SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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CH2M HILL COMPANIES LTD

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-K

(MARK ONE)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 000-27261

CH2M HILL Companies, Ltd.

(Exact name of registrant as specified in its charter)

Delaware	**93-0549963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
9191 South Jamaica Street, Englewood, CO	**80112-5946**
(Address of principal executive offices)	(Zip Code)

(303) 771-0900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $0.01 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate value of common stock held by non-affiliates computed by reference to the price as of June 30, 2011 was approximately $1.5 billion.

As of February 17, 2012, there were 31,324,438 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information, required by Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K are incorporated by reference from the CH2M HILL definitive proxy statement for its 2012 Annual Meeting of Stockholders to be held on May 7, 2012.

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CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
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This Form 10-K contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements represent the Company's expectations and beliefs concerning future events, based on information available to the Company on the date of the filing of this Form 10-K, and are subject to various risks and uncertainties. Such forward looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward looking statements. Words such as "believes," "anticipates," "expects," "will," "plans" and similar expressions are intended to identify forward looking statements. Additionally, forward looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward looking statements in this report are based upon information available to us on the date of this report. We undertake no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law. Factors that could cause actual results to differ materially from those referenced in the forward-looking statements are listed in Item 1A, Risk Factors. The Company disclaims any intent or obligation to update or revise any of the forward- looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

PART I

Item 1. *Business*

Summary

CH2M HILL Companies, Ltd. was founded in 1946 and incorporated under the laws of the State of Oregon on November 9, 1965. We are a large employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry, around the world. We have approximately 30,000 employees worldwide.

On July 1, 2011, we changed our state of incorporation from Oregon to Delaware through a conversion under Oregon and Delaware law (the "Reincorporation"). The Reincorporation did not result in any change in the business, physical location, management, assets, liabilities, or net worth of our company. In addition, our consolidated financial condition and results of operations immediately after consummation of the Reincorporation are the same as those immediately prior to the consummation of the Reincorporation.

Our Operating Segments

Effective January 1, 2011, we reorganized our reporting structure under which our chief operating decision maker makes strategic and operating decisions with regard to assessing performance and allocating resources. As a result, our Industrial Systems business was divided based upon its operations and absorbed within our Environmental Services business and Water business. Our Water business operations were then grouped with the Energy business creating the Energy and Water segment ("E&W"). Our Environmental Services business was grouped with our Nuclear business and our Government Facilities and Infrastructure business and reflected in the new Government, Environment and Nuclear ("GEN") segment. Lastly, our Transportation business, Operations and Maintenance business and Industrial and Advanced Technology business were grouped together to form the Facilities and Infrastructure ("F&I") segment. The F&I segment also has responsibilities for major programs such as our contract to provide program management services for the London 2012 Olympics.

Within our E&W segment, our Energy business primarily focuses on providing services to a comprehensive range of private sector clients and utilities, while our Water business primarily provides services to state and local governments. Our GEN segment primarily provides a comprehensive range of services to various U.S. federal government agencies and foreign governments and private industry. Our Facilities and Infrastructure segment primarily provides a comprehensive range of services to various state, local and provincial governments and also a select group of private clients.

On November 10, 2011, we acquired all of the share capital of Halcrow Holdings Limited ("Halcrow"), which is reported in the F&I segment. More information about the acquisition can be found in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

Our Clients and Key Markets

Clients

We provide our services to a broad range of domestic and international clients, including federal governments, state, local and provincial governments, private sector businesses and utilities. We perform services as the prime contractor, as subcontractors, or through joint ventures or partnership agreements with other service providers. The demand for our services generally comes from budgeting and capital spending decisions made by our clients.

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The following table summarizes our primary client types, revenues and key markets served by each of our operating segments during 2011.

Operating Segment	Client Type	% of 2011 Revenues	Key Markets
Government, Environment and Nuclear	U.S. Federal and Foreign Governments, Governmental Agencies, Authorities and Utilities	39%	Nuclear Environmental Services Government Facilities and Infrastructure
Facilities and Infrastructure	State and Local Governments and Private Sectors	25%	Transportation Operations Management Industrial and Advanced Technology
Energy and Water	Local Governments, Private Sectors and Utilities	36%	Energy and Chemicals Power Water, Wastewater and Water Resources

The following table provides a summary of representative clients:

Public Sector Clients		Private Sector Clients
U.S. Department of Energy ("DOE") U.S. Department of Defense U.S. Department of the Interior U.S. Air Force U.S. Navy U.S. Army Corps of Engineers U.S. Federal Emergency Management Agency ("FEMA") Department of Homeland Security U.S. Agency for International Development U.S. Environmental Protection Agency National Aeronautics and Space Administration National Science Foundation	United Kingdom Atomic Energy Authority United Kingdom Nuclear Decommissioning Authority ("NDA") Republic of Korea Ministry of Defense U.S. cities Foreign cities U.S. airports and seaports U.S. and State Departments of Transportation State Transit Authorities Water and Wastewater Municipalities Panama Canal Authority London 2012 Olympic Delivery Authority	Major oil and gas companies, refiners and pipeline operators Power utilities Chemicals, bioprocessing and refining companies Metals and mining Microelectronics manufacturers Pharmaceutical and biotechnology companies Automotive, food and beverage, metals and consumer product manufacturers Renewable energy companies

In 2011, we derived approximately 35% of our total revenues from contracts with the U.S. federal government. This work is performed through numerous contracts and joint ventures primarily within the GEN operating segment.

Key Markets

The following is a description of each of our key markets within our operating segments and the services we provide.

Government, Environment & Nuclear

The GEN segment comprises three businesses−Government Facilities and Infrastructure (GF&I), Environmental Services, and Nuclear. GEN provides a full range of services−program management, engineering, design, construction, environmental remediation, operation and maintenance, decontamination and decommissioning, facility closure, sustainable solutions, and consulting services−to clients worldwide, including our largest client, the U.S. federal government.

Government Facilities and Infrastructure−Our GF&I business plans, designs, constructs, operates and maintains various categories of facility and infrastructure at all types of government and military installations offering contingency and logistics, planning and consulting engineering and design, design-build, operations and maintenance, and program management services. The U.S. Department of Defense is GF&I's largest client. We also provide a multitude of services to other government agencies such as the U.S. Federal Emergency Management Agency, National Science Foundation, U.S. Agency for International Development, Department of Energy, and the National Aeronautics and Space Administration. We continue to expand our government client base, both within the U.S. and internationally. At its core, our GF&I business ensures value-added mission success for our clients by safely delivering flexible and sustainable facilities, infrastructure, and contingency solutions on any scale worldwide while maintaining a focus to optimize client goals, and minimize impacts and costs.

Environmental Services−Our Environmental Services ("ES") business is dedicated to protecting human health, preserving the environment, and restoring impacted natural resources. We achieve this mission by offering services through nine global practices: sustainability consulting, threat reduction management, environmental compliance, planning and permitting, integrated waste solutions, munitions response, natural resources planning and management, sediment management and remediation, and site remediation and revitalization. A key differentiator for our services remains our innovation and complex problem solving capacities found in these practices. Clients include a broad spectrum of U.S. and state government agencies and departments; multi-national commercial clients; and international clients in both the public and private sectors. Over the past ten years our environmental services have consistently been rated in the top 10% of our peer provider base by market journals and trade magazines and we are considered to be an industry leader. Another key differentiator for us with both our government and multinational clients is project delivery with a global footprint−our ability to effectively and consistently deploy our systems and processes (especially safety, environmental compliance, and project management) throughout the world with minimal deviation.

Nuclear−Our Nuclear business unit specializes in the management of complex nuclear programs and projects around the globe. Our experience includes managing and operating nuclear facilities and providing innovative cleanup and environmental remediation for commercial and government facilities and sites worldwide. We provide innovative cleanup and closure solutions for contaminated sites in the DOE nuclear weapons complex and at NDA sites in Great Britain. In the commercial nuclear sector, we provide program management and program advisory services, as well as planning, permitting, and licensing of new nuclear energy generating stations. Additionally, we provide service offerings at government and commercial nuclear sites including: program management and owner's engineer services; decommissioning; waste management; waste fuel strategies; support service operations; and planning, permitting, and licensing of new nuclear energy generating stations. The Nuclear business unit serves three primary businesses sectors: Nuclear Remediation and Decommissioning, Nuclear Power and National Defense. The DOE and NDA are the primary clients served by our Nuclear Remediation and Decommissioning sector, however we have also decommissioned reactors for utilities and research reactors for universities. Our Nuclear Power sector primarily serves clients such as the United Arab Emirates and Poland. Governmental clients such as the U.S. National Nuclear Security Agency and U.K. Ministry of Defense's Atomic Weapons Establishment are served by our National Defense sector.

Facilities & Infrastructure

The F&I segment is comprised of three businesses: Industrial and Advanced Technology, Transportation, and Operations and Maintenance. F&I's portfolio of services include: consulting, design, design-build, operations and maintenance, construction management, and program management. The segment also provides enterprise stewardship for the development of our facilities penetration strategy and our urban development practice for large program management projects.

Industrial and Advanced Technology−In the Industrial and Advanced Technology ("I&AT") business, we provide program management, consulting, planning, design, and construction services to clients in the following manufacturing industries: integrated circuit, wafer, dynamic random access memory, nanotechnology, photo voltaic, data center, flat panel display, automotive, aerospace and aviation, food and beverage, building materials, and consumer products sectors. Our clients typically require integrated design and construction services for complex manufacturing systems, including clean rooms, ultrapure water and wastewater systems, chemical and gas systems and production tools. Our electronics business also provides specialized consulting services to optimize the operating efficiency and return on investment for complex manufacturing facilities. In addition, our IDC Architects group services the university research sectors as well as special economic zone developments. As the economy recovers, we will continue to expand market reach in Asia, North America, South America, and the Middle East. We are leveraging our strategic business planning capabilities to help clients structure and plan their high-volume manufacturing projects, and to provide follow-on design and construction services.

Transportation−In the transportation business, we serve the aviation, highway/bridge, ports and maritime, and transit and rail segments with both horizontal and vertical infrastructure development. For all of our clients, we provide planning, design, value engineering, design-build, project/program management, construction management, feasibility studies, public involvement/community management, environmental documentation, and sustainability planning. Airport services include airfield planning and design, airfield navigational aids, airport master planning, program management, airport modeling and simulation, and airport facilities planning, design, mechanical, and electrical. For our highway and bridge clients, we provide transportation and sustainability planning; highway and bridge design and construction; traffic engineering and traffic modeling; intelligent transportation systems; highway safety consulting; geotechnical analysis; and tunneling. Ports and maritime client services include architecture; passenger, container, liquid, and bulk terminal facilities design and construction; asset management; inspection and rehabilitation; and ports infrastructure. Transit and rail services include planning; track, tunneling, and facilities design; vehicle engineering; transit technology; systems engineering; asset management; safety and security; and management consulting.

Operations and Maintenance−In our Operations and Maintenance ("O&M") business, we provide public sector entities and private/commercial companies with a broad range of tailored solutions focused on increasing efficiency and productivity. Our public sector clients include state and local governments and agencies as well as national governments outside the United States. We provide service in the private sector to customers in heavy manufacturing, electronics, food & beverage, advanced technology, mining and minerals, oil and gas, energy, and chemicals. Our services include water and wastewater system and staff optimization; contract operations and maintenance of water, wastewater, and other municipal functions such as public works, and community development; facilities management; utilities O&M; and O&M consulting. Our geographic strategy is to expand market reach in North America, and follow our other business groups and clients into target geographies including

Europe, Australia, the Middle East, and South America. We see an increase in public-private and private-private partnerships for both full and customized service selection, as municipal and private entities continue to look for more ways to increase revenues and reduce costs through efficiency gains. Our O&M Collaborative Working Group combines established O&M services across our energy, environmental, facilities, transportation, resources, and water markets. We will continue to expand our consulting business and leverage cross-market synergies around design-build-operate, remediation, produced water, and manufacturing.

Energy and Water

The Energy and Water segment ("E&W") is comprised of the Energy and Chemicals, Water and Power businesses. The E&W segment also serves as the corporate steward of our Sustainability and Climate Change practice, and as the nexus of energy-water-carbon solutions to address emerging market needs. The portfolio of services include: consulting, design, engineering, design-build, engineering-procurement-construction ("EPC"), operations and maintenance, construction management, construction, and program management.

Energy and Chemicals−In the Energy and Chemicals ("E&C") business, we serve the Upstream, Pipelines & Terminals, and Refining sectors of the oil and gas industry. For the Upstream sector, we perform engineering, modular fabrication, erection, construction, and operations and maintenance services for oil and gas fields. We deliver compression and dehydration facilities, drilling and well support services, enhanced oil recovery, field development, fleet support, natural gas gathering and processing, conventional oil production, sulfur recovery, acid gas treating, and heavy oil and steam-assisted gravity drainage facilities. In the Pipelines & Terminals sector, we focus on infrastructure projects that gather, store, and transport oil, natural gas, refined products, carbon dioxide, and other related hydrocarbons, liquids, and gases. These projects include pipelines, compression, pump stations, metering, tank farms, terminals, and related facilities for midstream (wellhead to central processing) and downstream (cross-country transportation) systems. In the Refining sector, we provide conceptual and preliminary engineering, front-end and detail design, procurement, construction, and operations and maintenance services. Our refining experience includes technology evaluation and feasibility studies; design and construction of refinery units, terminals, pipelines, pump stations, and cogeneration facilities; design, fabrication, and installation of modules and pipe racks; turnarounds and revamps; effluent treatment; refinery conversion to heavy crude oil processing; flue gas scrubbing; and process safety management. In Chemicals, we serve all segments of the industry, including petrochemicals and derivatives, inorganics, specialties, and agricultural chemicals. We have substantial experience in polysilicon, chemicals from alternative feedstock, bioprocess, alkalis and chlorine, pigments and coating, monomers and polymers, resins and plastics, and synthetic performance fibers. This group also serves the biofuels market where we specialize in advanced fuel sources for biofuels development in the United States, Canada, and Latin America. In our Mining sector we provide the complete suite of engineering, construction, and operations and maintenance services for mining infrastructure and processing facilities. We serve clients in North and South America, the Middle East and Russia.

Water−In the Water business, we serve water resources and ecosystem management; water treatment; conveyance and collection; wastewater treatment and reuse; and utility management market segments. We support the water-related needs of clients in the utility, industrial, government, energy, and agricultural sectors. Our broad portfolio of water solutions helps clients address the complex challenges related to population growth, aging infrastructure, water supply uncertainty, global climate change, regulatory changes, and increasing demand. Beginning in 2011, the industrial water capability from the Industrial Systems business was combined with the Water business to pursue the large and growing energy and industrial related water market. Addressing the impacts of global climate change requires the ability to create solutions for the energy-water-carbon Nexus. Energy and mining production require reliable, abundant, and predictable source of water, a resource that is already in short supply throughout much of the world. We work with clients to identify solutions for water and energy conservation, and to re-evaluate processes to achieve cost savings and reduce environmental impacts. Our geographic strategy is to expand market reach in North and South America, Europe, the Middle East, Asia, and Australia. We will continue to capitalize on market drivers such as drought/water scarcity, aging infrastructure, global climate change, and regulatory requirements.

Power−In our global Power business, we design and build power generation facilities that produce energy from natural gas, coal, solar, wind, biomass, and geothermal sources. Our portfolio includes combined-cycle, simple-cycle, coal/integrated gasification, clean air, alternative/waste fuels, transmission and cogeneration projects. We also repower, upgrade, and modify existing plants to improve performance, reliability and achieve clean air standards. Our delivery of full-service EPC services helps clients craft long-term strategies while addressing the ongoing market challenges around unpredictable and changing electricity demand, transmission capacity constraints, changing environmental regulations and policies, aging infrastructure, outdated technologies, water constraints, and fuel diversification. We also provide engineering studies, design, construction management, program management and consulting services. We use advanced, novel technologies to deliver projects safely and effectively for our clients.

