100	100
Adpa Holding B.V., Deventer	-	100
Repa Infra B.V., Deventer	-	100
Strukton Civiel Noordoost B.V., Oldenzaal	100	100
Reef Infra B.V., Oldenzaal	100	100
Reef Milieu B.V., Oldenzaal	100	100
Reef Infra Netwerkbouw B.V., Oldenzaal	-	100
Reef GmbH, Gronau (Germany)	100	100
Strukton Civiel West B.V., Scharwoude	100	100
Ooms Construction B.V., Scharwoude	100	100
Ooms Materieel B.V., Scharwoude	100	100
Ooms Transport B.V., Scharwoude	100	100
Ooms Producten B.V., Scharwoude	100	100
Unihorn B.V., Avenhorn	100	100
Unihorn Astana, Astana (Kazachstan) **	100	100
Strukton Milieutechniek B.V., Utrecht	100	100
Strukton Civiel Zuid B.V., Utrecht	100	100
Rasenberg Infra B.V., Breda	100	100
Reanco B.V., Breda	100	100
Rasenberg Verkeer & Mobiliteit B.V., Breda	100	100
Recycling & Overslag Breda B.V., Breda	100	100
Van Rens B.V., Horst	100	100
Colijn Beton- en Waterbouw B.V. (v/h Colijn Aannemersbedrijf B.V.), Breda	100	100
Tensa B.V., Nieuwendijk	100	100
Combinatie Strukton Infratechnieken - Colijn - Reef v.o.f., Utrecht	100	100
CMS Bouwkuipen v.o.f., Werkendam	-	100
Colijn – Rasenberg v.o.f., Breda	100	100
RACO A59 v.o.f., Breda	100	100
Avenue2 Infra v.o.f., Nieuwegein	100	100
Meppelerdiepsluis v.o.f., Utrecht	100	100
Strukton Bouw B.V., Utrecht *	100	100
Strukton Bouw & Onderhoud B.V., Utrecht *	100	100
Strukton Van Straten B.V., Eindhoven	100	100
Strukton Projectontwikkeling B.V., Utrecht	100	100
Strukton Gamma B.V., Utrecht	100	100
Strukton Delta B.V., Utrecht	100	100
C.V. Voorstadslaan, Utrecht	100	100
La Mondiale N.V., Etterbeek (Belgium)	100	100
Strukton CSNS v.o.f., Utrecht	100	100
Het Spaarne v.o.f., Utrecht	100	100
Combinatie Geo Grid v.o.f., Utrecht	100	100
Strukton Services B.V., Utrecht	100	100
Strukton WorkSphere B.V., Utrecht	100	100
WorkSphere Beheer B.V., Utrecht	100	100
Strukton WorkSphere Bouw B.V., Utrecht	100	100

	Equity interest (%) 2017	2016
Strukton WorkSphere België B.V.B.A., Tongeren (Belgium)	100	100
Strukton Integrale Projecten B.V., Utrecht *	100	100
Strukton Finance ESCo's Holding B.V., Utrecht	100	100
RGG cluster zwembaden ESCo Invest B.V., Utrecht	100	100
RGG KPP Esco Invest B.V., Utrecht	100	100
Strukton Assets B.V., Utrecht	100	100
Strukton Management B.V., Utrecht *	100	100
Strukton Vastgoedbeheer en Facility Management B.V., Utrecht	100	100
Servica B.V., Utrecht	100	100
Servica Advies B.V., De Meern	100	100
Strukton Materieel B.V., Utrecht *	100	100
Strukton Vuka B.V., Utrecht	100	100
Strukton Elschot B.V., Utrecht	100	100
Molhoek - CCT B.V. (v/h Ecorail B.V.), Utrecht	100	100
Combinatie Strukton Zaanstad CSZ v.o.f., Utrecht	100	100
Duo^2 v.o.f., Maarssen	100	100
Strukton International B.V., Utrecht	100	100
Strukton International Sweden AB, Göteborg (Sweden)	100	100
Strukton International Denmark A/S, Copenhagen (Denmark)	100	100
Strukton Immersion Projects B.V., Utrecht	100	100
Strukton Specialistische Technieken B.V., Utrecht	100	100
Onderwatertechniek Nederland B.V., Utrecht	100	100
Ooms PMB B.V., Scharwoude	100	100
Strukton International Rail B.V., Utrecht	100	100
Strukton International Belgium N.V., Merelbeke (Belgium)	100	100
Strukton International Deutschland GmbH, Kleve (Germany)	100	-
Strukton International Argentina SA, Buenos Aires (Argentina)	100	-
Integral consolidation with minority interests include the following:		
J&E Sports B.V., Oss	85	85
Mook Trading B.V., Nuenen	85	-
Inogen Environmental Alliance Inc., Delaware (USA)	73	73
Promofer S.r.l., Rome (Italy)	60	-
Uniferr S.r.l., Reggio Emilia (Italy)	60	60
Costruzioni Linee Ferroviari S.p.A., Bologna (Italy)	60	60
CLF Albanie SHPK, Tirana (Albany)	60	60
Costruzioni Linee Ferroviari CLF C.A., Caracas (Venezuela)	60	60
Frejus s.c.r., Bologna (Italy)	16,79	16,79
Sviluppo 2010 S.r.l., Bologna (Italy)	60	60
S.I.F. EL S.p.A., Spigno Monferrato (Italy)	60	60
Fimont S.r.l., Spigno Monferrato (Italy)	-	37,2
Techno Engineering System S.r.l., Bologna (Italy)	60	60
Ar.Fer S.r.l., Alessandria (Italy)	60	60
The following entities have been treated as a joint operation:		
Tribase Computer and Netw Serv v.o.f., Utrecht	33 1/3	33 1/3
Combinatie Hollandia – Strukton Systems v.o.f., Utrecht	50	50
Strukton-Aarsleff JV I/S, Aarhus (Denmark)	45	45
Sitec Consorzio Stabile ferr., Bologna (Italy)	28,5	28,5
Exploitatiemaatschappij A-Lanes A15 B.V., Nieuwegein	33 1/3	33 1/3
A-Lanes Civil v.o.f., Nieuwegein	45	45

