Interim Report
2011

BNG is the bank of and for local authorities and public sector institutions. BNG is a reliable, modern bank and an expert in financing public facilities. BNG's specialized financial services help to minimize the cost of social provisions to the public. In this regard, the bank plays an essential role in the public sector.

BNG's mission is translated into the following strategic objectives: to retain substantial market shares in the Dutch public and semi-public domain and to achieve a reasonable return for the shareholders. Maintaining an excellent credit rating and retaining a competitive funding position, as well as managing the bank's business as effectively and efficiently as possible, are necessary prerequisites to this endeavor.

BNG's clients are primarily comprised of local authorities and public sector institutions in the areas of housing, healthcare, education and public utilities. BNG provides customized financial services ranging from loans and advances, payment services and electronic banking to consultancy and asset management. BNG also participates in public-private partnerships.

Founded in 1914, the bank is a statutory two-tier company under Dutch law (structuurvennootschap). The bank's shareholders are Dutch public authorities exclusively. Half of the bank's share capital is held by the Dutch state and the other half by municipal authorities, provincial authorities and a district water board. BNG is established in The Hague and has no branches.

Subsequent to the state, BNG is one of the largest issuers in the Netherlands. BNG-issued debt securities are rated AAA by Standard & Poor's, Aaa by Moody's and AAA by Fitch. In addition, the bank has been awarded the highest Bank Financial Strength Rating (A) by Moody's.

This is an unofficial translation of the Halfjaarbericht (Interim Report) 2011 and is provided for convenience only. In the event of any ambiguity, the Dutch text will prevail.

Report of the Executive Board

BNG looks back on a positive first half of 2011, despite the continuing turmoil on the financial markets. BNG closed the first half of 2011 with a net profit of EUR 154 million, an increase of EUR 44 million compared to the same period in 2010. This increase was mainly caused by a higher interest result (+ EUR 25 million) and a considerably less negative result financial transactions (+ EUR 43 million).

In the period under review, the volume of new long-term lending decreased by EUR 1.5 billion compared to the first half of 2010, and returned with an amount of EUR 5.8 billion to a more usual level, following the historically high level in 2010. As expected, the decline is particularly visible within the public housing sector. Housing associations refinanced significant parts of their 2011 financing needs in 2010, in anticipation of new regulation. The demand by local authorities for new long-term loans rose, partly due to anticipation of a rise in long-term interest rates. The bank's market shares stabilized at the very high levels that were achieved in the previous year, thereby validating BNG's strong market position. Compared to the same period in 2010 the average of short-term lending to clients decreased by EUR 0.1 billion to EUR 5.6 billion.

For both refinancing and lending purposes, BNG obtained in the period under review EUR 9.4 billion (2010: EUR 9.6 billion) of new long-term funding, of which EUR 8.7 billion (2010: EUR 8.9 billion) was raised through 62 standardized issues. Five of these issues were benchmark loans (denominated in euros and US dollars), with amounts ranging from 1.0 to 2.0 billion. The bank's liquidity profile improved further through the large-scale funding with relatively long maturity. The weighted average maturity of new long-term funding increased by 0.3 years to 7.2 years, compared to the full year 2010. Furthermore, the bank was able to fulfill its short-term liquidity needs at very favorable conditions.

In the first half of 2011 the interest result amounted to EUR 227 million, an increase of EUR 25 million compared to the same period last year. This rise was primarily due to the expansion of the long-term lending portfolio and the improved return on the portfolio as a whole. The ongoing steep yield curve also had a positive effect on the interest result in the period under review.

The result financial transactions amounted to EUR 11 million negative in the period under review (2010: EUR 54 million negative). The growing concerns about the financing problems and creditworthiness of peripheral euro countries led to a further increase in their credit spreads. BNG recognized an amount of EUR 26 million as unrealized loss due to the net negative revaluation of interest-bearing securities and loans in the balance sheet item financial assets at fair value through the income statement (2010: EUR 43 million negative).
Furthermore, the result financial transactions consists of unrealized market value changes of transactions involved in a hedge accounting relationship. In the first half of 2011, this result amounted to EUR 2 million (2010: EUR 5 million negative). The bank's hedge accounting operates almost to perfection. Positive and negative results from hedge accounting cancel each other out in the longer term.
The remainder of the result financial transactions amounted to EUR 13 million (2010: EUR 6 million negative) and mainly resulted from interest rate movements and the sale of interest-bearing securities in the balance sheet item financial assets available for sale.