Our Sustainability and Climate Change practice encompasses facilities and land development, sustainable cities, carbon and energy management, natural resources planning and management, and site remediation. We bring together strategists, scientists, architects, engineers, technologists, and economists to evaluate opportunities and work collaboratively to deliver lasting solutions that benefit our clients, their communities, and the environment. We also have a diverse platform of tools, technology, and best practices to help clients make well informed decisions and to evaluate the overall sustainability of various options.

Competition

The market for our design, consulting, engineering, construction, design-build, EPC, operations and maintenance, and program management services is highly competitive. We compete primarily with large multinational firms but also compete with smaller firms on contracts within the private industry and state and local government sectors. In addition, some of our clients, including government agencies, occasionally utilize their own internal resources to perform design, engineering and construction services where we might have been the service provider.

Numerous mergers and acquisitions in the engineering services industry have resulted in a group of large firms that offer a full complement of single-source services including studies, designs, construction, design-build, EPC, operation and maintenance and in some instances, facility ownership. Included in the current trend is movement towards larger program and contract awards and longer-term contract periods for a full suite of services, (e.g., 5 to 20 year full-service contracts). While these larger, longer, more comprehensive contracts require us to have substantially greater financial and human capital than in the past, we compete effectively for these full service programs.

To our knowledge, no single company or group of companies currently dominates any significant portion of the engineering services markets. Competition in the engineering services industry is based on quality of performance, reputation, expertise, price, technology, customer relationships, range of service offerings and domestic and international office networks. For additional information regarding competition, see Item 1A. *Risk Factors*.

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Backlog

We define backlog as signed contracts and task orders less previously recognized revenue on such contracts and task orders. In addition, we include amounts under notices to proceed that have been received from clients and are expected to be recognized as revenues when future services are performed. Our operations and maintenance contracts are included for the non-cancellable term of the contract. Unexercised options under any contract are not included in our backlog. Our backlog also reflects the future activities related to consolidated joint ventures. Many of our contracts require us to provide services that span over a number of fiscal years. U.S. government agencies operate under annual fiscal appropriations by Congress and fund various federal contracts only on an incremental basis. The same is true of many state, local and foreign contracts. Our policy is to include in backlog the full contract award, whether funded or unfunded, for amounts that expected to result in revenue in future periods based upon our experience with our clients or type of work. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination, or suspension at the discretion of the client.

The following table provides backlog revenues by operating segment for the years ended December 31:

($ in millions)	2011	2010
Government, Environment and Nuclear	$ 2,140.3	$ 3,343.5
Facilities and Infrastructure	2,458.7	1,419.2
Energy and Water	2,675.8	1,595.8
	$ 7,274.8	$ 6,358.5

The increase in backlog from 2010 to 2011 is primarily due to the acquisition of Halcrow.

Available Information

In addition, for information regarding our company, including free copies of filings with the Securities and Exchange Commission ("SEC"), please visit our web site at www.ch2m.com. The SEC filings, which include our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K are located in the About Us/Employee Ownership section of our web site and are made available as soon as practicable after they are filed with the SEC.

Item 1A. ***Risk Factors***

You should carefully consider the following factors and other information contained in this Annual Report on Form 10-K before deciding to invest in our common stock.

Risks Related to Our Business

Unpredictable economic cycles, uncertain demand for our engineering and related services, and failure by our major customers to pay our fees, could cause our revenue to fluctuate or be uncollectible.

Demand for our engineering and other services is affected by the general level of economic activity in the markets in which we operate, both in and outside of the U.S. Our customers and the markets in which we compete to provide services are likely to experience periods of economic decline from time-to-time. In particular, the recent global economic downturn and governmental tax revenue declines resulted in a slowdown in demand for our services in oil and gas, state and municipal infrastructure, manufacturing and industrial clients.

Adverse economic conditions may decrease our customers' willingness to make capital expenditures or otherwise reduce their spending to purchase our services, which could result in diminished revenues and margins for our business. The demand for services depends on the demand and capital spending of our customers in their target markets, some of which are cyclical in nature. Adverse economic conditions could alter the overall mix of services that our customers seek to purchase, and increased competition during a period of economic decline could force us to accept contract terms that are less favorable to us than we might be able to negotiate under other circumstances. Changes in our mix of services or a less favorable contracting environment may cause our revenues and margins to decline. Moreover, our customers impacted by the economic downturn could delay or fail to pay our fees. If a customer failed to pay a significant outstanding fee, our financial results could be adversely affected and our stock price could be reduced. Adverse credit market conditions could negatively impact our customers' ability to fund their projects and therefore utilize our services; they can also impact subcontractors' and suppliers' ability to deliver work. These credit disruptions could negatively impact our backlog and profits, and could increase our costs or adversely impact project schedules.

The uncertainties involved in prolonged procurement processes associated with our projects make it particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size with our project needs. If an expected project award is delayed or not received, we could incur costs resulting from idle workforce reductions in staff, or redundancy of facilities that would have the effect of reducing our profits.

Changes and fluctuations in U.S. government's spending priorities could adversely affect our revenue expectations.

Because a substantial part of our overall business is generated either directly or indirectly as a result of U.S. federal, state and local government regulatory and infrastructure priorities, shifts in these priorities due to changes in policy imperatives or economic conditions are often unpredictable and may affect our revenues.

Our contracts with the U.S. federal government are subject to the uncertainties of Congressional funding. Since government contracts represent a significant percentage of our revenues (in fiscal 2011, our U.S. federal government contracts represented approximately 35% of our total revenue), government budget deficits or significant reduction in government funding (for example, as a result of the failure of the Joint Select Committee on Deficit Reduction to reach consensus on recommendations for U.S. government budget reduction) could lead to continued delays in contract awards and termination or suspension of our existing contracts, which could have an adverse impact on our business, financial condition and results of operations. In addition, any government shutdown could have an impact on our government projects including our ability to earn revenue on the projects already awarded, and could have an adverse impact on our financial condition.

Political instability in key regions around the world coupled with the U.S. federal government's commitment to the war on terror put at risk U.S. federal discretionary spending, such as spending on infrastructure projects that are of particular importance to our business. At the state and local levels, the need to compensate for reductions in the federal matching funds, as well as financing of federal unfunded mandates, creates pressures to cut back on infrastructure project expenditures. While we have won and are continuing to seek federal contracts related to changing U.S. federal government priorities, such as unforeseen disaster response, rebuilding efforts in countries impacted by war on terror, and other projects that reflect current U.S. government focus, there can be no assurances that changing U.S. government priorities and spending would not adversely affect our business.

In addition, the U.S. federal government has announced its intention to scale back outsourcing of services in favor of "insourcing" jobs to its employees. This practice and its adoption by other government entities could reduce the size and scope of contracts awarded to us.

Government contracts present risks of termination for convenience, adjustment of payments received, restrictions on ability to compete for government work and funding constraints.

In 2011, we derived approximately 35% of our total revenues from contracts with the U.S. federal government. The following risks are inherent in U.S. federal government contracts:

Because U.S. federal laws permit government agencies to terminate a contract for convenience, our U.S. government clients may terminate or decide not to renew our contracts with little or no prior notice.

Payments we receive from our U.S. government clients, our books, records and processes are subject to audit by various U.S. governmental agencies for several years after these payments are made. Based on these audits, the U.S. government may adjust or demand repayment of payments we previously received, or withhold a portion of fees due to us because of unsatisfactory audit outcomes. Audits have been completed on our U.S. federal contracts through December 31, 2006, and are continuing for subsequent periods. Audits performed to date have not resulted in material adjustments to our financial statements. Unsatisfactory audit results may impact our ability to bid or win future U.S. government contract work. In addition, as a government contractor, we are subject to increased risks of investigation, criminal prosecution and other legal actions and liabilities to which purely private sector companies are not. The results of any such actions could adversely impact our business and have an adverse effect on our consolidated financial statements.

Our ability to earn revenues from our existing and future U.S. federal government projects will depend upon the availability of funding from U.S. federal government agencies. We cannot control whether those clients will fund or continue funding our existing projects.

In years when the U.S. federal government does not complete its budget process before the end of its fiscal year on September 30, government operations are typically funded pursuant to a "continuing resolution" that authorizes agencies of the U.S. government to continue to operate, but does not authorize new spending initiatives, which can delay the award of new contracts. These delays could have an adverse effect on our operating results.

Many U.S. federal government programs in which we work require security clearances. Security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business or will not be able to renew existing contracts. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue anticipated from the contract, which could adversely affect our business and results of operations.

Our ability to secure new government contracts and our revenues from existing government contracts could be adversely affected by any one or a combination of the factors listed above.

Many of our projects are funded by U.S. federal, state and local governments and if we violate applicable laws governing this work, we are subject to the risk of suspension or debarment from government contracting activities, which could have a material adverse affect on our business and results of operations.

If we fail to comply with the terms of one or more of our government contracts or statutes and regulations that govern this type of work, or if we or our employees are indicted or convicted on criminal charges (including misdemeanors) relating to any of our government contracts, in addition to any civil or criminal penalties and costs we may incur, we could be suspended or debarred from government contracting activities for a period of time. Some U.S. federal and state statutes and regulations provide for automatic debarment in certain circumstances. The suspension or debarment in any particular case may be limited to the facility, contract or subsidiary involved in the violation or

could be applied to our entire family of companies in certain severe circumstances. Even a narrow scope suspension or debarment could result in negative publicity that could adversely affect our ability to renew contracts and to secure new contracts, both with governments and private customers, which could materially and adversely affect our business and results of operations.

Our industry is highly competitive.

We are engaged in a highly competitive business in which most of our contracts with public sector clients are awarded through a competitive bidding process that places no limit on the number or type of potential service providers. The process usually begins with a government agency request for proposal that delineates the size and scope of the proposed contract. The government agency evaluates the proposals on the basis of technical merit and cost.

In both the private and public sectors, acting either as a prime contractor or as a subcontractor, we may join with other firms that we otherwise compete with to form a team to compete for a single contract. Because a team can often offer stronger combined qualifications than any firm standing alone, these teaming arrangements can be very important to the success of a particular contract competition or proposal. Consequently, we maintain a network of relationships with other companies to form teams that compete for particular contracts and projects. Failure to maintain technical and price competitiveness, as well as failure to maintain access to strong teaming partners may impact our ability to win work.

Our backlog is subject to unexpected adjustments and cancellations and is, therefore, an uncertain indicator of our future performance.

Our backlog at December 31, 2011 was $7.3 billion. We cannot assure that the revenues projected in our backlog will be realized or, if realized, will result in profits. Projects may remain in our backlog for an extended period of time prior to project execution and, once project execution begins, it may occur unevenly over the current and multiple future periods. In addition, our ability to earn revenues from our backlog depends on the availability of funding for various government and private clients. Most of our industrial clients have termination for convenience provisions in their contracts. Therefore, project terminations, suspensions or reductions in scope may occur from time-to-time with respect to contracts reflected in our backlog. Some backlog reductions would adversely affect the revenue and profit we actually receive from contracts reflected in our backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of our backlog and the revenues and profits that we actually earn.

Our inability to attract and retain professional personnel could adversely affect our business.

Our ability to attract, retain and expand our staff of qualified engineers and technical professionals will be an important factor in determining our future success and growth. The market for these professionals is competitive in and outside the U.S. As some of our key personnel approach retirement age, we are developing and implementing proactive succession plans. If we cannot attract and effectively implement our succession plans, we could have a material adverse impact on our business, financial condition, and results of operations. Since we derive a significant part of our revenues from services performed by our professional staff, our failure to retain and attract professional staff could adversely affect our business by impacting our ability to complete our projects and secure new contracts.

Our projects may result in liability for faulty engineering services.

Our engineering practice involves professional judgments regarding the planning, design, development, construction, operations and management of industrial facilities and public infrastructure projects. Because our projects are often large and can affect many people, our failure to make judgments and recommendations in accordance with applicable professional standards could result in large damages and, perhaps, punitive damages. Although we have adopted quality control, risk management and risk avoidance programs designed to reduce potential liabilities, and carry professional liability to set off this risk, there can be no assurance that such programs will protect us fully from all risks and liabilities.

Fluctuations in commodity prices may affect our customers' investment decisions and therefore subject us to risks of cancellation or delays in existing work, or changes in the timing and funding of new awards.

Commodity prices can affect our customers and may have a significant impact on the costs and profitability of our projects. For projects that we perform on a guaranteed fixed price or "not to exceed" cost basis, unforeseen rising commodity prices can reduce our profit or cause us to incur a loss. Rising commodity prices can negatively impact the potential returns on investments for our customers and may lead to customers deferring new investments or canceling or delaying existing projects. Some of our customers are engaged in the production or processing of commodity products, particularly in the energy sector, and fluctuations in commodity prices can impact their business and their willingness to make new capital investments, which in turn may reduce demand for our services. Cancellations, delays and weakness in demand for our services in markets that are affected by commodity price fluctuations may affect our operating results in significant and unpredictable ways and could have a material adverse impact on our business, financial condition, and results of operations.

We could sustain losses on contracts that contain a fixed price or guaranteed maximum price provision if our costs exceed the maximum prices.

In 2011, we derived approximately 31% of our revenues from fixed price and "guaranteed maximum price" contracts. Under fixed price contracts, we agree to deliver projects for a definite, predetermined price and under guaranteed maximum price contracts, we agree to deliver projects for a price that is capped regardless of our actual costs incurred over the life of the project. Under cost reimbursable contracts with maximum pricing provisions, we are compensated for the labor hours expended at agreed-upon hourly rates plus cost of materials plus any subcontractor costs used; however, there is a stated maximum compensation for the services to be provided under the contract. Many fixed price or guaranteed maximum price contracts involve large industrial facilities and public infrastructure projects and present the risk that our costs to complete a project may exceed the guaranteed maximum or fixed price agreed upon with the client. The fees negotiated for such projects may not cover our actual costs and desired profit margins. In addition, many of our customers on fixed or maximum price contracts do not accept escalation clauses regarding labor or material cost increases, including commodity price increases. If our actual costs for a maximum price project or fixed price project are higher than we expect, our profit margins on the project will be reduced or we could suffer a loss.

Percentage-of-completion accounting used for our engineering and construction contracts can result in overstated or understated profits or losses.

The revenue for our engineering and construction contracts is accounted for on the percentage-of-completion method of accounting. This method of accounting requires us to calculate revenues and profit to be recognized in each reporting period based on our predictions of future outcomes, including our estimates of the total cost to complete the project, project schedule and completion date, the percentage of the project that is completed and the amounts of any probable unapproved change orders. Our failure to accurately estimate these often subjective factors could result in reduced profits or losses.

Environmental regulations and related compliance investigations may adversely impact our project performance, expose us to liability and could adversely affect our revenues.