	Equity interest (%) 2017	2016
HSL1 Hollandse Meren v.o.f., Utrecht	12,6	12,6
HSL1 Kunstwerken v.o.f., Rijpwetering	22	22
Combinatie Strukton Betonbouw - Van Oord ACZ (Noord-Zuidlijn), Utrecht	75	75
Bouwcombinatie HSL4 Drechtse Steden v.o.f., Zwijndrecht	15,7	15,7
Geluidschermen Combinatie HSL v.o.f., Zaandam	15,7	15,7
Combinatie Zinktunnel Strukton/Van Oord ACZ, Utrecht	50	50
Bouwcombinatie Strukton-Boskalis, Utrecht	58	58
Combinatie Onderwaterwerk Botlek v.o.f., Soest	50	50
Avenue 2 v.o.f., Nieuwegein	50	50
GWW Combinatie A2 v.o.f., Arnhem	25	25
FC AV2 v.o.f., Nieuwegein	50	50
Combinatie Versterken Bruggen v.o.f., Capelle a/d IJssel	50	50
Combinatie Strukton Ballast Maatvoering v.o.f., Zaandam	50	50
Bouwcombinatie Kaam v.o.f., Weert	7	7
Combinatie –SRS, Breda	50	50
BPL Wegen, Rotterdam	50	50
Combinatie Buitenring v.o.f. (BPL Koepel), Rotterdam	33 1/3	33 1/3
FC (Funderingscombinatie) Eemshaven v.o.f., Werkendam	-	50
Combinatie Spanstaal – Tensa v.o.f., Werkendam	50	50
BNSG/Molhoek v.o.f., Soest	50	50
FC Mava v.o.f., Werkendam	50	50
FC ZuBaTe v.o.f., Werkendam	-	25
A-Lanes A15 Mobility v.o.f., Nieuwegein	45	45
A-Lanes A15 JV Roads v.o.f., Nieuwegein	45	45
Combinatie Van Gelder - Strukton Civiel Projecten v.o.f. (IGO A1), Elburg	50	50
Combinatie Reef Infra/De Waard, Oldenzaal	50	50
DUOS v.o.f., Oldenzaal	50	50
A9V1, Utrecht	50	50
Combinatie Natuuronwikkeling Maasplassen v.o.f., Vinkel	50	50
Rions – Rasenberg, Sittard	50	50
Hydraphalt v.o.f.,Scharwoude	50	50
CE-Asfaltonderzoek v.o.f., Scharwoude	50	50
Combinatie Ooms Ballast MNO v.o.f., Scharwoude	33 1/3	33 1/3
Zandexploitatie Westfriesland v.o.f., Scharwoude	50	50
Grondbank West Brabant v.o.f., Utrecht	50	50
Grondbank Noord Oost Brabant v.o.f., Utrecht	50	50
Combinatie Dinteloord, Middelharnis	50	50
Combinatie Ooms – Schadenberg, Scharwoude	50	50
Combinatie Ooms Jaro, Middelharnis	-	50
Combinatie K. Dekker - Ooms Construction Muiden, Warmenhuizen	50	50
Ooms Construction - RDM v.o.f., Scharwoude	50	50
Combinatie Ooms Construction/Strabag v.o.f., Middelharnis	-	50
Fast Riyadh Metro Alliance = Fast, Riyad (SA)	14,08	14,08
Construction Joint Venture (CJV), Riyad (SA)	17,96	17,96
Track Joint Venture (TJV), Riyad (SA)	8,08	8,08
Ooms PMB Gulf Asphalt Trading LLC, Abu Dhabi (UAE)	49	49
Grondontwikkeling Beilen B.V., Amsterdam	50	50
Safire Services v.o.f., Eindhoven	33,3	33,3
Bouwcombinatie Komfort v.o.f., Utrecht	50	50
Bouwcombinatie DC 16 v.o.f., Utrecht	50	50
Avenue 2 v.o.f., Nieuwegein	25	25
Bouwcombinatie ISE DB v.o.f., Eindhoven	91	91