The commission result for the fist half year amounted to EUR 15 million, a decrease of EUR 2 million compared to the first half of 2010. The commission income from lending, project financing and payments services fell by EUR 1 million. The contribution from asset management also declined by EUR 1 million, due to a temporary reduction of assets under management. In the second half of 2011, the assets under management will rise again to a total of approximately EUR 5 billion.

Other income amounted to EUR 4 million in the first half of 2011, which was mainly caused by the sale of the bank's interest in a finance vehicle.

The total expenses remained stable at EUR 29 million compared to the first half of 2010. As at 30 June 2011, BNG employed 291 employees. Expressed in full time equivalents (FTEs), the number of employees increased by 1 FTE compared to year-end 2010 to a total of 277 FTEs.

In 2010, in consultation with the Dutch tax authority, BNG switched to using IFRS valuations for financial instruments when determining corporate tax with retroactive effect to 2005. This led to a non-recurring reduction of the tax expense in the first half of 2010. The 2011 tax expense is in line with the nominal corporate tax rate of 25%. Compared to the same period in 2010, the tax expense doubled in the first half of 2011 to EUR 52 million.

In the period under review, the balance sheet total decreased by EUR 2.3 billion to EUR 116.2 billion, despite an increase in the lending portfolio of well over EUR 0.8 billion. The decline of the balance sheet total was caused by market developments, such as the rise in long-term interest rates and the drop in value of the US dollar against the euro. The economic effects were limited because BNG hedges all currency risks and the majority of interest rate risks with derivatives. The accounting effects of these hedge transactions were mainly reflected in the decrease of the balance sheet items other financial assets, debt securities and other financial liabilities.

On the asset side of the balance sheet, the banks item rose by EUR 1.4 billion to EUR 8.8 billion. This was mainly due to a rise in short-time deposits of EUR 1.1 billion of surplus funds with credit institutions. However, this rise was largely cancelled out by the EUR 0.8 billion decrease in the cash and cash equivalents item to EUR 0.3 billion.

The financial assets at fair value through the income statement decreased by EUR 0.6 billion to EUR 2.5 billion, mainly due to the sale of BNG's participation in Vincent Investments and the decreased market value of money market derivatives. The increase of the financial assets available for sale by EUR 0.5 billion to EUR 6.9 billion was primarily caused by the purchase of assets for a newly created liquidity portfolio. This portfolio will form a basis in order to meet the future requirements of the Liquidity Coverage Ratio, resulting from the new Basel III regulation. Partly due to these newly acquired assets, the nominal value of the interest-bearing securities portfolio rose by EUR 0.7 billion to EUR 14.1 billion, compared to year-end of 2010. This high quality portfolio consists primarily of investments in European government bonds, covered bonds and residential mortgage-backed securities (RMBS).

Other financial assets decreased by EUR 3.7 billion to EUR 9.7 billion. The largest part of this item concerns derivatives with a positive market value that serve to hedge interest rate and currency risks of issued debt securities on the liabilities side of the balance sheet. Market developments in foreign exchange rates and interest rates caused a decline of debt securities of EUR 3.5 billion. As a result of the increase in long-term funding of EUR 1.9 billion, debt securities decreased on balance by EUR 1.6 billion to EUR 90.7 billion.

The counterparty risk in derivative transactions is mitigated by mutual collateral obligations. The decline in these counterparty obligations is the main reason for the decrease in the liabilities balance sheet item banks by EUR 1.3 billion to EUR 4.7 billion.

The bank's equity showed an increase of EUR 15 million in the period under review. This was the result of the net profit of the period under review, the dividend payment of EUR 128 million and the decrease of the revaluation reserve by EUR 11 million to EUR 73 million negative. The unrealized market value changes within the revaluation reserve – due to the increased credit and liquidity spreads – concern the net reduced value of the assets recognized in the balance sheet under financial assets available for sale.