A substantial portion of our business is generated either directly or indirectly as a result of laws and regulations related to environmental matters. In particular, our business involves significant risks including the assessment, analysis, remediation, handling, management and disposal of hazardous substances. As a result, we are subject to a variety of environmental laws and regulations governing, among other things, discharges of pollutants and hazardous substances into the air and water and the handling and disposal of hazardous waste including nuclear materials and related record keeping requirements. These laws and regulations and related investigations into our compliance, as it pertains to facility operations and remediation of hazardous substances, can cause project delays and, substantial management time commitment and may significantly add to our costs. Violations of these environmental laws and regulations could subject us to civil and criminal penalties and other liabilities, which can be very large. Although we have not been subject to any material civil or criminal penalties for violations of these laws to date, we have incurred costs and diverted resources to respond to reviews that have negatively impacted the profitability of some of our projects. While the costs of these reviews have not been material to our consolidated results of operations in the past, additional or expanded reviews or proceedings on environmental compliance, or any substantial fines or penalties, could affect our profitability and our stock price in the future, or could adversely affect our ability to compete for new business. Changes in environmental regulations could affect our business more significantly than other firms. Accordingly, a reduction in the number or scope of these laws and regulations, or changes in government policies regarding the funding, implementation or enforcement of such laws and regulations, could significantly reduce one of our most important markets and limit our opportunities for growth or reduce our revenues. In addition, any effort by government agencies to reduce the role of private contractors in regulatory programs, including environmental compliance projects, could have material adverse effects on our business.

We may not be successful in growing through acquisitions or integrating effectively any businesses and operations we may acquire.

Our success depends on our ability to continually enhance and broaden our service offerings and our service delivery footprint in response to changing customer demands, technology, and competitive pressures. Numerous mergers and acquisitions in our industry have resulted in a group of larger firms that offer a full complement of single source services including studies, design, engineering, procurement, construction, operations, maintenance, and facility ownership. To remain competitive, we may acquire new and complementary businesses to expand our portfolio of services, add value to the projects undertaken for clients or enhance our capital strength. We do not know if we will be able to complete any future acquisitions or whether we will be able to successfully integrate any acquired businesses, operate them profitably, or retain their key employees.

When suitable acquisition candidates are identified, we anticipate significant competition when trying to acquire these companies, and there can be no assurance that we will be able to acquire such acquisition targets at reasonable prices or on favorable terms. If we cannot identify or successfully acquire suitable acquisition candidates, we may not be able to successfully expand our operations. Further, there can be no assurance that we will be able to generate sufficient cash flow from an acquisition to service any indebtedness incurred to finance such acquisitions or realize any other anticipated benefits. Nor can there be any assurance that our profitability will be improved as a result of these acquisitions. Any acquisition may involve operating risks, such as:

- the difficulty of assimilating the acquired operations and personnel and integrating them into our current business;

- the potential impairment of employee morale;

- the potential disruption of our ongoing business;
- preserving important strategic and customer relationships;
- the diversion of management's attention and other resources;
- the risks of entering markets in which we have little or no experience;
- the possibility that acquisition related liabilities that we incur or assume may prove to be more burdensome than anticipated;
- the risks associated with possible violations of the Foreign Corrupt Practices Act and other anti-corruption laws as a result of any acquisition; and
- the possibility that any acquired firms do not perform as expected.

The success of our joint ventures depends on the satisfactory performance by our joint venture partners. The failure of our joint venture partners to perform their obligations could impose on us additional financial and performance obligations that could result in reduced profits or significant losses on the projects that our joint ventures undertake.

We routinely enter into joint ventures as part of our business. The success of these joint ventures depends, in large part, on the satisfactory performance of our joint venture partners. If our joint venture partners fail to satisfactorily perform their joint venture obligations as a result of financial or other difficulties, the joint venture may be unable to adequately perform or deliver its contracted services. Under these circumstances, we may be required to make additional investments and provide additional services to ensure the adequate performance and project delivery. These additional obligations could result in reduced profits or, in some cases, significant losses for us with respect to the joint venture.

Occasionally, we participate in joint ventures where we are not a controlling party. In such instances we may have limited control over joint venture decisions and actions, including internal controls and financial reporting, which may have an impact on our business.

We may be restricted in our ability to access the cash flows or assets from our subsidiaries and joint venture partners upon which we are substantially dependent.

We are dependent on the cash flows generated by our subsidiaries and, consequently, on their ability to collect on their respective accounts receivables. Substantially all of our cash flows necessary to meet our operating expenditures are generated by our subsidiaries. The financial condition and operational requirements of our foreign subsidiaries may limit our ability to obtain cash from them. In addition, we conduct some operations through joint ventures. We do not manage all of these entities. Even in those joint ventures that we manage, we are often required to consider the interests of our joint venture partners in connection with decisions concerning the operations of the joint ventures. Arrangements involving our foreign subsidiaries and joint ventures may restrict us from gaining access to the cash flows or assets of these entities. In addition, our foreign subsidiaries sometimes face governmentally imposed restrictions on their abilities to transfer funds to us.

Our dependence on subcontractors and equipment manufacturers could adversely affect us.

We rely on third party subcontractors as well as third party equipment manufacturers to complete our projects. To the extent that we cannot engage subcontractors or acquire equipment or materials, our ability to complete a project in a timely fashion or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for maximum price contracts, we could experience losses in the performance of these contracts. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason, including the deterioration of its financial condition, we may be required to purchase the services, equipment or materials from another source at a higher price. These risks are potentially more significant in the current economic downturn if financial difficulties in our supply chain cause our services or equipment suppliers not to be able to support the demands and schedules of our business. This may reduce the profit we expect to realize or result in a loss on a project for which the services, equipment or materials were needed.

Our defined benefit pension plans have significant deficits that may grow in the future; we may be required to contribute additional cash to meet any underfunded benefit obligations under these plans.

As a result of our recent acquisition of Halcrow, the Company acquired defined benefit pension plans (also known as "defined benefit pension schemes") that have significant deficits. The Company's ongoing funding obligations for the defined benefit pension plans vary from time to time depending on actuarial assumptions outside of the Company's control, such as discount rates, inflation rates, plan investment returns, and life expectancy of the plan members. In order to maintain an adequate funding position over time, the Company continuously reviews these assumptions and mitigates these risks by working with the pension plan trustees and with actuarial and investment advisors. The Company maintains an ongoing dialog with its pension plan trustees to negotiate a reasonable schedule for cash contributions as required by local regulations. If we are unable to agree such schedule in the future, or if the actuarial assumptions change significantly, we could have material adverse effects on our financial position, results of operations and/or cash flows.

We face special risks associated with our international business.

In 2011 and 2010, we derived approximately 25% and 21%, respectively, of our revenues from operations outside of the U.S. Conducting business abroad is subject to a variety of risks including:

- Currency exchange rate fluctuations, restrictions on currency movement and impact of international tax laws could adversely affect our results of operations, if we are forced to maintain assets in currencies other than the U.S. dollar as our financial results are reported in U.S. dollars.

- Political and economic instability and unexpected changes in regulatory environment in countries outside the U.S. could adversely affect our projects overseas and our ability to repatriate cash.

- Inconsistent and diverse regulations, licensing and legal requirements may increase our costs because our operations must comply with a variety of laws that differ from one country to another.

- Terrorist attacks and civil unrest in some of the countries where we do business may delay project schedules, threaten the health and safety of our employees and increase our cost of operations.

- Challenges in managing risks inherent in international operations, such as unique labor rules and corrupt business environments may cause inadvertent violations of laws that we may not immediately detect or correct.

While we are monitoring such regulatory, geopolitical and other factors, we cannot assess with certainty what impact they may have over time on our business.

Special risks associated with doing business in highly corrupt environments and employee, agent or partner misconduct or failure to comply with anti-bribery and other governmental laws could, among other things, harm our reputation.

The global nature of our business creates various domestic and local regulatory challenges. Our operations include projects in developing countries and countries torn by war and conflict. Many of these countries are rated poorly by Transparency International, the independent watchdog organization for government and institutional corruption around the world. Our operations outside of the U.S. are subject to the Foreign Corrupt Practices Act ("FCPA") and similar anti-bribery laws in other jurisdictions which generally prohibit companies and their intermediaries from paying or offering anything of value to foreign government officials for the purpose of obtaining or retaining business, or otherwise receiving discretionary favorable treatment of any kind. In addition, we may be held liable for actions taken by our local partners, subcontractors and agents even though such parties are not always subject to our control. Any determination that we have violated the FCPA or any similar anti-bribery laws in other jurisdictions (whether directly or through acts of others, intentionally or through inadvertence) could result in sanctions that could have a material adverse effect on our business and our reputation and on our ability to secure U.S. federal government and other contracts. While our staff is trained on FCPA and other anti-corruption laws and we have procedures and controls in place to monitor compliance, situations outside of our control may arise that could potentially put us in violation of the these regulations and thus negatively impact our business. In addition, we are also subject to various international trade and export laws. Any misconduct, fraud, non-compliance with applicable governmental laws and regulations, or other improper activities by our employees, agents or partners could have a significant impact on our business, financial results and reputation and could subject us to criminal and civil enforcement actions.

Misconduct could also include the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations. In addition, we regularly provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. Failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearances, and suspension or debarment from contracting, any or all of which could harm our reputation, reduce our revenues and profits and subject us to criminal and civil enforcement actions.

We face risks associated with working in locations where there are high security risks.

Some of our projects are performed in locations known for their high security risks. In these high risk locations, we may incur substantial security costs to maintain the safety of our employees and work sites. Despite our best efforts, we cannot guarantee the safety of our employees and we may suffer future losses of employees and subcontractors.

We face risks associated with our work sites and the maintenance of adequate safety standards.

Construction and maintenance sites are inherently dangerous workplaces and place our employees in close proximity to dangers of the work site, such as mechanized equipment, moving vehicles, chemical and manufacturing process and materials. Our failure to maintain and implement adequate safety standards and procedures could have a material adverse impact on our business, financial condition and results of operations.

Our businesses could be materially and adversely affected by severe weather.

Repercussions of severe weather conditions may include:

- Evacuation of personnel and curtailment of services which may be temporary in nature;
- Increased labor and materials costs in areas impacted by weather and subsequent increased demand for labor and materials for repairing and rebuilding;
- Weather related damage to our jobsites or facilities;
- Inability to deliver materials to jobsites in accordance with contract schedules; and
- Loss of productivity.

We typically remain obligated to perform our services after a natural disaster unless the contract contains a force majeure clause relieving us of our contractual obligations in such an extraordinary event. If we are not able to react quickly to force majeure, our operations may be affected significantly, which would have a negative impact on our financial condition, results of operations or cash flows.

Rising inflation, interest rates and/or construction costs could reduce the demand for our services as well as decrease our profit on our existing contracts.

Because a significant portion of our revenue is earned from fixed price and guaranteed maximum price contracts as well as contracts that base significant financial incentives on our ability to keep costs down, we bear some or all of the risk of rising inflation with respect to those contracts. In addition, if we expand our business into markets and geographic areas where "fixed price" work is more prevalent, inflation may have a larger impact on our results of operations in the future. Therefore, increases in inflation, interest rates and/or construction costs could have a material adverse impact on our business and financial results.

Inability to secure adequate bonding would impact our ability to win projects.

As is customary in our industry, we are often required to provide performance and surety bonds to customers in connection with our construction, EPC and fixed price projects. These bonds indemnify the customer if we fail to perform our obligations under the contract. Failure to provide a bond on terms and conditions desired by a customer may result in an inability to compete for or win projects. Historically, we have had and continue to have good relationships with our sureties and have a strong bonding capacity. The issuance of bonds under any bonding facilities, however, is at the sureties' sole discretion. There can be no assurance that bonds will continue to be available to us on reasonable terms. Our inability to obtain adequate bonding may result in our ineligibility to bid for construction, EPC and fixed price projects, which could have a material adverse effect on our growth and financial condition.

It can be difficult or expensive to obtain the insurance we need for our business operations.

As part of our business operations, we maintain insurance both as a corporate risk management strategy and to satisfy the requirements of many of our contracts. Insurance products go through market fluctuations and can become expensive and sometimes very difficult to obtain. We work with a diversified team of insurers to reduce our risk of available capacity. There can be no assurances, however, that we can secure all necessary or appropriate insurance in the future at an affordable price for the required limits. Our failure to obtain such insurance could lead to uninsured losses that could materially adversely affect our results of operations or financial condition.

Our present assessment of the insurance market is that there is adequate capacity to cover our insurance needs at reasonable cost. Currently our insurance and bonds are purchased from several of the world's leading and financially stable providers often in layered insurance or co-surety arrangements. The built-in redundancy of such arrangements usually enables us to call upon existing insurance and surety suppliers to fill gaps that may arise if other such suppliers become financially unstable. Our risk management personnel continuously monitor the developments in the insurance market and financial stability of the insurance providers.

Actual results could differ from the estimates and assumptions used to prepare our financial statements.

In order to prepare financial statements in conformity with generally accepted accounting principles in the U.S., we are required to make estimates and assumptions as of the date of the financial statements which affect the reported values of our assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. Areas requiring significant estimates by us include:

Recognition of contract revenues, costs, profit or losses in applying the percentage-of-completion method of accounting;

Recognition of recoveries under contract change orders or claims;

Collectability of billed and work-in-process unbilled accounts receivables and the need for and the amount of allowances for problematic accounts;

Estimated amounts for anticipated project losses, warranty costs and contract close-out costs;

Determination of potential liabilities under pension and other postretirement benefit programs;

Accruals for self insurance programs for medical, workers compensation, general liability and professional liability;

Recoverability of deferred tax assets and the related valuation allowances, and accruals for uncertain tax positions;

Stock option valuation model assumptions;

Accruals for other estimated liabilities;

Employee incentive plans and stock valuation;

Variable interest entities; and

Asset valuations.

We rely on information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.

Because of recent advancements in technology and well-known efforts on the part of computer hackers and cyber terrorists to breach data security of companies, we face risks associated with potential failure to adequately protect critical corporate, client, and employee data which, if released, could adversely impact our client relationships, our reputation, and even violate privacy laws. As part of our business, we develop, receive and retain confidential data about our company and our clients including the U.S. federal and other governments' classified or sensitive information.

In addition, as a global company, we rely heavily on computer, information and communications technology and related systems in order to properly operate. From time to time, we may be subject to systems failures, including network, software or hardware failures, whether caused by us, third party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Such failures could cause loss of data and interruptions or delays in our or our customers' businesses and could damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations or otherwise adversely affect our business. Losses that may occur as a result of any system or operational failure or disruption may cause our actual results to differ materially from those anticipated.

We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Any significant interruption or failure of our information systems or any significant breach of security could damage our reputation and adversely affect our business and results of operations.

Risks Related to Our Internal Market

Absence of a public market may prevent you from selling your stock and cause you to lose all or part of your investment.

There is no public market for our common stock. While we intend the internal market to provide liquidity to stockholders, there can be no assurance that there will be enough orders to purchase shares to permit stockholders to sell their shares on the internal market, or that our internal trading market will be sustained in the future. The price in effect on any trade date may not be attractive enough to buyers and sellers to result in a balanced market because the price is determined by our Board of Directors based on their judgment of fair value, and not by actual market trading activity. Moreover, although we may participate in the internal market as a buyer of common stock if there are more sell orders than buy orders in the market, we have no obligation to engage in internal market transactions and will not guarantee market liquidity. Consequently, insufficient buyer demand could cause sell orders to be prorated, or could prevent the internal market from opening on any particular trade date. Insufficient buyer demand could cause stockholders to suffer a total loss of investment or substantial delay in their ability to sell their common stock. No assurance can be given that stockholders desiring to sell all or a portion of their shares of common stock will be able to do so.

Transfer restrictions on our common stock could prevent you from selling your common stock and cause you to lose all or part of your investment.

Since all of the shares of our common stock are subject to transfer restrictions, you will generally only be able to sell your common stock through our internal market on the scheduled trade dates each year. Unlike shares that are actively traded in public markets, you will not be able to sell your shares on demand. Our common stock price could decline between the time you want to sell and the time you become able to sell. For a detailed discussion of the transfer restrictions on our common stock, see Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

Our stock prices are and will continue to be determined by our Board of Directors' judgment of fair value and not by market trading activity.