	Equity interest (%) 2017	2016
Bouwcombinatie Strukton - De Nijs v.o.f., Utrecht	50	50
La Linea Leiden C.V., Rotterdam	50	50
Stichting Centrum Innovatief Vakmanschap de Hallen, Amsterdam	50	50
RGG cluster Zwembaden ESCo Exploitatie v.o.f., Utrecht	50	50
Bouwcombinatie ICCS v.o.f., Utrecht	50	50
SPARK v.o.f., Utrecht	50	50
RCreators DBMO v.o.f., Nieuwegein	45	45
Exploitatiemaatschappij DC 16 B.V., Nieuwegein	50	50
Exploitatiemaatschappij Komfort B.V., Nieuwegein	50	50
MEET RIVM CBG B.V., Den Bosch	37,5	37,5
Not consolidated are the following entities:		
TRS Europe B.V., Ede	50	50
Reym-HMVT B.V., Ede	50	50
Aanlegkunstgrasvelden.nl B.V., Oss	18,7	18,7
J & E Sports Baltic UAB, Panevezys, (Lithuania)	43,35	-
Strukton Finance Holding B.V., Utrecht ***	11,99	11,99
TalentGroep Montaigne Holding B.V., Rotterdam	8,97	8,97
TalentGroep Montaigne B.V., Rotterdam	8,97	8,97
ISE Holding B.V., Utrecht	10	10
SPC ISE B.V., Eindhoven	10	10
Duo² Holding B.V., Utrecht	6	6
Duo² B.V., Utrecht	6	6
A-Lanes A15 Holding B.V., Nieuwegein	4,8	4,8
A-Lanes A15 B.V., Nieuwegein	4,8	4,8
Tubex B.V., Oostburg	-	50
Profin B.V.B.A., Gent (Belgium)	50	50
Voestalpine Railpro B.V., Hilversum	10	10
A1 Electronics Netherlands B.V., Almelo	50	50
Buca Electronics B.V., Almelo	50	50
Dual Inventive Holding B.V., Udenhout	50	50
Dual Inventive Nederland B.V., Udenhout	50	50
Dual Inventive Production B.V., Udenhout	50	50
Dual Inventive Technology Centre B.V., Oisterwijk	50	50
Dual Inventive Europe B.V., Oisterwijk	50	50
Dual Inventive Ltd., Sheffield (Great Britain)	37,5	37,5
Eurailscout Inspection & Analysis B.V., Utrecht	50	50
Erdmann Software GmbH, Görlitz (Germany)	25	25
Eurailscout France SAS, Paris (France)	48,7	48,7
Eurailscout Italy S.r.l., Bologna (Italy)	50	50
New Sorema Ferroviaria S.p.A., Brescia (Italy)	30	30
C2CA Technology B.V., Utrecht	50	50
BAG B.V., Maastricht	20	20
Grondstoffenrecycling Weert B.V., Weert	50	50
Nebeco B.V., Ede	50	50
Combinatie Verkeersmaatregelen A-Lanes v.o.f., Rotterdam	50	50
Combinatie Ballast Nedam Infra Spec./Van Rens, Leerdam	30	30
Noordelijke Asfaltproduktie (NOAP) B.V., Heerenveen	50	50
Nederlands Wegen Markeerbedrijf B.V., Oosterwolde	25	25
Lareco Holding B.V., Hardenberg	33 1/3	33 1/3
Lareco GmbH, Wesel (Germay)	33 1/3	33 1/3