BNG's strong solvency position is reflected by the high BIS tier 1 ratio, which remained practically stable at 19.9%. The BIS total ratio also remained high at 20.7%. The Basel III regulations prescribe a minimum requirement of the leverage ratio of 3% from 2018 onwards. The leverage ratio can roughly be estimated by dividing the equity by the balance sheet total. This ratio remained unchanged compared to the year-end 2010 at 2.0%.
In the first half of 2011, BNG drew up a plan to meet this minimum requirement at the latest by year-end 2017. It was concluded that the necessary growth of equity will have to be achieved by retaining a larger percentage of the net profit, supplemented by the issuing of eligible hybrid securities. The adjustment of the dividend policy will be prepared in the next half year. The other components of the Basel III regulations are expected to have hardly any influence on the bank's operational management.

In the second half of 2011, new long-term lending is expected to be considerably lower than in 2010. This is the result of a combination of developments with clients (such as severe cutbacks) and the effect of the new financing regulation in the housing sector. Although the bank's credit portfolio is of a high quality, it cannot be excluded that the creditworthiness of a single debtor could be affected. This might require a further addition to the incurred loss provision.

BNG closely monitors the developments in legislation and regulation. The increasing regulatory pressure brought on by the financial crisis, is an ongoing point of attention. A relatively small organization such as BNG is heavily burdened by this, both financially and operationally. BNG's work force is expected to expand in 2011. The bank is investing in new systems and in additional staff, particularly in the field of risk management and regulation. This, together with the announced pay increase under the collective labor agreement, will cause a slight rise in the operating expenses.

BNG will remain the bank for the social interest and will continue to offer specialized financial services at the lowest possible cost, even under difficult market conditions. The bank aims to be a reliable partner, to retain its strong market position and to continue, and where possible improve, its relationship with its clients.

BNG is looking forward to the 2011 profit development with confidence. The interest result 2011 is expected to be higher than in 2010. However, given the volatility of the financial markets against the background of the international debt crisis as well as all other uncertainties, the bank does not consider it wise to make a statement regarding the 2011 expected net profit.

N.V. Bank Nederlandse Gemeenten
The Hague, 26 August 2011

Executive Board
C. van Eykelenburg, *Chairman*
J.J.A. Leenaars
J.C. Reichardt

Supervisory Board
H.O.C.R. Ruding, *Chairman*
Y.M.C.T. van Rooy, *Vice-Chairman (as well as Secretary)*
R.J.N. Abrahamsen
H.H. Apotheker
H.G.O.M. Berkers
S.M. Dekker
W.M. van den Goorbergh
R.J.J.M. Pans
A.G.J.M. Rombouts

Consolidated balance sheet as at 30 June 2011

In millions of euros

	30-06-2011	31-12-2010
Assets		
Cash and cash equivalents	279	1,073
Banks	8,769	7,382
Loans and advances	87,732	86,851
Financial assets at fair value through the income statement	2,468	3,052
Financial assets available for sale	6,877	6,412
Other financial assets	9,728	13,457
Associates and joint ventures	109	109
Property and equipment	20	21
Other assets	229	176
Total assets	**116,211**	**118,533**
Liabilities		
Banks	4,748	6,037
Funds entrusted	8,952	7,677
Subordinated loans	93	92
Debt securities	90,717	92,321
Financial liabilities at fair value through the income statement	659	649
Other financial liabilities	8,509	9,320
Other liabilities	259	178
Total liabilities	113,937	116,274
Share capital	139	139
Share premium reserve	6	6
Revaluation reserve	(73)	(62)
Currency translation account	–	(5)
Other reserves	2,048	1,924
Net profit	154	257
Equity	2,274	2,259
Total liabilities and equity	**116,211**	**118,533**

Consolidated income statement

In millions of euros

	First half of 2011		First half of 2010	
– Interest income	1,076		921	
– Interest expenses	849		719	
Interest result		227		202
Income from associates and joint ventures		0		0
– Commission income	18		20	
– Commission expenses	3		3	
Commission result		15		17
Result financial transactions		(11)		(54)
Other income		4		0
Total income		**235**		**165**
– Staff costs	17		17	
– Other administrative expenses	11		11	
Staff costs and other administrative expenses		28		28
Depreciation		1		1
Total expenses		**29**		**29**
Profit before tax		**206**		**136**
Tax expense		52		26
Net profit		**154**		**110**