The prices of our common stock at each trade date are established by our Board of Directors based on the factors that are described in Item 5 of this Annual Report on Form 10-K. Our Board of Directors sets the stock price in advance of each trade date, and all trades on our internal market are transacted at the price established by our Board. The market trading activity on any given trade date, therefore, cannot affect the price on that trade date. This is a risk to you because our common stock price will not change to reflect supply of and demand for shares on a given trade date as it would in a public market. You may not be able to sell shares or you may have to sell your shares at a price that is lower than the price that would prevail if the internal market price could change on a given trade date to reflect supply and demand. Our Board of Directors endeavors to use the common stock valuation methodology that results in the stock price that represents fair value. The valuation methodology used to determine fair value is subject to change at the discretion of our Board of Directors.

The limited market and transfer restrictions on our common stock, as well as restrictions in our restated articles of incorporation and bylaws, will likely have anti-takeover effects.

Only our active and retired employees, directors, eligible consultants, and employee benefit plans may own our common stock and participate in our internal market. We also have significant restrictions on the transfer of our common stock other than through sales on our internal market. These limitations make it extremely difficult for a potential acquirer who does not have the prior consent of our Board of Directors to attain control of our company, regardless of the price per share an acquirer might be willing to pay and whether or not our stockholders would be willing to sell at that price. In addition, restrictions in our restated articles of incorporation and bylaws may make it more difficult for our stockholders to elect directors not endorsed by management.

Future returns on our common stock may be significantly lower than historical returns.

We cannot assure you that our common stock will provide returns in the future comparable to those achieved historically or that the price will not decline.

Item 1B. ***Unresolved Staff Comments***

None

Item 2. ***Properties***

Our operations are conducted primarily in leased properties in approximately 50 countries throughout the world. Our corporate headquarters are located in Englewood, Colorado, where we lease approximately 155,000 square feet of space. The lease on our corporate headquarters building expires in 2017, with an option to extend the term twice for either a ten or five year term. We believe that our existing facilities are adequate for the present needs of our business and that suitable additional or substitute space will be available as needed to accommodate any expansion of operations.

Item 3. ***Legal Proceedings***

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from the U.S. federal government and various federal agencies, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices as well as similar enforcement agencies outside of the United States. Such government investigations, whether relating to our government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations or financial condition even if the final outcome is adverse to our company.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions, deductibles, and self-insurance) are generally adequate to cover our potential liabilities, if any, with respect to such claims. We accrue for all claims that may result in payment when they are reasonably estimable.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011, two former CH2M HILL Hanford employees pleaded guilty in United States District Court on a felony charge related to time card falsification. As part of its investigation, the U.S. Attorney's Office raised the possibility of civil and/or criminal charges for possible violations arising from our overtime practices on this project. We are fully cooperating with the investigation and will continue to work to resolve this matter. CH2M HILL and the Department of Justice are in discussions about a possible global settlement of any potential civil and criminal charges and resolution of any potential False Claims Act allegations. We do not believe that the terms of a potential settlement even if it will be in excess of the amount accrued would have a material impact on our results of operations or financial condition.

Item 4. ***Mine Safety Disclosures.***

None.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

We are employee-controlled. As a result, our stock is only available to certain active and retired employees, directors, eligible consultants and benefit plans. There is no market for our stock with the general public. In order to provide liquidity for our stockholders, an internal market ("Internal Market") is maintained through an independent broker, currently Neidiger, Tucker and Bruner, Inc. (NTB).

The Internal Market enables eligible participants to offer to sell or purchase shares of our common stock on predetermined days (each, a "Trade Date"). The Trade Dates are determined by our Board. Generally, there are four Trade Dates each year. Currently our Board of Directors meetings are scheduled quarterly. All sales of our common stock are made at the price determined by our Board of Directors pursuant to the valuation methodology described below.

All sales of common stock on the Internal Market are restricted to the following authorized buyers:

- Our employees, directors and eligible consultants
- Trustees of the benefit plans
- Administrator of the Payroll Deduction Stock Purchase Plan ("PDSPP")

We may impose limitations on the number of shares that an individual may purchase when there are more buy orders than sell orders for a particular Trade Date. After our Board of Directors determines the stock price for use on the next Trade Date, all stockholders, employees, directors and eligible consultants will be advised as to the new stock price and the next Trade Date.

Our Internal Market is managed through an independent broker, currently NTB, which acts upon instructions from the buyers and sellers to affect trades at the stock price set by our Board of Directors and in accordance with the Internal Market rules. NTB does not play a role in determining the price of our common stock and is not affiliated with us. Individual stock ownership account records are currently maintained by our in-house transfer agent.

We may purchase shares if the Internal Market is under-subscribed. We may, but are not obligated to, purchase shares of common stock on the Internal Market on any Trade Date at the price in effect on that Trade Date, but only to the extent that the number of shares offered for sale by stockholders exceeds the number of shares sought to be purchased by authorized buyers. The decision as to whether or not we will purchase shares in the Internal Market, if the Internal Market is under-subscribed, is solely within our discretion and we will not notify investors as to whether or not we will participate prior to the Trade Date. Investors should understand that there can be no assurance that they will be able to sell their CH2M HILL stock without substantial delay or that their stock will be able to be sold at all on the Internal Market. We will consider a variety of factors including our cash position, financial performance and number of shares outstanding in making the determination as to whether to participate in an under-subscribed market. The terms of our existing unsecured revolving line of credit do not play a role in the decision as to whether to buy shares in the Internal Market. To date, no other factors have been considered by us in our decisions as to whether or not to participate in an under-subscribed market.

If the aggregate number of shares offered for sale on the Internal Market on any Trade Date is greater than the number of shares sought to be purchased, stockholder offers to sell will be accepted as follows:

If enough orders to buy are received to purchase all the shares offered by each seller selling fewer than 500 shares and at least 500 shares from each other seller, then all sell orders will be accepted up to the first 500 shares and the portion of any sell orders exceeding 500 shares will be accepted on a pro-rata basis

If not enough orders to buy are received to purchase all the shares offered by each seller selling fewer than 500 shares and at least 500 shares from each other seller, then the purchase orders will be allocated equally to each seller

We may sell shares if the Internal Market is over-subscribed. To the extent that the aggregate number of shares sought to be purchased exceeds the aggregate number of shares offered for sale, we may, but are not obligated to, sell authorized but unissued shares of common stock on the Internal Market at the price in effect on that Trade Date to satisfy purchase demands. The decision as to whether or not we will sell shares in the Internal Market, if the Internal Market is over-subscribed, is solely within our discretion and we will not notify investors as to whether or not we will participate prior to the Trade Date. Investors should understand that there can be no assurance that they will be able to buy as many shares as they would like on a given Trade Date. We will consider a variety of factors including our cash position, financial performance and number of shares outstanding in making the determination as to whether to participate in an over-subscribed market. The terms of our existing unsecured revolving line of credit do not play a role in the decision as to whether to sell shares in the Internal Market. To date, no other factors have been considered by us in our decisions as to whether or not to participate in an over-subscribed market.

If the aggregate purchase orders exceed the number of shares available for sale and we choose not to issue additional shares, the following prospective purchasers will have priority to purchase shares, in the order listed:

Administrator of the PDSPP

Trustees of the 401(k) Plan

Internal Market participants on a pro-rata basis (including purchases through pre-tax and after-tax deferred compensation plans)

Effective February 11, 2011, all sellers on the Internal Market, other than us and the trustees of the 401(k) Plan, pay NTB a commission equal to three tenths of one percent (.3%) of the proceeds from such sales. The previous commission level was two percent (2%) of proceeds from such sales. Employees who sell their common stock upon retirement from our company will have the option to sell the common stock they own on the Internal Market and pay a commission on the sale or to sell to us without paying a commission. In the latter case, the employee will sell their common stock to us at the price in effect on the date of their termination in exchange for a four-year note at a market interest rate determined biannually. No commission is paid by buyers on the Internal Market.

Price of our Common Stock

Our Board of Directors will determine the price, which is intended to be the fair value, of the shares of our common stock to be used for buys and sells on each Trade Date pursuant to the valuation methodology described below. The price per share of our common stock generally is set as follows:

$$\text{Share Price} = [(7.8 \times M \times P) + (SE)] / CS$$

In order to determine the fair value of the common stock in the absence of a public trading market, our Board of Directors felt it appropriate to develop a valuation methodology to use as a tool to determine a price that would be a valid approximation of the fair value. In determining the fair value stock price, our Board of Directors believes that the use of a going concern component (i.e., net income, which we call profit after tax, as adjusted by the market factor) and a book value component (i.e., total stockholders' equity) is important. Our Board of Directors believes that the process we have developed reflects modern equity valuation techniques and is based on those factors that are generally used in the valuation of equity securities.

The existence of an over-subscribed or under-subscribed market on any given Trade Date will not affect the stock price on that Trade Date. However, our Board of Directors, when determining the stock price for a future Trade Date, may take into account the fact that there have been under-subscribed or over-subscribed markets on prior Trade Dates.

Market Factor ("M"). "M" is the market factor, which is subjectively determined in the sole discretion of our Board of Directors. In determining the market factor, our Board of Directors will take into account factors the directors considered to be relevant in determining the fair value of our common stock, including:

- The market for publicly traded equity securities of companies comparable to us
- The merger and acquisition market for companies comparable to us
- The prospects for our future performance
- General economic conditions
- General capital market conditions
- Other factors our Board of Directors deem appropriate

Our Board of Directors has not assigned predetermined weights to the various factors it may consider in determining the market factor. A market factor greater than one would increase the price per share and a market factor less than one would decrease the price per share.

In its discretion, our Board of Directors may change, from time-to-time, the market factor used in the valuation process. Our Board of Directors could change the market factor, for example, following a change in general market conditions that either increased or decreased stock market equity values for companies comparable to us, if our Board of Directors felt that the market change was applicable to our common stock as well. Our Board of Directors will not make any other changes in the method of determining the price per share of common stock unless in the good faith exercise of its fiduciary duties and, if appropriate, after consultation with its professional advisors, our Board of Directors determines that the method for determining the price per share of common stock no longer results in a stock price that reasonably reflects our fair value on a per share basis.

As part of the total mix of information that our Board of Directors considers in determining the "M" factor, our Board of Directors also may take into account company appraisal information prepared by The Environmental Financial Consulting Group, Inc. ("EFCG"), an independent appraiser engaged by the trustees of our benefit plans. In setting the stock price, our Board of Directors compares the total of the going concern and book value components used in the valuation methodology to the enterprise value of the Company in the appraisal provided by EFCG. If, after such comparison, our Board of Directors concludes that its initial determination of the "M" factor should be re-examined, our Board of Directors may review, and if appropriate, adjust the "M" factor. Since the inception of the program on January 1, 2000, the total of the going concern and book value components used by our Board of Directors in setting the price for our stock has always been within the enterprise appraisal range provided quarterly by EFCG.

This "M" component of our stock price valuation remained unchanged since the inception of the current ownership program in 2000 until the November 9, 2007 valuation, when it was changed by the Board of Directors from 1.0 to 1.2.

Profit After Tax ("P"). "P" is profit after tax, otherwise referred to as net income, for the four fiscal quarters immediately preceding the Trade Date. Our Board of Directors, at its discretion, may exclude nonrecurring or unusual transactions from the calculation. Nonrecurring or unusual transactions are developments that the market would not generally take into account in valuing an equity security. A change in accounting rules, for example, could increase or decrease net income without changing the fair value of our common stock. Similarly, such a change could fail to have an immediate impact on the value of our common stock, but still have an impact on the value of our common stock over time. As a result, our Board of Directors believes that in order to determine the fair value of our common stock, it needs the ability to review unusual events that affect net income. In the past, our Board of Directors has excluded unusual items from the calculation of "P", including nonrecurring revenue from Kaiser-Hill Company, LLC and a write off of an investment in an international telecommunications company. Because "P" is calculated on a four quarter basis, an exclusion impacts the calculation of fair value for four consecutive quarters. Our Board of Directors may determine to exclude other future unusual or non-recurring items from the calculation of "P".

Total Stockholders' Equity ("SE"). "SE" is total Stockholders' Equity, which includes intangible items, as set forth on our most recent available quarterly or annual financial statements. Our Board of Directors, at its discretion, may exclude from the Stockholders' Equity parameter nonrecurring or unusual transactions that the market would not generally take into account in valuing an equity security. The exclusions from Stockholders' Equity will generally be those transactions that are non-cash and are reported as "accumulated other comprehensive income (loss)" on the face of our consolidated balance sheet. For example, our Board of Directors excluded, and will continue to exclude, a non-cash adjustment to Stockholders' Equity related to the accounting for our defined benefit pension and other postretirement plans. Because this adjustment is unusual and will fluctuate from period to period, our Board of Directors excluded it from the "SE" parameter for stock valuation purposes. Similarly, other items that are reported as components of "accumulated other comprehensive income (loss)" and non-controlling interests are excluded from "SE" and include items such as unrealized gains/losses on securities and foreign currency translation adjustments.

Common Stock Outstanding ("CS"). "CS" is the weighted-average number of shares of our common stock outstanding during the four fiscal quarters immediately preceding the Trade Date, calculated on a fully-diluted basis. By "fully-diluted" we mean that the calculations are made as if all outstanding options to purchase our common stock had been exercised and other "dilutive" securities were converted into shares of our common stock. In addition, an estimate of the weighted-average number of shares that we reasonably anticipate will be issued under our stock-based compensation programs and employee benefit plans is included in this calculation. For example, we include in CS as calculated an estimate of the weighted-average number of shares that we reasonably anticipate will be issued during the next four quarters under our stock-based compensation programs and employee benefit plans in this calculation. We include an estimate of the weighted-average number of shares that we reasonably anticipate will be issued during the next four quarters because we have more than a 30-year history in making annual grants of stock-based compensation. Therefore, we believe that we have sufficient information to reasonably estimate the number of such "to be issued" shares. This approach avoids an artificial variance in share value during the first calendar quarter of each year when the bulk of shares of our common stock are issued by us pursuant to our stock-based compensation programs. Similarly, if we make a substantial issuance of shares during the four fiscal quarters immediately preceding the Trade Date, using the weighted average of those shares may create an inappropriate variance in share value during the four fiscal quarters following the issuance. For example, if we use shares as all or part of the consideration for the acquisition of a business, the time-weighted average number of shares issued in the acquisition transaction would not match the impact of the transaction reflected in total Stockholders' Equity (or SE) as described above. Therefore, in the discretion of the Board of Directors, a substantial issuance of shares during the four-quarter period used to calculate CS for each Trade Date may be treated as having been issued at the beginning of such four-quarter period. As a result, our Board of Directors may determine, in its discretion, to adjust the weighted-average number of shares to reflect in an appropriate manner the impact of past or anticipated future issuances.

Modification of the Calculation of Common Stock Outstanding ("CS"). On February 9, 2012, our Board of Directors determined that it would be in the best interest of the company and our stockholders to modify the calculation of CS to treat substantial issuances of shares at any time during the four fiscal quarters immediately preceding the Trade Date as having been issued at the beginning of such four-quarter period. As such, we determined that the issuance of 342,379 shares as partial consideration for our acquisition of Halcrow Holdings Limited in November 2011 would result in approximately a 1% artificial increase in the stock price for the first quarterly Trade Date after the fiscal quarter in which the transaction was completed because the shares issued in that transaction were issued only 51 days prior to year end. As a result, under the valuation methodology, such shares would be included in the weighted-average number of shares used to calculate CS on the basis of 51/365 while the full amount of the increase to stockholders' equity resulting from the Halcrow transaction would be included in the SE factor as of December 31, 2011. We determined the artificial increase in the stock price resulting from the Halcrow acquisition would not be material, but could potentially be material in connection with future transactions. Such artificial variance in the calculation of the CS factor can be eliminated, under appropriate circumstances and solely for the purpose of determining the price of our common stock, by treating the transaction involving such substantial issuance of shares as having been completed at the beginning of the four-fiscal quarter period immediately preceding the Trade Date for which the fair value for our stock is being calculated.