	Equity interest (%) 2017	2016
Sureco N.V., Boom (Belgium)	33 1/3	33 1/3
Aduco Holding B.V., Ede	25	25
Aduco Nederland B.V., Ede	25	25
Lareco Bornem N.V., Antwerp (Belgium)	33 1/3	33 1/3
Tubex B.V., Oostburg	50	-
Hoka Noord-West v.o.f., 's-Hertogenbosch	50	50
Asfalt Productie Amsterdam (APA) B.V., Amsterdam	25	25
Asfalt Productie Rotterdam Rijnmond, (APRR) B.V., Rotterdam	25	25
BituNed B.V., Reeuwijk	50	50
Palletteer B.V., Wervershoof	50	50
MT Piling B.V., Harmelen	50	50
Microtunneling Equipment Exploitatie B.V., Utrecht	50	50
Rebru v.o.f., Utrecht	50	50
Fast Consortium LLC, Riyad (SA)	17,96	17,96
Strukton LLC, Riyad (SA)	49	49
DMI Nederland B.V., Weert	50	50
DMI Geräte GmbH, Berlin (Germany)	50	50
DMI Spezialinjektionen Süd GmbH, Berlin (Germany)	50	50
DMI International, Berlin (Germany)	50	50
DMI Injektionstechnik GmbH, Berlin (Germany)	50	50
DBS Spezialsanierungen GmbH, Forst (Germany)	50	50
Al Jaber Bitumen-Ooms LLC, Abu Dhabi (UAE)	30	30
TIdal Bridge B.V., Eindhoven	60	-
Fish Flow Tidal Power B.V., Medemblik	40,02	-
PT Tidal Bridge Indonesia, Denpasar Bali (Indonesia)	57	57
Strukton Arrigoni SpA, Santiago (Chili)	50	50
Strukton Construction Trading WLL, Doha (Qatar)	49	49
La Linea Leiden Beheer B.V., Rotterdam	50	50
Venturium Beheer B.V., Capelle a/d IJssel	25	25
Ontwikkel- en Bouwcombinatie Laudy-Strukton v.o.f., Eindhoven	50	50
ISE Exploitatie B.V., Eindhoven	34	34
SPC Management Services B.V., Utrecht	50	50
A-Lanes Management Services B.V., Nieuwegein	25	25
Strukton Hurks Heijmans Holding B.V., Utrecht	50	50
Strukton Hurks Heijmans B.V., Utrecht	50	50
RCreators Holding B.V., Utrecht	80	80
RCreators B.V., Utrecht	80	80

For the with # branded companies disclaimers have been issued by Oranjewoud N.V. in accordance with Article 403 of Title 9 of Book 2 Civil Code.

For the with * branded companies disclaimers have been issued by Strukton Groep N.V. in accordance with Article 403 of Title 9 of Book 2 Civil Code.

** in liquidation

*** Strukton Finance Holding B.V.'s share capital is made up of different kinds of shares that are linked to various investments in PPP projects. The company's participations are generally 80/20 splits (DIF/Strukton), with the only exceptions being ISE Holding BV, for which the share split is 90/10 (DIF/Strukton), and Strukton Finance B.V. (Delfluent) and Komfort Holding B.V., where all tracker shares are held by DIF.

With the Chamber of Commerce a list has been filed of all associates, joint ventures and joint operations (mainly building combinations) which are involved in the consolidation.

A list of participations as referred to in Article 379 and 414 of Book 2 Civil Code has been filed with the trade register in Rotterdam.

Gouda, April 26, 2018

Supervisory Board:
Mr. H. G. B. Spenkelink, chairman
Ms. H.P.J.M Jans
Mr. W.G.B. te Kamp
Mr. J. P. F . van Zeeland

Board of Directors:
Mr. G. P. Sanderink

oranjewoud

OTHER INFORMATION

Provisions on profit appropriation in the Articles of Association
Article 33 of the Articles of Association of the company provides that the profit is at the disposal of the General Meeting of Shareholders.

Provisions for amendment of the Articles of Association
The General Meeting is authorized to amend the Articles of Association. A resolution to amend the Articles of Association can only be made on the proposal of the combined meeting. A proposal to amend the Articles of Association must be stated in the notice convening the General Meeting of Shareholders.

Before the combined meeting submits a proposal to amend the Articles of Association to the General Meeting, the combined meeting must consult with Euronext Amsterdam N.V. on the substance of the proposed amendment of the Articles of Association.

Independent auditor's report

To: the general meeting and supervisory board of Oranjewoud N.V.

Report on the financial statements 2017

Our opinion

In our opinion, Oranjewoud N.V.'s financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2017, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2017 of Oranjewoud N.V., Gouda ('the Company'). The financial statements include the consolidated financial statements of Oranjewoud N.V. and its subsidiaries (together: 'the Group') and the separate financial statements.