Consolidated statement of comprehensive income

In millions of euros

		First half of 2011		First half of 2010
Net profit		154		110
Changes in currency translation account		5		(5)
Changes in other reserves		(5)		4
Changes in revaluation reserve				
– unrealized value adjustments	(14)		(70)	
– realized value adjustments	(4)		(7)	
– changes in deferred taxes	7		(4)	
		(11)		(81)
Results recognized directly in equity (after taxation)		(11)		(82)
Total		**143**		**28**

Consolidated cash flow statement[1]

In millions of euros

	First half of 2011		First half of 2010	
Cash flow from operating activities				
Profit before tax		206		136
Adjustments for:				
– Depreciation	1		1	
– Unrealized results through the income statement	17		59	
		18		60
Cash flow generated from operations		224		196
– Movement in banks (not due on demand)	(2,035)		3,722	
– Movement in loans and advances	69		(854)	
– Movement in funds entrusted	1,306		330	
– Movement in derivatives	(266)		1,031	
– Taxes paid	(37)		(28)	
– Other movements in cash flow from operating activities	(242)		62	
		(1,205)		4,263
Total cash flow from operating activities[2]		(981)		4,459
Cash flow from investing activities				
Investments and acquisitions:				
– Financial assets at fair value through the income statement and financial assets available for sale	(1,528)		(403)	
– Associates and joint ventures	(1)		(2)	
– Property and equipment	–		(1)	
		(1,529)		(406)
Disposals, repayments and redemptions:				
– Financial assets at fair value through the income statement and financial assets available for sale	1,741		689	
		1,741		689
Total cash flow from investing activities		212		283
Cash flow from financing activities				
Receipts in respect of debt securities		18,386		13,864
Repayments in respect of debt securities		(18,010)		(16,760)
Repayments in respect of subordinated loans		(2)		(81)
Dividend paid		(128)		(139)
Total cash flow from financing activities		246		(3,116)
Net movement in cash and cash equivalents		(523)		1,626
Cash and cash equivalents as at 1 January		1,075		565
Cash and cash equivalents as at 30 June		**552**		**2,191**
Cash and cash equivalents as at 30 June are comprised of the following				
– Cash and cash equivalents		279		2,368
– Cash equivalents under the banks (asset) item		279		7
– Cash equivalents under the banks (liability) item		(6)		(184)
		552		**2,191**

[1] The cash flow statement is prepared according to the indirect method.

[2] Interest received totaled EUR 3,055 million while interest paid amounted to EUR 2,772 million.

Consolidated statement of changes in equity

In millions of euros

First half of 2011

	Share capital	Share premium reserve	Revaluation reserve	Currency translation account	Other reserves	Unappro-priated profit	**Total**
Opening balance	139	6	(62)	(5)	1,924	257	2,259
Realized results						154	154
Unrealized results			(11)	5	(5)		(11)
Dividend payment					(128)		(128)
Appropriation from profit previous year					257	(257)	0
Closing balance	**139**	**6**	**(73)**	**0**	**2,048**	**154**	**2,274**

First half of 2010

	Share capital	Share premium reserve	Revaluation reserve	Currency translation account	Other reserves	Unappro-priated profit	**Total**
Opening balance	139	6	49	(6)	1,787	278	2,253
Realized results						110	110
Unrealized results			(81)	(5)	4		(82)
Dividend payment					(139)		(139)
Appropriation from profit previous year					278	(278)	0
Closing balance	**139**	**6**	**(32)**	**(11)**	**1,930**	**110**	**2,142**

Selected notes to the interim report 2011

Accounting principles

The consolidated interim figures of BNG were prepared in accordance with the accounting principles and computation methods applied for the financial statements 2010 and are presented according to IAS 34 'Interim Financial Reporting' as adopted within the European Union. The interim report does not contain all information required for full financial statements and should therefore be read in combination with the annual report 2010. All amounts in this interim report are presented in millions of euros, unless stated otherwise.

BNG has applied the following new IFRS standards, amendments and interpretations with effect from 1 January 2011. The application of these standards had no significant effect on the interim report 2011.