The following table shows a comparison of the "CS" value actually used by our Board of Directors to calculate stock prices on the dates indicated versus the year-to-date weighted-average number of shares of common stock as reflected in the diluted earnings per share calculation in our financial statements for the past three years.

Effective Date	CS (in thousands)	YTD Weighted-Average Number of Shares as reflected in Diluted EPS calculation (in thousands)
May 7, 2009	35,314	32,396
August 7, 2009	34,931	32,533
November 6, 2009	34,608	32,577
February 12, 2010	34,424	32,599
May 6, 2010	34,353	32,305
August 13, 2010	34,178	32,356
November 12, 2010	33,903	32,270
February 11, 2011	33,450	32,163
May 5, 2011	33,189	31,362
August 10, 2011	32,885	31,327
November 10, 2011	32,670	31,363
February 9, 2012	32,962	31,428

Constant 7.8. In the course of developing this valuation methodology, it became apparent to our Board of Directors that a multiple would be required in order for the stock price derived by this methodology to approximate our historical, pre-Internal Market stock price. Another objective of our

Board of Directors when developing the valuation methodology was to establish the fair value of our common stock using a market factor of 1.0. We believe that it was important to begin the Internal Market program with an "M" factor equal to 1.0 in order to make it easier for stockholders to understand future changes, if any, to the market factor.

Therefore, the constant 7.8 was introduced into the formula. The constant 7.8 is the multiple that our Board of Directors determined necessary (i) for the new stock price to approximate our historical stock price derived using the pre-Internal Market formula as well as (ii) to allow the use of the market factor of 1.0 at the beginning of the Internal Market program.

We intend to announce the new stock price and the Trade Date approximately four weeks prior to each Trade Date. The information will be delivered by the broker to all employees, eligible consultants and eligible participants in the internal market. In addition, we will file a Current Report on Form 8-K disclosing the new stock price and all components used by our Board of Directors in determining such price in accordance with the valuation methodology described above.

We will also distribute the most current prospectus for our common stock and our audited annual financial statements to all stockholders, as well as other employees and eligible consultants, and to participants in the Internal Market through the employee benefit plans. Such information will be distributed at the same time as our annual reports and proxy information. Solicitations are distributed for voting instructions from stockholders and participants in the employee benefit plans each year.

Current Price of Our Common Stock

Starting in 2000, with the introduction of the Internal Market and its quarterly trades, our Board of Directors reviews the common stock price quarterly using the valuation methodology described above to set the price for the common stock. The prices of our common stock for the past three years, along with the various factors and values used by our Board of Directors to determine such stock prices on each date, are as follows:

Effective Date	M	P (in thousands)	SE (in thousands)	CS (in thousands)	Price Per Share	Percentage Price Increase (Decrease)
May 7, 2009	1.2	74,295	453,760	35,314	32.54	4.6%
August 7, 2009	1.2	82,561	474,858	34,931	35.72	9.8%
November 6, 2009	1.2	93,047	544,759	34,608	40.91	14.5%
February 12, 2010	1.2	90,816	544,913	34,424	40.52	(1.0)%
May 6, 2010	1.2	93,067	541,940	34,353	41.13	1.5%
August 13, 2010	1.2	105,385	568,233	34,178	45.49	10.6%
November 12, 2010	1.2	106,297	581,344	33,903	46.49	2.2%
February 11, 2011	1.2	106,848	563,649	33,450	46.75	0.6%
May 5, 2011	1.2	115,190	595,629	33,189	50.43	7.9%
August 10, 2011	1.2	122,525	640,303	32,885	54.35	7.8%
November 10, 2011	1.2	121,959	678,358	32,670	55.71	2.5%
February 9, 2012	1.2	124,121	717,414	32,962	57.01	2.3%

Changes to Commission Charged to Sellers on the Internal Market

Effective February 11, 2011, NTB agreed that all sellers on the internal market, other than CH2M HILL and the trustees of CH2M HILL's benefit plans will pay NTB a commission equal to three tenths of one percent (.3%) of proceeds from such sales. It was a reduction from the previous commission level of two percent (2%). No commission is paid by buyers on the internal market.

Holders of Our Common Stock

As of February 17, 2012, there were 8,535 holders of record of our common stock. As of such date, all of our common stock of record was owned by our current and retired employees, directors, eligible consultants, and by our various employee benefit plans. Common stock is held in a trust for each of our employee benefit plans and each trust is considered one holder of record of our common stock.

Dividend Policy

We have never declared or paid any cash dividends on our common stock and no cash dividends are contemplated on our common stock in the foreseeable future.

Issuer Purchases of Equity Securities

The following table covers the purchases of our securities by CH2M HILL during the quarter ended December 31, 2011:

Period	Total Number of Shares	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October(a)	803	$ 49.38	–	–
November	–	–	–	–
December(a)(b)	279,923	$ 55.71	–	–
Total	280,726	$ 55.69	–	–

(a) Shares purchased by CH2M HILL from terminated employees.

(b) Shares purchased by CH2M HILL in the Internal Market.

Item 6. ***Selected Financial Data***

The selected financial data presented below under the captions "Selected Statement of Operations Data" and "Selected Balance Sheet Data" for, and as of the end of, each of the years in the five-year period ended December 31, 2011, are derived from the consolidated financial statements of CH2M HILL Companies, Ltd. and subsidiaries, which consolidated financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011, and the report thereon, are included in Item 15. of this Annual Report on Form 10-K. The following information should be read in conjunction with Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and related notes thereto.

The consolidated financial statements and selected financial data below reflect the adoption of new accounting standards related to variable interest entities; accounting for non-controlling interests in consolidated financial statements; employee benefit plan expenses; income taxes; and acquisitions which affect the comparability of information presented. Certain prior years' amounts have been reclassified to conform to the current year presentation.

	Years Ended December 31,				
($ in millions, except per share data)	2011	2010	2009	2008	2007
Selected Statement of Operations Data:					
Revenue	$ 5,555.2	$ 5,422.8	$ 5,499.3	$ 5,589.9(a)	$ 4,376.2
Operating income	185.2	174.8	174.5(b)	89.2	77.2
Net income attributable to CH2M HILL	113.3	93.7	103.7	32.1	66.0
Net income per common share					
Basic	$ 3.68	$ 2.98	$ 3.25	$ 0.96	$ 2.01
Diluted	$ 3.60	$ 2.91	$ 3.18	$ 0.93	$ 1.97
Selected Balance Sheet Data:					
Total assets	$ 2,694.9(d)	$ 1,967.1	$ 1,948.0	$ 1,971.8	$ 1,909.9
Long-term debt, including current maturities	92.8	37.6	52.3(c)	175.9	197.8
Total stockholders' equity	666.3	554.2	524.8	386.7	464.5

(a) The majority of the increase in revenues for the year ended December 31, 2008 relates to a full year of revenue recognized from the operations acquired of VECO Corporation ("VECO") and Trigon EPC, LLC ("Trigon").

(b) The increase in 2009 was primarily attributable to the gain of $58.2 million on the sale of certain assets of our Enterprise Management Solutions ("EMS") business.

(c) During 2009, the net repayments of debt were approximately $123.6 million. Repayments were paid out of proceeds from the EMS sale and operating cash flows.

(d) The majority of the increase in total assets relates to the acquisition of Halcrow Holdings Limited in November 2011.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Business Summary

We are a large employee-controlled professional engineering services firm providing consulting, engineering, design, design-build, procurement, construction, operations and maintenance, EPC, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. Founded in 1946, we have approximately 30,000 employees worldwide.

We provide services to a diverse customer base including the U.S. federal and foreign governments and governmental authorities, various U.S. federal government agencies, provincial, state and local municipal governments, major oil and gas companies, refiners and pipeline operators, utilities, metal and mining, automotive, food and beverage and consumer products manufacturers, microelectronics, pharmaceuticals and biotechnology companies. We believe we provide our clients with innovative project delivery using cost-effective approaches and advanced technologies.

Our revenues are dependent upon our ability to attract and retain qualified and productive employees, identify business opportunities, allocate our labor resources to profitable markets, secure new contracts, execute existing contracts, and maintain existing client relationships. Moreover, as a professional services company, the quality of the work generated by our employees is integral to our revenue generation.

Acquisitions

We continuously monitor acquisition and investment opportunities that will expand our portfolio of services, provide local resources internationally to serve our customers, add value to the projects undertaken for clients, or enhance our capital strength.

On July 29, 2011, we acquired Booz Allen Hamilton's State and Local Government Transportation and Consulting business ("BAH"). BAH has approximately 150 employees and provides management consulting, system engineering, vehicle engineering, asset management, train control and communications systems, systems safety and revenue system consulting to transit and rail agencies throughout North America. The cost of the acquisition was $28.5 million adjusted for working capital requirements. The results of operations for BAH have been included in the consolidated financial statements since the acquisition and are reported in the F&I operating segment.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow") for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure and buildings. Halcrow's 6,000 employees provide services to its clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private sector clients around the world, including contractors, developers, operators, regulators, financial institutions, international funding agencies, local, regional and national governments, project consortia and asset owners. The results of Halcrow's operations have been reported in the consolidated financial statements since the date of acquisition and are reported in the F&I operating segment.

We performed an initial purchase price allocation for these acquisitions based on our current assessment and estimates of fair values; however, we are currently in the process of evaluating the fair values of certain assets acquired and liabilities assumed. We are completing the estimations of fair values of assets and liabilities assumed including valuations of intangible assets, work in progress and billings in excess of revenue, assessments of tax assets and liabilities, valuations of pension-related assets and liabilities, determinations of fair value of financial guarantees and other items that may affect the allocation of the purchase price. As such, the purchase price allocations are subject to change as the procedures are completed.

Sale of Operating Assets

During the third quarter of 2009, we completed the sale of certain assets of our Enterprise Management Solutions ("EMS") business. We recorded a pre-tax gain of $58.2 million. The operating results of our EMS business are reflected in the GEN operating segment until the date of sale.

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Summary of Operations

In order to improve our competitiveness, client service, and financial strength, effective January 1, 2011, we reorganized our reporting structure under which our chief operating decision maker makes strategic and operating decisions with regard to assessing performance and allocating resources. As a result, our results of operations are reported within three operating segments−Government, Environment and Nuclear; Facilities and Infrastructure; and Energy and Water, which are aligned with the types of clients we serve.

Results of Operations for the Year Ended December 31, 2011 Compared to 2010

	2011			2010			Change				
($ in millions)	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue		Equity in Earnings	Operating Income (Loss)	
Government, Environment and Nuclear	$ 2,191.2	$ 35.8	$ 79.0	$ 2,218.4	$ 35.1	$ 94.8	$ (27.2)	(1.2)%	$ 0.7	$ (15.8)	(16.7)%
Facilities and Infrastructure	1,372.1	20.9	65.5	1,224.6	22.9	34.2	147.5	12.0%	(2.0)	31.3	91.5%
Energy and Water	1,991.9	7.8	62.1	1,979.8	10.5	58.8	12.1	0.6%	(2.7)	3.3	5.6%
Corporate	−	−	(21.4)	−	−	(13.0)	−		−	(8.4)	(64.6)%
Total	$ 5,555.2	$ 64.5	$ 185.2	$ 5,422.8	$ 68.5	$ 174.8	$ 132.4		$ (4.0)	$ 10.4	

Government, Environment and Nuclear

Revenue decreased for the year ended December 31, 2011, compared to the same period in the prior year by $27.2 million or 1.2%. The decrease in revenue is primarily attributable to decreased volumes in our Nuclear and GF&I businesses as a result of the American Recovery and Reinvestment Act ("ARRA") projects which concluded in the current year and had provided full year revenues in 2010. Additional nuclear projects were started in 2011 which partially offset the decrease in ARRA revenue. Additionally, revenue decreased in our GF&I business due to the lack of new awards in the first half of 2011 during the Congressional Budget impasse. These decreases were partially offset by improved results in the environmental services market due to the start of the Twelve Mile Creek construction project and other work performed for the U.S. Environmental Protection Agency.

Operating income decreased for the year ended December 31, 2011 compared to the same period in the prior year by $15.8 million or 16.7%. The decrease in operating income is primarily due to the decrease in revenues in our Nuclear and GF&I businesses discussed above. In addition, our GF&I business experienced increased costs on U.S. government military base facility projects in both the U.S. and Middle East. Furthermore, the GF&I market provided fewer services in support of disaster response work to FEMA during 2011 compared to 2010. These decreases were partially offset by schedule incentive fees on the River Corridor project in our Nuclear business.

Facilities and Infrastructure

Revenue increased for the year ended December 31, 2011, compared to last year by $147.5 million or 12.0%. The increase in revenue is primarily attributable to the acquisition of Halcrow which contributed $114.3 million in revenue since the acquisition date in 2011. In addition, our I&AT business experienced higher volumes of work due to increased capital spending in that sector. Revenue also increased in our O&M business due to new water projects in Spokane, Washington and Pima, Arizona. Revenues from our transportation business remained relatively consistent year over year.

Operating income increased for the year ended December 31, 2011, compared to the prior year, by $31.3 million or 91.5%. The increase is primarily attributable to a shift in the mix of our business within our I&AT market from construction to design projects. An increase in design projects, which contribute higher margins than construction projects, is consistent with the trend in capital spending in this market. Additionally, our O&M business recognized improved margins on design-build-operate projects as they transitioned to the operational phases of the projects. We also recorded increased earnings in 2011 compared to 2010 from our program management activities on the London 2012 Olympics as we earned fees for the successful completion of certain Olympic venues. These increases were partially offset by a decrease in earnings from our transportation business due to claims arising on two port projects as well as a decrease in fees earned on a major bridge project completed in 2010. Additionally, Halcrow experienced an operating loss for the period from acquisition through December 31, 2011 of $3.6 million.

Energy and Water

Revenue increased for the year ended December 31, 2011, compared to last year by $12.1 million or 0.6%. The increase is attributable to improvement in our North American operations and maintenance equipment rental program within our energy business. In addition, our energy business experienced growth in their engineering services. These increases in revenue were slightly offset due to the completion of design-build projects in North America and Australia for both our Power and Water businesses during the second half of 2011.

Operating income increased for the year ended December 31, 2011 compared to 2010 by $3.3 million, or 5.6%. The increase in operating income in 2011 was primarily due to cost and risk reductions on a large design-build project in the United States as well as increased volumes on higher margin work in various projects in North America. This increase was partially offset by earnings in our energy business being negatively impacted by a loss on a large construction project in North America as well as decreasing margins on their operations and maintenance and engineering work. Although our Power group experienced lower revenues in 2011, it was able to primarily maintain its operating income due to incentive fees earned on the successful completion of construction milestones from their design build projects as well as successfully managing their controllable indirect costs.