The financial statements comprise:

- the consolidated balance sheet as at 31 December 2017;
- the following statements for 2017: the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of equity transactions and the consolidated cash flow statement; and
- the explanatory notes, comprising a summary of the key accounting policies and other explanatory information.

The separate financial statements are made up of:

- the separate balance sheet as at 31 December 2017;
- the separate statement of income for 2017; and
- the explanatory notes featuring a summary of the principles of financial reporting that were applied and other details.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

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

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

Independence

We are independent of Oranjewoud N.V. in accordance with the European Regulation on specific requirements regarding statutory audit of public interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Our audit approach

Overview and context

Oranjewoud N.V. is a listed enterprise encompassing companies operating both nationally and internationally. Strukton Groep N.V. is the largest company within the Oranjewoud Group, and is itself also made up of various business units. The group is comprised of several companies and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

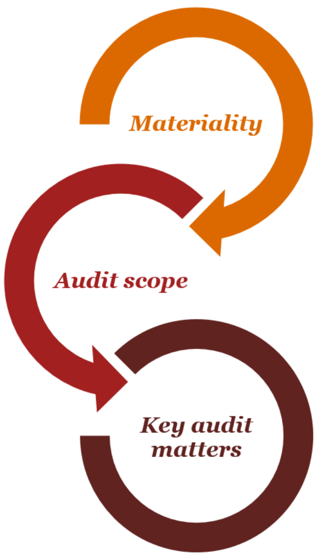
The companies that are part of Oranjewoud N.V. are active in the fields of civil infrastructure, rail systems, technology and buildings, the environment, spatial development, water and recreation. This covers the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation. The activities are registered throughout the projects. Our audit focused heavily on these projects.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In the principles of the financial statements the company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in large-scale and complex projects, goodwill and the assessment of deferred tax assets, we considered these to be key audit matters as set out in the section 'Key audit matters' of this report. We also designated the agent contract related to the Riyadh subway project as a key audit matter, on account of the heightened risk of non-compliance with applicable legislation and regulations.

As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. Another focus area in our audit, which was not designated as a key audit matter, is the new financing arrangement for Strukton that was agreed with the banks in April 2018.

We ensured that the audit teams both at group and at business unit levels included the appropriate skills and competences which are needed for the audit of a project organization. We therefore included specialists in the areas of IT, pensions, financing, financial instruments, taxes and evaluation of goodwill in our team.

The outline of our audit approach was as follows:



Materiality

Overall materiality: €12,000,000.

Audit scope

- We have identified one significant business unit (Strukton Groep N.V.). For this business unit as well as for three other business units (Antea France, Antea USA and Antea Nederland) we have conducted *full scope audits*.
- Strukton Groep N.V. is made up of four business units (Strukton Rail, Strukton Civiel, Strukton Techniek & Gebouwen, and Strukton International), all of which are significant and each of which is also made up of multiple units.
- In addition to visits by the audit teams to the Dutch based units, we visited Sweden, Denmark, Italy and France. We also visited Struktons subway project in Riyadh.
- Audit coverage: 79 % of consolidated revenue, 74 % of consolidated total assets and 91 % of consolidated profit before tax.

Key audit matters

- Risk of non-compliance with applicable legislation and regulations related to the agent contract for the Riyadh subway project
- Valuation of large-scale and complex projects
- Valuation of deferred tax receivables
- Valuation of goodwill

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€12,000,000 (2016: €5,000,000).
Basis for determining materiality	We used our professional judgment to determine overall materiality. As a basis for our judgment we used 0.50% of consolidated revenue (2016: 0.25%).
Rationale for benchmark applied	We used the consolidated revenue as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that the consolidated revenue is an important metric for the financial performance of the company. Given the volatility of results for the past years, operating profits was not considered to be a suitable benchmark. In the first year we audited the financial statements of Oranjewoud N.V., we prudently based our materiality assessment on a percentage of 0.25% of revenue. Given the qualified opinion, we exercised the same level of caution in the audit for 2016. As the company's risk profile has been lowered (smaller-scale projects, effectuated new financing arrangement, and the rectification measures implemented with respect with the Riyadh agent contracts), we consider 0.5% of revenue an appropriate level of materiality for the 2017 audit.
Business unit materiality	To each business unit in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across business units was between €2,300,000 and €9,500,000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €600,000 (2016: €250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Oranjewoud N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Oranjewoud N.V.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its business units, the accounting processes and controls, and the markets in which the business units of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at the business unit level by the group engagement team and by each business unit auditor.