- IAS 32 Financial Instruments: Presentation Classification of Right Issues (Amendment)
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures
- Improvement to IFRSs (issued May 2010):
  - IFRS 3 Business Combinations
  - IAS 27 Consolidated and Separate Financial Statements
  - IAS 34 Interim Financial Statements

BNG has decided against early adoption of the following new or amended standards and interpretations, adopted by the European Union:

- IAS 24 Related Party Disclosures (Amendment)
- Improvement to IFRSs (issued May 2010):
  - IFRS 1 First Time Adoption of IFRS
  - IFRS 7 Financial Instruments – Disclosures
  - IAS 1 Presentation of Financial Statements
  - IFRIC 13 Customer Loyalty Programmes

Early adoption of these amendments and interpretations would not have had any significant effect on the interim report.

Segmented information

IFRS 8 'Operating Segments' stipulates that segmentation is dependent on the way in which the organization is managed. BNG's Executive Board does not distinguish between different segments when deciding on the deployment of resources and performance measurement. Therefore, this interim report does not contain segmented information.

Accounting principles applied for fair value valuation of financial assets and liabilities

In the first half year of 2011, no alterations were made to the fair value valuation techniques of financial assets and financial liabilities.

Dividend

The proposed dividend of EUR 128 million for the financial year 2010 was paid out to the shareholders after the General Meeting of Shareholders in the first half of 2011. BNG has no plans to pay out an interim dividend for the first half of 2011.

Debt securities

As part of its long-term funding BNG issued EUR 9.4 billion of long-term debt securities in the first half of 2011. In the same period, a total of EUR 7.3 billion of long-term funding was repaid.

Interest-bearing securities portfolio (IBS)

BNG's IBS portfolio is held for its liquidity management and consists of high-quality bonds, largely eligible as collateral at the central bank. The table below includes the assets on the basis of outstanding principal amounts and they are classified into type and rating level. The assets originate from the balance sheet items banks, loans and advances, financial assets available for sale and financial assets at fair value through the income statement.

30-06-2011	AAA	+AA-	+A-	+BBB-	Total
Domestic					
Government bonds	753				753
IBS with government guarantee	237				237
IBS with National Mortgage Guarantee	1,161	62	398		1,621
Covered Bonds	310	75			385
Bouwfonds		1,102			1,102
Medium Term Notes			174		174
ABS/MBS	898	25			923
Miscellaneous	144	255	92		491
	3,503	**1,519**	**664**	**0**	**5,686**
Foreign					
Government bonds	824	1,692			2,516
IBS with government guarantee	1,610	81	46	138	1,875
Covered Bonds	373	982	45		1,400
Medium Term Notes	55			80	135
ABS/MBS	785	654	218	109	1,766
Miscellaneous	73	331	141	167	712
	3,720	**3,740**	**450**	**494**	**8,404**
Total	**7,223**	**5,259**	**1,114**	**494**	**14,090**

31-12-2010

	AAA	+AA-	+A-	+BBB-	Total
Domestic					
Government bonds	733				733
IBS with government guarantee	273				273
IBS with National Mortgage Guarantee	1,187	69	437		1,693
Covered Bonds	190				190
Bouwfonds		1,198			1,198
Medium Term Notes			174		174
ABS/MBS	1,141				1,141
Miscellaneous	142	255	113		510
	3,666	**1,522**	**724**	**0**	**5,912**
Foreign					
Government bonds	666	1,544			2,210
IBS with government guarantee	843	50	186		1,079
Covered Bonds	1,244	160			1,404
Medium Term Notes	58	80			138
ABS/MBS	1,323	456	71	41	1,891
Miscellaneous	73	342	90	225	730
	4,207	**2,632**	**347**	**266**	**7,452**
Total	**7,873**	**4,154**	**1,071**	**266**	**13,364**

Long-term exposures to GIIPS countries

BNG had the following exposures to the so-called GIIPS countries (based on outstanding principal amounts and original terms to maturity). In 2011, BNG received all cash flows from these exposures on time and in full. The bank sees no need to make any provisions for future cash flows.