Results of Operations for the Year Ended December 31, 2010 Compared to 2009

	2010			2009			Change				
($ in millions)	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue	Equity in Earnings	Operating Income (Loss)	Revenue		Equity in Earnings	Operating Income (Loss)	
Government, Environment and Nuclear	$ 2,218.4	$ 35.1	$ 94.8	$ 1,931.1	$ 30.6	$ 94.0	$ 287.3	14.9%	$ 4.5	$ 0.8	0.9%
Facilities and Infrastructure	1,224.6	22.9	34.2	1,243.5	21.4	28.6	(18.9)	(1.5)%	1.5	5.6	19.6%
Energy and Water	1,979.8	10.5	58.8	2,324.7	13.5	65.2	(344.9)	(14.8)%	(3.0)	(6.4)	(9.8)%
Corporate	–	–	(13.0)	–	–	(13.3)	–		–	0.3	2.3%
Total	$ 5,422.8	$ 68.5	$ 174.8	$ 5,499.3	$ 65.5	$ 174.5	$ (76.5)		$ 3.0	$ 0.3	

Government, Environment and Nuclear

Revenue increased for the year ended December 31, 2010, compared to 2009 by $287.3 million or 14.9%. The increase in revenue was primarily due to project work in Texas supporting the Hurricane Ike recovery efforts. Also contributing to the increase in revenues is the award of a domestic nuclear contract and the award of a program management project in the United Arab Emirates, partially offset by delays in finalizing newly awarded governmental contracts in our continental U.S. design build markets. Additionally, the revenue increase was partially offset by decreased revenues in the EMS business due to the sale of the business during the third quarter of 2009.

Operating income increased slightly during the year ended December 31, 2010, compared to 2009, by $0.8 million or 0.9%. The increase is primarily due to the fluctuations in revenues described above and reductions in our overhead spending and general and administrative costs associated with managing our projects within the segment. These increases were offset slightly due to the completion of two major nuclear projects in the second half of 2010 which generated operating income during the full year in 2009.

Facilities and Infrastructure

Revenue decreased for the year ended December 31, 2010, compared to 2009 by $18.9 million or 1.5%. The decrease is largely attributable to significant decreases in both full service and traditional service revenue in the I&AT market. Additionally, the O&M business experienced delays and scope reductions on several projects as a result of budget constraints at municipal clients. The decrease is partially offset by growth in our North American consulting and international markets. North American consulting growth is due in part to design and program management services for municipal clients in the northeast and southwest United States, while international growth was driven primarily by large program management projects located in the United Kingdom and the United Arab Emirates.

Operating income increased for the year ended December 31, 2010 compared to 2009 by $5.6 million or 19.6%. Operating margins were positively impacted by the successful negotiation of a change order during 2010 on a transportation construction project. The increase in operating income is partially offset by schedule and cost impacts on two projects in the Middle East within our transportation and water businesses.

Energy and Water

Revenue decreased for the year ended December 31, 2010, compared to 2009 by $344.9 million or 14.8%. The decrease in revenue is primarily attributable to a decrease in full service revenue due to a slowdown in economic activity and depressed oil and gas prices resulting in decreased capital spending in the energy market. Also contributing to the decrease were delays and contract value reductions in certain businesses and the cancellation of a project in Canada. The decrease is partially offset by increased volume in Alaska and the related work on the North Slope within our energy and chemicals business as well as two EPC power projects awarded during 2007 that are now in the peak of their construction cycles. These decreases in our energy markets were partially offset by strength in our water design build business in North America, Australia and Europe during 2010.

Operating income decreased for the year ended December 31, 2010 compared to 2009 by $6.4 million, or 9.8%. The decrease in operating income is primarily attributable to the delays, contract value reduction and the project cancellation as discussed above which was partially offset by income derived from the two EPC projects discussed above. Additionally, margins in our design build water business offset lower margins in our energy markets.

Corporate

Corporate includes expenses which represent centralized management costs that are not allocable to individual operating segments and primarily include expenses associated with administrative functions such as executive management, legal, and general business development efforts. Corporate expenses for the year ended December 31, 2011 were $21.4 million compared to $13.0 million at December 31, 2010, and $13.3 million in 2009. The increase in 2011 costs is primarily due to Halcrow and BAH acquisition due diligence and integration costs of approximately $8.1 million. In 2010, corporate costs were partially offset by a $6.9 million gain on the sale of investment securities of Scott Wilson Group plc realized during 2010.

Income Taxes

The income tax provisions for the years ended December 31, 2011, 2010 and 2009 are as follows:

($ in millions)	Income Tax Provision	Effective Tax Rate
2011	$ 55.9	33.1%
2010	$ 53.8	36.5%
2009	$ 46.4	30.9%

The effective tax rate for the year ended December 31, 2011 was 33.1% compared to 36.5% for the same period in the prior year. The effective tax rate in 2011 was lower in comparison to the effective rate in 2010 primarily due to significant improvement in foreign operating results as well as benefits from foreign tax planning strategies. Our effective tax rate continues to be negatively impacted by the effect of state income taxes, non-deductible foreign net operating losses, the disallowed portion of executive compensation, and disallowed portions of meals and entertainment expenses.

The effective tax rate for the year ended December 31, 2010 was 36.5% compared to 30.9% for 2009. The 2010 rate was negatively impacted by a decrease in the Section 199 domestic production deduction, a significant decrease in research and experimentation credit impacts, and a decrease in officer's life insurance benefits when compared to 2009. These negative impacts were partially offset by a decrease in valuation allowances when compared to 2009, due to improved operating results of foreign operations.

We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our tax provision by recording a valuation allowance for the deferred tax assets that we estimate will not ultimately be recoverable. As of December 31, 2011 and 2010, we reported a valuation allowance of $97.7 million and $27.7 million, respectively, related primarily to the reserve of certain foreign net loss carryforwards. The increase in valuation allowance in 2011 is primarily a result of deferred tax assets purchased in connection with the Halcrow acquisition which, at the date of acquisition, we did not believe were more likely than not to be realized and thus recorded a valuation allowance against these assets. These assets primarily related to net operating losses in foreign jurisdictions.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations and borrowings under our unsecured revolving line of credit. Our primary uses of cash are to fund our working capital, capital expenditures and purchases of common stock presented on our internal market.

The following table reflects our available capacity as of December 31, 2011 (in millions):

Cash on hand		$ 208.3
Available for sale securities		2.4
Line of credit capacity	$ 600.0	
Outstanding borrowings	(65.0)	
Issued letters of credit	(90.6)	
Net credit capacity available		444.4
Total available capacity		$ 655.1

Based on our total cash and credit capacity available at December 31, 2011 of $655.1 million, we believe we have sufficient resources to fund our operations, any future acquisition and capital expenditure requirements, as well as purchases of common stock presented on our internal market, should we choose to do so, for the next 12 months and beyond.

Billings and collections on accounts receivable can impact our operating cash flows. We continuously monitor collection efforts and assess the allowance for doubtful accounts. Based on this assessment at December 31, 2011, we have deemed the allowance for uncollectible accounts to be adequate; however, future economic conditions may adversely impact some of our clients' ability to pay our bills or the timeliness of their payments. Consequently, it may also impact our timing of cash receipts necessary to meet our operating needs.

Cash used in investing activities was $217.0 million in the twelve months ended December 31, 2011 compared to $1.7 million provided by investing activities for the same period in 2010. The majority of investing expenditures during 2011 related to the $187.7 million spent on the acquisitions of Halcrow and BAH, net of $23.5 million of cash acquired. Additional uses of cash related to payments made for the purchase of property, plant, and equipment and investments in our joint ventures. We spent $30.2 million and $26.9 million on capital expenditures in 2011 and 2010, respectively. These cash outflows were partially offset by proceeds from the sale of fixed assets of $6.4 million and a reduction of net investment in our unconsolidated affiliates of $8.0 million compared to the prior year. In January 2010, our reported cash increased by $32.7 million as a result of the consolidation of joint ventures that were previously unconsolidated. Additionally, during 2010, we purchased $37.1 million of marketable securities of Scott Wilson Group plc, a design and engineering firm headquartered in the United Kingdom. We subsequently sold the securities for $43.6 million, resulting in a cash gain of $6.5 million.

In connection with the acquisition of VECO, the purchase agreement established a holdback contingency of $70.0 million for tax indemnifications and the potential future payment of certain contingencies that may arise after the date of acquisition. Since the date of acquisition, we have made distributions to the sellers of VECO and paid expenses on their behalf which were deemed distributions of the holdback contingency. Upon resolution of the remaining outstanding items, we will likely incur costs which will be paid out of the holdback funds with any remaining amount being remitted to the sellers of VECO. Additionally, under the terms of the BAH acquisition agreement, we held back $2.9 million of the purchase price, for the payment and discharge of any indemnification claims payable as a result of inaccuracies or breach of representations or warrants made by BAH as defined under the terms of the purchase agreement. The holdback contingency is payable to BAH, 50% on the one year anniversary of the closing and the remainder at the eighteen month anniversary. Interest accrues on the outstanding balance at the rate stated in the purchase agreement. At December 31, 2011 and 2010, the outstanding balance payable under the holdback contingencies was $41.3 million and $46.7 million, respectively.

We finance our operations, acquisitions and capital expenditures using a variety of capital vehicles. On December 6, 2010, we entered into a Credit Agreement providing for an unsecured revolving Credit Facility (the "Credit Facility") in an amount of up to $600.0 million. Subject to certain conditions, at any time prior to the date that is thirty days before the maturity date of the Credit Agreement, we will be able to invite existing and new lenders to increase the size of the revolving credit facility by up to $100.0 million, for a maximum aggregate revolving credit facility of $700.0 million. The revolving credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $300.0 million and a subfacility of up to $300.0 million for multicurrency borrowings. Revolving loans under the Credit Facility bear interest, at our option, at a rate equal to either (i) the base rate plus a margin based on our consolidated leverage ratio or (ii) the LIBOR rate, based on interest periods of one, two, three or six months, plus a margin based on our consolidated leverage ratio. The base rate is equal to the greater of (i) the Federal Funds Rate, as published from time to time by the Federal Reserve Bank of New York, plus 0.5%, (ii) the lender's prime rate in effect from time to time, or (iii) the one-month LIBOR rate in effect from time to time, plus 1.0%. Our consolidated leverage ratio on any date is the ratio of our consolidated total funded debt to our consolidated earnings before interest, taxes, depreciation and amortization plus non-cash expense related to certain bonus payments, for the preceding four fiscal quarters.

The Credit Agreement contains customary representations and warranties and conditions to borrowing. It also includes customary affirmative and negative covenants, including covenants that limit our ability to incur indebtedness and other obligations, grant liens to secure their obligations, make investments, merge or consolidate, dispose of assets, enter into transactions with affiliates, and make certain kinds of payments, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. We entered into an amendment to the Credit Agreement on September 27, 2011 which provides for modifications to certain covenants and other provisions of the Credit Agreement to take into account the acquisition of Halcrow. As of December 31, 2011, we were in compliance with the covenants required by the Credit Agreement. There can be no assurance that the capacity under this facility will be adequate to fund future operations or acquisitions we may pursue from time to time.

Depending on the applicable terms and conditions on new debt or equity offerings compared to the opportunity cost of using our internally generated cash, we may either choose to finance new opportunities using leverage in the form of our Credit Facility, or other debt. In some instances we may use a combination of one or more of these financing mechanisms. As of December 31, 2011, our total outstanding debt obligations were approximately $92.8 million, including $65.0 million outstanding on the Credit Facility. The remaining obligations relate to the issuance of notes payable and mortgages related to property, plant and equipment. The increase in our debt obligations at December 31, 2011 was a result of utilizing our credit facility to fund a portion of the Halcrow acquisition.

At December 31, 2011, issued and outstanding letters of credit of $90.6 million were reserved against the borrowing base of the Credit Facility, compared to $89.4 million at December 31, 2010. Additionally, Halcrow has approximately $69.5 million of overdraft and bank guarantee facilities with various banks. Approximately $47.4 million of bank guarantees were issued and outstanding on these facilities as of December 31, 2011, leaving us with remaining available capacity of approximately $22.1 million.

For the twelve months ended December 31, 2011, repurchases of stock were $93.6 million compared to $137.2 million for the same period in the prior year. Additionally, the net payments on debt were approximately $25.7 million during 2011 compared to approximately $14.2 million during 2010. For additional information regarding repurchases of stock and our Internal Market, see Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2011 of $48.2 million was $14.1 million less than the same period in 2010. The decrease was primarily due to a net decrease in depreciation expense of $15.0 million offset by a net increase in amortization expense of $0.9 million. The decrease in depreciation is due to many of the assets acquired in the VECO transaction that have been fully depreciated. We recognized $11.1 million and $10.2 million of amortization expense related to intangible assets during 2011 and 2010, respectively. A significant amount of the depreciation and amortization expense is attributable to fixed assets and intangible assets held in our Energy and Water segment. The net increase in amortization expense in 2011 is related to the amortization of intangible assets acquired in the Halcrow and BAH transactions.

Off-Balance Sheet Arrangements

We have interests in multiple joint ventures, some of which are considered variable interest entities. These entities facilitate the completion of contracts that are jointly owned with our joint venture partners. These joint ventures are formed to leverage the skills of the respective partners and include consulting, construction, design, project management and operations and maintenance contracts. Our risk of loss on joint ventures is similar to what the risk of loss would be if the project was self-performed, other than the fact that the risk is shared with our partners.

There were no substantial changes to other off-balance sheet arrangements or contractual commitments during the twelve months ended December 31, 2011.

Aggregate Commercial Commitments

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We post surety and bid bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts and to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid. We also carry substantial premium paid, traditional insurance for our business risks including professional liability and general casualty insurance and other coverage which is customary in our industry.

We believe that we will be able to continue to have access to professional liability and general casualty insurance, as well as bonds, with sufficient coverage limits, and on acceptable financial terms necessary to support our business. The cost of such coverage has remained stable during 2011 and is expected to continue to be stable in the foreseeable future. For additional information, see Item 1A. *Risk Factors*.

Our risk management personnel continuously monitor the developments in the insurance market. The financial stability of the insurance and surety providers is one of the major factors that we take into account when buying our insurance coverage. Currently our insurance and bonds are purchased from several of the world's leading and financially stable providers often in layered insurance or co-surety arrangements. The built-in redundancy of such arrangements usually enables us to call upon existing insurance and surety suppliers to fill gaps that may arise if other such suppliers become financially unstable.

Contractual obligations outstanding as of December 31, 2011 are summarized below:

($ in millions) Contractual Obligations	Amount of Commitment Expiration Per Period: Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$ 71.6	$ 18.3	$ 0.7	$ –	$ 90.6
Bank guarantees	15.7	9.0	6.0	17.0	47.7
Total debt	11.3	6.7	69.3	5.5	92.8
Interest payments	2.5	4.0	2.0	0.6	9.1
Operating lease obligations	117.1	182.7	121.4	96.6	517.8
Surety and bid bonds	894.5	628.0	34.4	–	1,556.9
Total	$ 1,112.7	$ 848.7	$ 233.8	$ 119.7	$ 2,314.9

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Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect both the results of operations as well as the carrying values of our assets and liabilities. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. We base estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities as of the date of the financial statements that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Although our significant accounting policies are described in the Notes to Consolidated Financial Statements in Item 15. of this Annual Report on Form 10-K, below is a summary of our most critical accounting policies.

Revenue Recognition

We earn our revenues from different types of services under a variety of different types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We recognize revenue and profit for most of our contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contract. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, or achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be reliably estimated. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

We have a history of making reasonable estimates of the extent of progress towards completion, total contract revenue and total contract costs on our engineering and construction contracts. However, due to uncertainties inherent in the estimation process, actual total contract revenue and completion costs can vary from estimates.

Below is a description of the three basic types of contracts from which we may earn revenues using the percentage-of-completion method.

Cost-Plus Contracts. Cost-plus contracts can be cost plus a fixed fee or rate, or cost plus an award fee. Under these types of contracts, we charge our clients for our costs, including both direct and indirect costs, plus a fixed negotiated fee or award fee. We generally recognize revenue based on the actual labor costs and non-labor costs we incur, plus the portion of the fixed fee or award fee we have earned to date. If the actual labor hours and other costs we expend are lower than the total number of hours and other costs we have estimated, our revenues related to cost recoveries from the project will be lower than originally estimated. If the actual labor hours and other costs we expend exceed the original estimate, we must obtain a change order, contract modification, or successfully prevail in a claim in order to receive payment for the additional costs.