The group audit primarily focussed on the significant business unit Strukton Groep N.V. Aside from that, the complete financial information of Antea Group companies in the Netherlands, France, and the United States was also audited.

For Oranjewoud, Strukton Groep N.V. is an individually significant group company for which figures are reported to Oranjewoud N.V. as if it were a single entity. We designated the Rail, Civil, International, and Technology and Buildings divisions as significant units within Strukton Groep and subjected all four of these divisions to a full scope audit. At each division, we audited the complete financial information of a number of underlying companies, so as to ensure that our audit activities were sufficient to be able to form an opinion on each division as a whole.

At Antea Group level, there is no subconsolidation for group purposes. We audit the three largest, but not individually significant group companies of Antea Group (Netherlands, France, U.S.), so as to ensure sufficient coverage for the audit of individual items of the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	79%
Total assets	74%
Profit before tax	91%

None of the business units that are not included in the audit scope represent more than 4.8% of consolidated revenue or total group assets. We subjected the financial information of these remaining business units at Oranjewoud N.V. and Strukton Groep N.V. to analytical procedures and other analyses at group level, as well as at sub- group level at the Rail, Civil, International, and Technology and Buildings divisions, to confirm our assessment that these units do not represent significant risks of material misstatement.

We performed our audit with the help of the internal auditors of the business units in each of the seven countries where Oranjewoud N.V. has (significant) operations.

Where the work was performed by business unit auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

To the internal auditors of the business units, we sent instructions prior to their audit work, which also included the outcome of our risk analysis for the audit of the financial statements of Oranjewoud N.V.

The audit team assessed all reports provided in relation to the audit approach and findings of the business units' auditors. As far as the significant business units are concerned, the audit team assessed a number of relevant work documents of the internal auditor. We visited business unit teams in the Netherlands, France, Italy, Sweden, Denmark, and Saudi Arabia (Riyadh). During these visits, we assessed each business unit's audit approach and spoke to each business unit's local management team. On our visit to Riyadh, we focused specifically on the agent contract in relation to the subway project.

Group consolidation, the agent contract of the subway project in Riyadh, financial statement disclosures and a number of complex items, such as group financing, valuation of deferred tax receivables and valuation of goodwill are audited by the Group engagement team with the help of specialists.

By performing the procedures above at business units, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

This year, we added the risk of non-compliance with applicable legislation and regulations involved in the agent contract for the Riyadh subway project as a new key point for our audit. In the auditor's report regarding the 2016 financial statements, we explained that the absence of documentation in relation to the work performed by the agent was reason for our qualified opinion. Owing to the fact that Strukton Groep has reached a new financing arrangement, financing and related covenants is no longer designated as a key point. The other key points are comparable to last year.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comments or observations we make on the results of our procedures should be read in this context.

Key audit matter	*How our audit addressed the matter*
Risk of non-compliance with applicable legislation and regulations involved in the agent contract subway project Riyadh *Note 16 to the financial statements*	
The Riyadh subway project in Saudi Arabia is by far the largest project in the company's history. At the start of the Riyadh subway project in 2013, Strukton International entered into an agent contract, under which the agent is paid a fixed percentage of the contract value for the agent's services. Payments to the agent depend on the progress of the project and are substantial. Last year, despite the fact that there were no indications of non-compliance with applicable legislation and regulations, we issued a qualified opinion. This was because we were unable to collect sufficient and adequate audit information due to the lack of underlying documentation on the agent's activities. Following last year's qualified opinion, the company has taken several measures aimed at rectifying this situation. Strukton Groep's newly appointed compliance officer has put in extra effort to put together supporting information in the form of meeting minutes, emails, and letters to provide a better idea of the agent's activities since the start of the agreement. We designated the agent contract as a key audit matter on account of our conclusion that it involves a risk of non-compliance with applicable legislation and regulations.	We evaluated the measures taken by the company to increase its internal controls and compliance, ultimately concluding that the board of Strukton Groep has indeed managed to strengthen its compliance organization. The introduction of a new code of conduct with associated training and the appointment of a compliance officer for Strukton Groep are two examples of measures that Strukton has taken. The new code of conduct deals at length with the risks of bribery and corruption. We are of the opinion that the measures taken by the board are adequate. Like last year, we visited the project in Riyadh to get a proper understanding of the project and the importance of the agent contract in the context of working in Saudi Arabia as a foreign company. On this visit, we met with the local auditor and the local project management team to discuss fraud risks and, specifically, compliance with applicable legislation and regulations. We assessed the supporting documentation on the agent's activities and verified the authenticity of the documents by sampling. This documentation provides sufficient insight into the agent's work for Strukton Groep. We evaluated the percentage that makes up the agent's fee, comparing it to OECD guidelines and local conditions, concluding that this percentage is compliant with OECD standards. Furthermore, we found, following talks with the local auditor and other local experts, that the percentage used is not unusual for projects of this nature and size in Saudi Arabia. We verified the payments made to the agent by referring to contractual conditions and invoices and/or bank statements. This did not produce any findings. We ran background checks of the agent and the agent's companies. And we inspected the agent's letter of representation, in which the agent states that the agent's activities were entirely in line with Strukton Groep's code of conduct. The above audit activities did not turn up indications of non-compliance with applicable legislation and regulations
Valuation of large-scale and complex projects *Note 9 in the financial statements*	
Oranjewood's results are to a large extent influenced by the stage of completion of large-scale and complex projects. This requires a large degree of estimation by the management, which inherently comes with a significant degree of estimation uncertainty. Estimation uncertainty is greater depending on the contract form, the current contract stage, the project term and the existence of additional work or claims.	Our audit regarding the valuation of large-scale and complex projects is primarily focused on data. We matched the management's estimates of projected project costs to working budgets and project reports. To the extent possible, we linked supporting documents to the forecasts, including for work that has already been outsourced to subcontractors. We also evaluated the results