BNG will not invest in long-term exposures (with underlying assets) in these countries. Short-term exposures (to banks) are possible for liquidity management purposes. At the end of June 2011, BNG had a total short-term exposure of EUR 264 million with an Italian and a Spanish bank. The latter exposure originated from collateral obligations. Both receivables were collected at the start of July 2011.

30-06-2011

	AAA	+AA-	+A-	+BBB-	Total
Ireland[1]					
ABS/MBS	241	56	98		395
Italy					
Government bonds[2]		1,366			1,366
ABS/MBS	175	23	14	69	281
Loans and advances[3]		33			33
IBS with government guarantee[3]			30		30
	175	1,422	44	69	1,710
Portugal					
ABS/MBS	47		34		81
Loans and advances[3]				209	209
Covered Bonds			25		25
IBS with government guarantee[3]				138	138
	47	0	59	347	453
Spain					
Government bonds		50			50
ABS/MBS	278	575	73	40	966
Loans and advances[3]		110	9		119
Covered Bonds	227	982	20		1,229
IBS with government guarantee[3]	53	4	46		103
Medium term notes				80	80
	558	1,721	148	120	2,547
Total[4]	**1,021**	**3,199**	**349**	**536**	**5,105**

|1 The Irish exposures concern securitizations of exposures in Germany, Portugal and Spain.
|2 On 1 August 2011, a total amount of EUR 530 million of Italian government bonds was repaid, causing this exposure to decrease to EUR 836 million nominal.
|3 All exposures reported under 'Loans and advances' and 'Interest-bearing securities with government guarantee' are exposures to local governments or public authorities. These exposures are classified on an 'ultimate rating' basis. This means that these exposures are shown under the rating of the guarantor. The comparative figures are appropriated accordingly. This also applies to the overview of the Interest-bearing securities portfolio.
|4 Compared to the end of 2010, the total fair value of the outstanding long-term exposures to GIIPS countries decreased by EUR 60 million to EUR 4,723 million. This decrease was caused by negative value adjustments of mostly Portuguese exposures.

					31-12-2010
	AAA	+AA-	+A-	+BBB-	**Totaal**
Ireland					
ABS/MBS	395	20			415
Italy					
Government bonds		1,364			1,364
ABS/MBS	189	93	16		298
Loans and advances		35			35
IBS with government guarantee			32		32
	189	1,492	48	0	1,729
Portugal					
ABS/MBS	84				84
Loans and advances			215		215
Covered Bonds		25			25
IBS with government guarantee			140		140
	84	25	355	0	464
Spain					
Government bonds	50				50
ABS/MBS	571	343	55	41	1,010
Loans and advances		112	9		121
Covered Bonds	1,094	135			1,229
IBS with government guarantee	76		46		122
Medium term notes		80			80
	1,791	670	110	41	2,612
Total	**2,459**	**2,207**	**513**	**41**	**5,220**

		First half of 2011		First half of 2010
Result financial transactions				
Result from hedge accounting		2		(5)
Market value adjustments financial assets at fair value through the income statement as a result of changes in credit and liquidity spreads		(26)		(43)
– of which investments	(1)		(25)	
– of which structured loans	(25)		(18)	
Other market value adjustments		13		(6)
Total		**(11)**		**(54)**

	30-06-2011	31-12-2010
Off-balance sheet commitments		
The off-balance sheet commitments consist mainly of contingent liabilities and irrevocable facilities.		
Contingent liabilities	223	478
Irrevocable facilities	8,592	10,092

Declaration of responsibility

In the opinion of the Executive Board the interim report provides a true and fair view of the assets, liabilities, financial position and results of BNG and the subsidiaries included in the consolidation. The interim report provides a true and fair view of the position on the date of the balance sheet, the performance of BNG during the first half year and the expected developments of BNG, including its consolidated subsidiaries whose figures have been included in the consolidated interim report.

Review report

To the Supervisory Board and the Executive Board of N.V. Bank Nederlandse Gemeenten

Introduction
We have reviewed the accompanying consolidated interim financial information of N.V. Bank Nederlandse Gemeenten, The Hague, which comprises the consolidated balance sheet as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the period of six months ended 30 June 2011, and the notes. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope
We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 26 August 2011

Ernst & Young Accountants LLP
Signed by W.J. Smit

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