In the case of a cost-plus award fee, we include in the total contract value the portion of the fee that we are probable of receiving. Award fees are influenced by the achievement of contract milestones, cost savings and other factors.

Fixed Price Contracts. Under fixed price contracts, our clients pay us an agreed amount negotiated in advance for a specified scope of work. For engineering and construction contracts, we recognize revenue on fixed price contracts using the percentage-of-completion method where costs incurred to date are compared to total projected costs at contract completion. Prior to completion, our recognized profit margins on any fixed price contract depend on the accuracy of our estimates and will increase to the extent that our actual costs are below the original estimated amounts. Conversely, if our costs exceed these estimates, our profit margins will decrease and we may realize a loss on a project. If our actual costs exceed the original estimate, we attempt to obtain a change order or contract modification.

Time-and-Materials Contracts. Under our time-and-materials contracts, we negotiate hourly billing rates and charge our clients based on the actual time that we expend on a project. In addition, clients reimburse us for our actual out-of-pocket costs of materials and other direct expenditures that we incur in connection with our performance under the contract. Our profit margins on time-and-materials contracts fluctuate based on actual labor and overhead costs that we directly charge or allocate to contracts compared with the negotiated billing rate and markup on other direct costs. Some of our time-and-materials contracts are subject to maximum contract values, and accordingly, revenue under these contracts are recognized under the percentage-of-completion method where costs incurred to date are compared to total projected costs at contract completion. Revenue on contracts that are not subject to maximum contract values are recognized based on the actual number of hours we spend on the projects plus any actual out-of-pocket costs of materials and other direct expenditures that we incur on the projects. Our time-and-materials contracts generally include annual billing rate escalation provisions.

Operations and Maintenance Contracts. A portion of our contracts are operations and maintenance type contracts. Typically, these contracts may include fixed and variable components along with incentive fees. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, delivery has occurred, the price is fixed or determinable and collectability is reasonably assured.

Income Taxes

In determining net income for financial statement purposes, we must make estimates and judgments in the calculation of tax assets and liabilities and in the determination of the recoverability of the deferred tax assets. The tax assets and liabilities arise from temporary differences between the tax return and the financial statement recognition of revenue and expenses. We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our tax provision by recording a valuation allowance for the deferred tax assets that we estimate will not ultimately be recoverable.

In addition, the calculation of our income tax provision involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon ultimate settlement. We record reserves for uncertain tax positions that do not meet this criteria.

Pension and Postretirement Employee Benefits

The unfunded or overfunded projected benefit obligation of our defined benefit pension plans and other postretirement benefits are recorded in our consolidated financial statements using actuarial valuations that are based on many assumptions. These assumptions primarily include discount rates, rates of compensation increases for participants, and long-term rates of return on plan assets. We use judgment in selecting these assumptions each year because we have to consider not only the current economic environment in each host country, but also future market trends, changes in interest rates and equity market performance. Our plan liabilities are most sensitive to changes in the discount rates, which if reduced by 25 basis points, plan liabilities for the U.S. and non-U.S. plans would increase by approximately $6.7 million and $41.2 million, respectively. Changes in these assumptions have an immaterial impact on our net periodic pension costs as most of our defined benefit arrangements have been closed to new entrants and ceased future accruals.

We also use these assumptions as well as applicable regulatory requirements, tax deductibility, reporting considerations and other factors to determine the appropriate funding levels. For 2012, we expect to fund approximately $35.0 million to $40.0 million.

Recently Adopted Accounting Standards

In June 2009, the FASB issued Accounting Standards Update (ASU) 2009-17, *Consolidations (Topic 810)–Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,* revising the existing guidance on the consolidation and disclosures of variable interest entities ("VIEs") which was codified in Accounting Standards Codification ("ASC") 810-10. Specifically, it changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting rights should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. The guidance also requires additional disclosures about a company's involvement with VIEs and requires an entity to continually assess any significant changes in risk exposure as well as an entity's assessment of the primary beneficiary of the entity. ASC 810-10 became effective for us beginning January 1, 2010.

In January 2011, the FASB issued ASU 2011-06, *Fair Value Measurements and Disclosures (Topic 820)–Improving Disclosures about Fair Value Measurements*. ASU 2011-06 requires expanded fair value disclosures about transfers into and out of Levels 1 and 2 fair value measurements and clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. ASU 2011-06 was effective for us beginning January 1, 2010. The adoption of this accounting standard update did not have a material impact on our financial position, results of operations, cash flows and disclosures.

In September 2011, the FASB issued ASU 2011-09, *Compensation–Retirement Benefits–Multiemployer Plans (Subtopic 715-80)–Disclosures about an Employer's Participation in a Multiemployer Plan*. ASU 2011-09 creates greater transparency in financial reporting by requiring additional disclosures of an employer's participation in a multiemployer pension plan. ASU 2011-09 became effective for us on December 31, 2011.

In September 2011, the FASB issued ASU 2011-08, an amendment to Topic 350, *Intangibles–Goodwill and Other*, which simplifies how entities test goodwill for impairment. Previous guidance under Topic 350 required an entity to test goodwill for impairment using a two-step process on at least an annual basis. First, the fair value of a reporting unit was calculated and compared to its carrying amount, including goodwill. Second, if the fair value of a reporting unit was less than its carrying amount, the amount of impairment loss, if any, was required to be measured. Under the amendment, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads the entity to determine that it is more likely than not that its fair value is less than its carrying amount. If after assessing the totality of events or circumstances, an entity determines that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then the two-step impairment test is unnecessary. If the entity concludes otherwise, then it is required to test goodwill for impairment under the two-step process as described under Topic 350. We adopted this standard in 2011.

Recently Issued Accounting Standards

In September 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, which changes the financial reporting of items reported in other comprehensive income ("OCI") by eliminating the option to present components of OCI as part of the statement of changes in stockholders' equity. The amendments in this standard require that all nonowner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments in this standard do not change the items that must be reported in OCI, when an item of OCI must be reclassified to net income, or change the option for an entity to present components of OCI gross or net of the effect of income taxes. The amendments in ASU 2011-05 are effective for our interim and annual periods beginning January 1, 2012 and are to be applied retrospectively.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, which amends current guidance to result in common fair value measurement and disclosures between accounting principles generally accepted in the United States and International Financial Reporting Standards. The amendments explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuations standards or affect valuation practices outside of financial reporting. The amendments in ASU 2011-04 are effective for our interim and annual periods beginning January 1, 2012. The adoption of the provisions of ASU 2011-04 is not expected to have a material impact on our consolidated financial position or results of operations.

Commitments and Contingencies

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from the U.S. federal government and various federal agencies, state and municipal sources, our procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices as well as similar enforcement agencies outside of the United States. Such government investigations, whether relating to our government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on our results of operations or financial condition even if the final outcome is adverse to our company.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions, deductibles, and self-insurance) are generally adequate to cover our potential liabilities, if any, with respect to such claims. We accrue for all claims that may result in payment when they are reasonably estimable. As of December 31, 2011 and 2010, accruals for these potential estimated claim liabilities were $34.1 million and $28.9 million, respectively.

In 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. In 2011, two former CH2M HILL Hanford employees pleaded guilty in United States District Court on a felony charge related to time card falsification. As part of its investigation, the U.S. Attorney's Office raised the possibility of civil and/or criminal charges for possible violations arising from our overtime practices on this project. We are fully cooperating with the investigation and will continue to work to resolve this matter. CH2M

HILL and the Department of Justice are in discussions about a possible global settlement of any potential civil and criminal charges and resolution of any potential False Claims Act allegations. We do not believe that the terms of a potential settlement even if it will be in excess of the amount accrued would have a material impact on our results of operations or financial condition.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of their primary office locations. However, Halcrow subsequently vacated the space and, at the date of acquisition, had no involvement with the property and was not using any portion of the building. The lease requires Halcrow to continue to make lease payments until 2080 with clauses that require the rent to escalate with market conditions. We are currently attempting to obtain a third party determination of the fair value of this lease obligation in order to complete the purchase accounting for the Halcrow acquisition.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

In the ordinary course of our operations we are exposed to certain market risks, primarily changes in foreign currency exchange rates and interest rates. This risk is monitored to limit the effect of foreign currency exchange rate and interest rate fluctuations on earnings and cash flows.

Foreign currency exchange rates. We operate in many countries around the world and as a result, are exposed to foreign currency exchange rate risk on transactions in numerous countries. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. In order to mitigate this risk, we enter into derivative financial instruments. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value in the consolidated balance sheets and changes in the fair value of the derivative instruments are recognized in earnings. These currency derivative instruments are carried on the balance sheet at fair value and are based upon Level 2 inputs including third party quotes. As of December 31, 2011, we had forward foreign exchange contracts on major world currencies with varying durations, none of which extend beyond five years. At December 31, 2011, we recorded derivative assets and liabilities of $6.7 million and $6.6 million, respectively.

Interest rates. Our interest rate exposure is generally limited to our unsecured revolving credit agreement, purchase of interest bearing short-term investments and holdback contingency balances outstanding related to our acquisitions of VECO and BAH. As of December 31, 2011 the outstanding balance on the unsecured revolving credit agreement was $65.0 million and there was approximately $41.3 million outstanding on the holdback contingencies. We have assessed the market risk exposure on these financial instruments and determined that any significant changes to the fair value of these instruments would not have a material impact on our consolidated results of operations, financial position or cash flows. Based upon the amount outstanding under the unsecured credit agreement and the holdback contingency, a one percentage point change in the assumed interest rate would change our annual interest expense by approximately $1.1 million.

Item 8. *Financial Statements and Supplementary Data*

Reference is made to the information set forth beginning on page F-1.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

We carried out an evaluation as of the last day of the period covered by this Annual Report on Form 10-K, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company is in the process of reviewing the internal controls of Halcrow and, if necessary, will make appropriate changes as we incorporate our controls and procedures into this recently acquired business.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control−Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

We acquired Halcrow on November 10, 2011. Our management has excluded the Halcrow business from its assessment of the effectiveness of internal control over financial reporting on December 31, 2011. The acquired business accounts for $725.0 million of total assets and $114.3 million of total revenues included in our consolidated financial statements as of and for the year ended December 31, 2011.

Based on our evaluation under the framework in Internal Control−Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2011.

The effectiveness of our internal control over financial reporting as of December 31, 2011 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein on page F-1.

Item 9B. *Other Information*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Certain information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2012 Annual Meeting of Stockholders. Information regarding the executive officers of CH2M HILL is presented below:

EXECUTIVE OFFICERS OF CH2M HILL

The executive officers of CH2M HILL are listed below, along with their ages, tenure as officer and business background for at least the last five years.

Frederick M. Brune. Age 60. Mr. Brune began serving as the Chief Administrative Officer on January 1, 2012 and previously served as the President of CH2M HILL International in 2011. He previously served as President of the Government Facilities and Infrastructure business at CH2M HILL from 2006 to 2010. Between 1999 and 2005, Mr. Brune served as the President and Chief Executive Officer of Lockwood Greene, a company CH2M HILL acquired in 2003. He also served as Lockwood Greene's Chief Financial Officer between 1987 and 1999.

Robert G. Card. Age 59. Mr. Card is a Senior Vice President of CH2M HILL and began serving as the President of the Energy, Water and Facilities Division, a newly formed division, since January 1, 2012. During 2011, he was the President of the Energy and Water Division at CH2M HILL. Mr. Card has served in many senior executive positions, including Chief Executive Officer of Kaiser-Hill Company between 1996 and 2001, President for International Operations from 2004 through 2006, President of the Government, Environment and Nuclear Division from 2008 to 2009 and the Facilities and Infrastructure Division between 2009 and 2010. Between 2001 and 2004, Mr. Card served as the undersecretary for the U.S. Department of Energy.

Michael A. Lucki. Age 55. Mr. Lucki joined CH2M HILL as Senior Vice President and Chief Financial Officer in November of 2010. Mr. Lucki came to CH2M HILL from Ernst & Young LLP where he was a partner and led the firm's Global Engineering and Construction (E&C) Industry Practice since 1994 and the firm's Global Infrastructure Practice since 2008.

John A. Madia. Age 56. Mr. Madia has served as Chief Human Resources Officer of CH2M HILL since November 2009. In May 2009 he joined CH2M HILL as Senior Vice President of Human Resources. Mr. Madia came to CH2M HILL from Dow Chemical Company where he was Vice President of Human Resources from 2006 to 2009.

Lee A. McIntire. Age 63. Mr. McIntire has served as Chairman of the Board of Directors of CH2M HILL since 2010 and the Chief Executive Officer since 2009. He joined CH2M HILL as the President and Chief Operating Officer in 2006. Before joining CH2M HILL, Mr. McIntire was a Professor and Executive-in-Residence at the Graduate School of Management, University of California, Davis (UC Davis). Prior to that, Mr. McIntire spent more than 15 years with Bechtel Group in various executive leadership positions.

Michael E. McKelvy. Age 53. Mr. McKelvy has served as Senior Vice President of CH2M HILL and, since January 1, 2012, began serving as the President of the Government, Environment and Infrastructure Division, a newly formed division. From 2009 to 2011, Mr. McKelvy was the President of the Government, Environment and Nuclear Division. Prior to these positions, Mr. McKelvy was the President for the Industrial Client business between 2006 and 2009, and President for the Manufacturing and Life Sciences business of CH2M HILL since 2005. Prior to CH2M HILL, Mr. McKelvy held executive leadership positions within Lockwood Greene, a company CH2M HILL acquired in 2003.

Margaret B. McLean. Age 48. Ms. McLean has served as CH2M HILL's Chief Legal Officer and Chief Ethics & Compliance officer since 2007. Ms. McLean was appointed as CH2M HILL's Corporate Secretary and Senior Vice President in 2009. From 1998 to 2007, she was CH2M HILL's International, M&A and Securities Counsel. Prior to joining CH2M HILL, Ms. McLean was a Partner at the law firm of Holme Roberts & Owens LLP.

Jacqueline C. Rast. Age 50. Ms. Rast is a Senior Vice President of CH2M HILL and began serving as the President of the International Division of CH2M HILL since January 1, 2012. During 2011, Ms. Rast was the President of the Facilities and Infrastructure Division in 2011 and served as the Vice President, Major Programs and Executive Director for Mergers and Acquisitions since 2009. Between 2007 and 2009, she led our Center for Project Excellence and has worked for CH2M HILL since 1988 in various senior technical and executive positions. Ms. Rast left CH2M HILL in 1997 to form her own consulting company, Talisman Partners, and returned to CH2M HILL in 2005 after successfully selling her business to an industry competitor.

JoAnn Shea. Age 47. Ms. Shea has served as Chief Accounting Officer of CH2M HILL since 2006 and as Vice President and Controller since 2003. She also served as acting Chief Financial Officer of CH2M HILL from May to November of 2010. Ms. Shea joined CH2M HILL in 1998 as Assistant Controller.

There are no family relationships among the executive officers or directors of CH2M HILL. The executive officers are elected by the Board of Directors each year and hold office until the organizational meeting of the Board in the next subsequent year and until his or her successor is chosen or until his or her earlier death, resignation or removal.

Item 11. *Executive Compensation*

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2012 Annual Meeting of Stockholders.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2012 Annual Meeting of Stockholders.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2012 Annual Meeting of Stockholders.

Item 14. *Principal Accounting Fees and Services*

Information required by this item is incorporated by reference from CH2M HILL's definitive proxy statement for its 2012 Annual Meeting of Stockholders.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

Documents Filed as Part of this Report

1. Financial Statements

2. Financial Statement Schedules and Other

All financial statement schedules have been omitted because the required information is included in the consolidated financial statements or notes thereto, or because such schedules are not applicable.