Key audit matter	*How our audit addressed the matter*
Oranjewoud's estimate of the value of projects is considered a key point in the audit with respect to future costs for project completion and significant settlements for additional work and claims with clients. This ensues from the risk profile of projects as well as from the subjectivity of estimates.	of previous estimates. We made site visits to a number of projects to get an idea of each of these projects' progress. We held critical talks at project management level, operating company board level, and board of directors level to assess the reasonableness and consistency of the measurement of items for additional work and claims, as well as result projections for the projects. Where possible, we established when these items will expire. We consider the measurement of large-scale and complex projects to be balanced and to be within an acceptable bandwidth.
Valuation of deferred tax receivables *Note 6 in the financial statements* The deferred tax receivables totalling €35.7 million relate primarily to Strukton Groep's tax losses due to losses on large-scale projects in the past. Recognition and valuation of these deferred tax receivables is based on Strukton Groep's expected future taxable profit for the coming 9 years, taking into account the maximum settlement period for compensation for losses. We designated this as a key point in the audit on account of the scope and extent of the estimation uncertainty of future taxable profits within the maximum compensation period.	Our audit work focused on the projected taxable profits for the coming 9 years. We concluded that the same principles were used for this projection as were used for the goodwill impairment test, namely the information memorandum to the banks for the new financing arrangement for Strukton Groep. This information memorandum was approved by the Board of Directors and the Supervisory Board. In discussions with the management, we challenged the projected accounting profits as presented in the information memorandum. We also verified whether these are aligned with our understanding of the strategy and market developments. The assumptions used in this respect are adequately substantiated based on reasonable starting points. With the help of our tax experts, we were able to extrapolate the taxable profits from the future accounting profits. With the assistance of our experts we concluded that the settlement method used for the coming years is acceptable and that the correct settlement period is used. We also evaluated to what degree taxable profits realized over the past year are aligned with predictions made in the past. We established the adequacy of the note regarding deductible losses.
Valuation of goodwill *Note 1 in the financial statements* As at December 31, 2017 Oranjewoud N.V. recognized €64.0 million goodwill. Given the scope and estimation element involved in future cash flows and the discount rate for the valuation of the goodwill item, this is a key point in our audit. With regards to goodwill the company performs an annual test for each cash-generating unit, in line with International Financial Reporting Standards, in order to check for specific impairment of goodwill. The checks across the various cash-generating units performed by Oranjewoud N.V. did not give cause for an impairment of goodwill, because – based on	We evaluated the management process in terms of the structure and existence of impairment testing, including the adequacy of the management's identification of the group's cash-generating units. We concluded that the model is arithmetically accurate. We brought in our valuation specialists to provide us with support in our audit to evaluate the assumptions and methods applied by Oranjewoud N.V. in relation to the discount rate used for the various cash-generating units and the model used to calculate cash flow projections.

Key audit matter	*How our audit addressed the matter*
future cash flows per cash-generating unit, the realizable value is higher than the carrying amount. The growth rate of the revenue and the discount rate are the main assumptions on which these cash flows are based.	We challenged the discount rate by checking the cost of capital against that of other companies and specific factors. This did not produce any findings that are out of the ordinary.
Oranjewoud N.V. also conducted sensitivity analyses of realizable value based on revenue growth and discount rate, and further detailed these analyses for all material cash-generating units.	We established that the projected revenue growth rates and the associated projected development of future cash flows are consistent with the assumptions used in measuring the tax losses and for the information memorandum that was submitted to the banks as part of the new financing arrangement. We compared the future developments to the expectations that were formulated last year. And we checked whether these future developments are in line with our understanding of the company's strategy. In addition, we assessed the adequacy of the notes and whether the impact of sensitivities specified in the notes are arithmetically accurate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- foreword;
- corporate profile
- key figures, profiles of the members of the board and of the supervisory board
- supervisory board report;
- directors' report;
- other information; and
- shareholder information.

Based on the procedures performed as set out below, we conclude that the other information:
is consistent with the financial statements and does not contain material misstatements;
contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.
We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Oranjewoud N.V. on 21 September 2017 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 21 September 2017. We have now been the company's auditor for a period of 3 consecutive years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the company and its controlled entities, for the period to which our statutory audit relates, are disclosed in note 37 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

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

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

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

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

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

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

Rotterdam, 26 April 2018
PricewaterhouseCoopers Accountants N.V.

J.G. Bod RA

Appendix to our auditor's report on the financial statements 2017 of Oranjewoud N.V.

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

The auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matt

SHAREHOLDER INFORMATION

Provisions in the Articles of Association on profit appropriation

The Articles of Association provide as follows on profit appropriation:

1. The Management will determine, subject to the approval of the Supervisory Board, which portion of the profit achieved in a financial year is to be added to reserves.
2. The portion of the profit then remaining will be distributed as dividend. This distribution will be made after adoption of the financial statements evidencing that it is permissible.
3. Distributions on shares can only be made up to at most the amount of distributable reserves.
4. The Management can decide to make interim distributions. The decision is subject to the approval of the Supervisory Board.
5. Moreover, Sections 103, 104 and 105 of Book 2 of the Dutch Civil Code will apply to distributions to shareholders.

Proposal concerning the 2017 profit appropriation

The Board of Directors, with the approval of the Supervisory Board, has proposed to pass dividend payment for the financial year 2017.

Disclosure of Significant Shareholdings Act

On December 31, 2017, the following notifications of significant shareholdings had been received:

- Sanderink Investment B.V. 97.67%

Stichting Administratiekantoor Sanderink Investments of Gerard Sanderink has full ownership of Sanderink Investments B.V.

Statement of changes in issued share capital

At year-end 2017, the authorized capital consisted of 100,000,000 ordinary shares of €0.10.

	2017	2016
Balance at January 1st	62,872,869	58,733,435
Share issue December 12	-	4,139,434
Balance at December 31st	62,872,869	62,872,869

Selected financial information per share

	2017	2016
Net earnings (net profit after taxes/ average number of issued shares)	0.61	0.19
Equity	4.95	4.65

Five-year summary

	2017	2016	2015	2014	2013
Results (in millions of euros)					
Total revenue	2,384.7	2,315.6	2,305.6	2,136.8	1,962.1
Ebitda	96.9	71.4	88.7	16.3	44.6
Net profit	40.1	13.9	19.2	(25.1)	(12.6)
Total comprehensive income	39.3	15.3	26.8	(38.5)	(11.6)
Total net cash flow	(11.7)	43.9	56.5	17.0	17.1
Total operational cash flow	65.8	103.7	67.0	56.6	49.4
Equity (in millions of euros)					
Equity (E)	311.3	273.9	242.1	206.5	246.8
Total assets (TA)	1,436.9	1,632.8	1,661.3	1,467.3	1,317.9
E/TA	21.7%	16.8%	14.6%	14.1%	18.7%
Employees (headcount)					
Number at end of financial year	10232	9864	10187	10499	10587
Backlog (in millions of euros)					
Consultancy & Engineering Services	241.7	234.9	248.6	230.7	246.6
Rail Systems	1,896.8	1,486.0	1,290.0	1,196.4	1,043.2
Civil infrastructure	334.7	341.0	470.3	380.3	1,462.1
International	277.8	520.0	919.9	952.0	-
Technology & Buildings	549.3	502.0	538.2	445.2	507.6
Other	16.9	16.4	12.0	12.8	11.6
Total	3,317.2	3,100.3	3,479.0	3,217.4	3,271.1

Prevention of insider trading

Oranjewoud N.V. has drawn up regulations on insider trading in accordance with Section 46d of the Securities Transactions Supervision Act 1995, which have been approved by the Netherlands Authority for the Financial Markets. Oranjewoud N.V. has bound a wide ranging group of employees of the company, as well as the management of Centric Holding B.V., to the Insider Trading Regulations through signatures of commitment.

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