3. Exhibits

The Exhibits required by this item are listed in the Exhibit Index. Each management contract and compensatory plan or arrangement is denoted with a "+" in the Exhibit Index.

Exhibit Number	Description
2.1	Implementation Agreement dated September 24, 2011 between CH2M HILL Companies, Ltd. and Halcrow Holdings Limited (filed as Exhibit 2.1 to CH2M HILL's Form 10-Q for the quarter ended September 30, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
3.1	Certificate of Incorporation of CH2M HILL Companies, Ltd. (filed as Exhibit 3.1 to CH2M HILL's Form 8-K on July 5, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
3.2	Bylaws of CH2M HILL Companies, Ltd. (filed as Exhibit 3.2 to CH2M HILL's Form 8-K/A (Amendment No. 1), on July 20, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
10.1	CH2M HILL Companies, Ltd. Payroll Deduction Stock Purchase Plan as amended and restated effective January 1, 2004 (filed as Appendix B to CH2M HILL's Definitive Proxy Statement on Schedule 14A on March 26, 2004 (Commission File No. 000-27261), and incorporated herein by reference)
+10.2	CH2M HILL Companies, Ltd. Short Term Incentive Plan effective January 1, 2000 (filed as Exhibit 10.5 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
*+10.3	CH2M HILL Companies, Ltd. Amended and Restated Long Term Incentive Plan effective January 1, 2011 (Commission File No. 000-27261)
+10.4	CH2M HILL Companies, Ltd. 2004 Stock Option Plan (filed as Exhibit 10.6 to CH2M HILL's

Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)

Exhibit Number	Description
+10.5	CH2M HILL Companies, Ltd. 2009 Stock Option Plan, effective January 1, 2009 (filed as Exhibit 10.24 to CH2M HILL's Form 10-K for the year ended December 31, 2008 (Commission File No. 000-27261), and incorporated herein by reference)
+10.6	CH2M HILL Companies, Ltd. Restricted Stock Policy and Administration Plan effective January 1, 2000 as amended and restated on February 11, 2011 (filed as Exhibit 10.4 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
+10.7	CH2M HILL Companies, Ltd. Deferred Compensation Plan effective January 1, 2001 (filed as Exhibit 10.3 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
*+10.8	CH2M HILL Companies, Ltd. Amended and Restated Deferred Compensation Plan effective January 1, 2011 (Commission File No. 000-27261)
+10.9	CH2M HILL Companies, Ltd. Supplemental Executive Retirement and Retention Plan effective February 11, 2010 (filed as Exhibit 10.2 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
+10.10	Form of Change of Control Agreement between CH2M HILL Companies, Ltd. and employee directors and executive officers, effective as of July 1, 2010 (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended September 30, 2010, (Commission File No. 002-27261), and incorporated herein by reference)
10.11	Contract with Neidiger, Tucker, Bruner, Inc. dated as of July 1, 2006 (filed as Exhibit 10.12 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
10.12	Addendum to Contract with Neidiger, Tucker, Bruner, Inc. dated as of February 11, 2011 (filed as Exhibit 10.1 to CH2M HILL's Form 10-Q for the quarter ended March 31, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
10.13	Credit Agreement dated as of December 6, 2010, by and among CH2M HILL Companies, Ltd. and certain of its subsidiaries, Wells Fargo Bank, National Association and other lenders (filed as Exhibit 10.13 to CH2M HILL's Form 10-K for the year ended December 31, 2010 (Commission File No. 000-27261), and incorporated herein by reference)
10.14	Agreement of Purchase and Sale executed on September 26, 2007 (dated September 11, 2007) by and between CH2M HILL, Inc. and WELLS REIT II−South Jamaica Street, LLC (filed as Exhibit 10.44 to CH2M HILL's Form 8-K on September 27, 2007 (Commission File No. 000-27261), and incorporated herein by reference)
10.15	Lease Agreement dated as of September 26, 2007, by and between CH2M HILL, Inc. and WELLS REIT II−South Jamaica Street, LLC (filed as Exhibit 10.43 to CH2M HILL's Form 8-K on September 27, 2007 (Commission File No. 000-27261), and incorporated herein by reference)

14.1	CH2M HILL Companies, Ltd. Ethics Code for Executive and Financial Officers (filed as Exhibit 14.1 to CH2M HILL's Form 10-K for the year ended December 31, 2009 (Commission File No. 000-27261), and incorporated herein by reference)

Exhibit Number	Description
*21.1	Subsidiaries of CH2M HILL Companies, Ltd.
*23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
*24.1	Power of Attorney authorizing signature
*31.1	Written Statement of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Written Statement of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Written Statement of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
*32.2	Written Statement of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
99.1	Internal Market Rules, (filed as Exhibit 99.1 to CH2M HILL's Form 8-K on February 11, 2011 (Commission File No. 000-27261), and incorporated herein by reference)
**101.INS	XBRL Instance Document
**101.SCH	XBRL Taxonomy Extension Schema Document
**101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
**101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
**101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
**101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

** XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

\+ Indicates management contract or compensatory plan or arrangement

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
CH2M HILL Companies, Ltd.:

We have audited the accompanying consolidated balance sheets of CH2M HILL Companies, Ltd. and subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011. We also have audited CH2M HILL Companies, Ltd. and subsidiaries' internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CH2M HILL Companies, Ltd. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also in our opinion, CH2M HILL Companies, Ltd. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control−Integrated Framework* issued by COSO.

The Company adopted new accounting standards relating to variable interest entities on January 1, 2010 and noncontrolling interests in consolidated financial statements on January 1, 2009.

CH2M HILL Companies, Ltd. and subsidiaries acquired Halcrow Holdings, Ltd. and subsidiaries during 2011, and management excluded from its assessment of the effectiveness of CH2M HILL Companies, Ltd. and subsidiaries internal control over financial reporting as of December 31, 2011, Halcrow Holdings, Ltd. and subsidiaries internal control over financial reporting associated with total assets of $725.0 million and total revenues of $114.3 million, included in the consolidated financial statements of CH2M HILL Companies, Ltd. and subsidiaries as of and for the year ended December 31, 2011. Our audit of internal control over financial reporting of CH2M HILL Companies, Ltd. and subsidiaries also excluded an evaluation of the internal control over financial reporting of Halcrow Holdings Ltd. and subsidiaries.

KPMG LLP

Denver, Colorado

February 29, 2012

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

(Dollars in thousands)

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 208,266	$ 290,405
Available-for-sale securities	2,356	2,412
Receivables, net–		
Client accounts	703,062	558,734
Unbilled revenue	448,553	389,353
Other	39,095	21,264
Income tax receivable	43,324	–
Deferred income taxes	69,370	62,007
Prepaid expenses and other current assets	48,622	44,498
Total current assets	1,562,648	1,368,673
Investments in unconsolidated affiliates	103,871	82,982
Property, plant and equipment, net	179,722	169,261
Goodwill	503,289	130,354
Intangible assets, net	159,777	51,048
Deferred income taxes	128,743	112,919
Employee benefit plan assets and other	56,805	51,843
Total assets	$ 2,694,855	$ 1,967,080
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,334	$ 13,934
Accounts payable and accrued subcontractor costs	398,332	407,694
Billings in excess of revenue	393,754	237,053
Accrued payroll and employee related liabilities	315,650	291,713
Current income tax payable	–	20,010
Other accrued liabilities	227,539	163,396
Total current liabilities	1,346,609	1,133,800
Long-term employee related liabilities	466,939	144,603
Long-term debt	81,474	23,687
Other long-term liabilities	133,520	110,822
Total liabilities	2,028,542	1,412,912
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, Class A $0.01 par value, 50,000,000 shares authorized; none issued	–	–
Common stock, $0.01 par value, 100,000,000 shares authorized; 31,050,654 and 30,527,473 issued and outstanding at December 31, 2011 and 2010, respectively	311	305

Additional paid-in capital	–	–
Retained earnings	717,103	563,343
Accumulated other comprehensive loss	(60,855)	(18,768)
Total CH2M HILL common stockholders' equity	656,559	544,880
Noncontrolling interests	9,754	9,288
Total equity	666,313	554,168
Total liabilities and stockholders' equity	$ 2,694,855	$ 1,967,080

The accompanying notes are an integral part of these consolidated financial statements.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Income

(Dollars in thousands except per share amounts)

	For The Years Ended December 31		
	2011	2010	2009
Gross revenue	$ 5,555,233	$ 5,422,801	$ 5,499,318
Equity in earnings of joint ventures and affiliated companies	64,477	68,513	65,539
Operating expenses:			
Direct cost of services and overhead	(4,487,584)	(4,426,352)	(4,478,884)
General and administrative	(946,973)	(890,199)	(969,677)
Gain on sale of operating assets	–	–	58,235
Operating income	185,153	174,763	174,531
Other income (expense):			
Interest income	534	1,372	1,474
Interest expense	(4,328)	(4,616)	(7,487)
Income before provision for income taxes	181,359	171,519	168,518
Provision for income taxes	(55,930)	(53,804)	(46,420)
Net income	125,429	117,715	122,098
Less: Income attributable to noncontrolling interests	(12,132)	(24,020)	(18,356)
Net income attributable to CH2M HILL	$ 113,297	$ 93,695	$ 103,742
Net income per common share:			
Basic	$ 3.68	$ 2.98	$ 3.25
Diluted	$ 3.60	$ 2.91	$ 3.18
Weighted average number of common shares:			
Basic	30,823,954	31,458,126	31,907,861
Diluted	31,427,823	32,163,093	32,598,509

The accompanying notes are an integral part of these consolidated financial statements.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity and Comprehensive Income

(Dollars in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2008	31,604,336	$ 316	$ 9,947	$ 428,054	$ (54,086)	$ 2,518	$ 386,749
Net income		–	–	103,742	–	18,356	122,098
Other comprehensive income:							
Foreign currency translation adjustments		–	–	–	16,426	1,145	17,571
Benefit plan adjustments		–	–	–	3,925	–	3,925
Unrealized gain on equity investments		–	–	–	992	–	992
Comprehensive income							144,586
Distributions to affiliates, net		–	–	–	–	(9,380)	(9,380)
Shares issued in connection with stock based compensation and employee benefit plans	1,973,413	20	81,564	–	–	–	81,584
Shares purchased and retired	(2,203,794)	(22)	(78,708)	–	–	–	(78,730)
Balance at December 31, 2009	31,373,955	314	12,803	531,796	(32,743)	12,639	524,809
Net income				93,695		24,020	117,715
Other comprehensive income:							
Foreign currency translation adjustments	–	–	–	–	3,831	347	4,178
Benefit plan adjustments	–	–	–	–	9,869		9,869
Unrealized gain on equity investments	–	–	–	–	275	–	275
Comprehensive income	–	–	–	–	–	–	132,037
Distributions to affiliates, net	–	–	–	–	–	(31,806)	(31,806)
Impact of adoption of ASC 810, consolidation of previously unconsolidated VIEs	–	–	–	–	–	4,088	4,088
Shares issued in connection with stock based compensation and employee benefit plans	1,857,418	18	43,776	–	–	–	43,794
Shares purchased and retired	(2,703,900)	(27)	(56,579)	(62,148)	–	–	(118,754)
Balance at December 31, 2010	30,527,473	305	–	563,343	(18,768)	9,288	554,168
Net income				113,297		12,132	125,429
Other comprehensive income:							
Foreign currency translation adjustments	–	–	–	–	(15,185)	133	(15,052)
Benefit plan adjustments	–	–	–	–	(26,868)		(26,868)

Unrealized gain on equity investments	–	–	–	–	(34)	–	(34)
Comprehensive income	–	–	–	–	–	–	83,475
Distributions to affiliates, net	–	–	–	–	–	(11,799)	(11,799)
Shares issued in connection with stock based compensation and employee benefit plans	1,535,357	16	115,239	–	–	–	115,255
Shares issued in connection with purchase of Halcrow Holdings, Ltd.	342,379	3	18,838	–	–	–	18,841
Shares purchased and retired	(1,354,555)	(13)	(134,077)	40,463	–	–	(93,627)
Balance at December 31, 2011	31,050,654	$ 311	$ –	$ 717,103	$ (60,855)	$ 9,754	$ 666,313

The accompanying notes are an integral part of these consolidated financial statements.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Dollars in thousands)

	For The Years Ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Cash flows from operating activities:			
Net income	$ 125,429	$ 117,715	$ 122,098
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,215	62,311	80,889
Gain on sale of operating assets	–	–	(58,235)
Stock-based employee compensation	71,495	50,603	67,738
Loss on disposal of property, plant and equipment	2,403	1,266	3,570
Allowance for uncollectible accounts	5,846	3,521	11,115
Deferred income taxes	(20,501)	(24,699)	(29,289)
Gain on sale of investments	–	(6,495)	–
Undistributed earnings from unconsolidated affiliates	(64,477)	(68,513)	(65,539)
Distributions of income from unconsolidated affiliates	57,597	71,181	52,808
Contributions to defined benefit pension plans	(14,659)	(8,073)	(1,415)
Changes in current assets and liabilities, net of businesses acquired:			
Receivables and unbilled revenue	3,573	72,921	40,748
Prepaid expenses and other	610	(2,465)	13,510
Accounts payable and accrued subcontractor costs	(34,605)	(16,558)	(29,470)
Billings in excess of revenues	85,775	(61,950)	9,331
Accrued payroll and employee related liabilities	28,814	29,517	3,631
Other accrued liabilities	(5,933)	32,530	8,089
Current income taxes	(73,251)	41,486	(10,268)
Long-term employee related liabilities and other	41,069	(7,729)	21,170
Net cash provided by operating activities	257,400	286,569	240,481
Cash flows from investing activities:			
Capital expenditures	(30,202)	(26,884)	(37,663)
Acquisitions, net of cash acquired	(187,678)	–	(1,186)
Investments in unconsolidated affiliates	(29,162)	(49,133)	(68,366)
Distributions of capital from unconsolidated affiliates	23,627	35,601	41,597
Consolidation of previously unconsolidated variable interest entities	–	32,651	–
Proceeds from sale of operating assets	6,415	2,961	71,036
Purchases of investments	–	(37,079)	–
Proceeds from sale of investments	–	43,573	10,741
Net cash provided by (used in) investing activities	(217,000)	1,690	16,159
Cash flows from financing activities:			
Borrowings on long-term debt	451,129	404,827	747,349
Payments on long-term debt	(476,796)	(419,056)	(870,885)
Repurchases and retirements of common stock	(93,627)	(137,208)	(91,253)
Excess tax benefits from stock-based compensation	13,066	14,968	6,432

Net distributions to noncontrolling interests	(11,799)	(31,806)	(9,380)
Net cash used in financing activities	(118,027)	(168,275)	(217,737)
Effect of exchange rate changes on cash	(4,512)	704	16,532
Increase (decrease) in cash and cash equivalents	(82,139)	120,688	55,435
Cash and cash equivalents, beginning of year	290,405	169,717	114,282
Cash and cash equivalents, end of year	$ 208,266	$ 290,405	$ 169,717
Supplemental disclosures:			
Cash paid for interest	$ 3,994	$ 4,708	$ 7,793
Cash paid for income taxes	$ 113,426	$ 43,714	$ 50,910

The accompanying notes are an integral part of these consolidated financial statements.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Summary of Business and Significant Accounting Policies

Summary of Business

CH2M HILL Companies, Ltd. and subsidiaries ("We", "CH2M HILL" or the "Company") is a project delivery firm founded in 1946. We are a large employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction ("EPC"), operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. A substantial portion of our professional fees are derived from projects that are funded directly or indirectly by government entities.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow"). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure and buildings. Halcrow's 6,000 employees provide services to its clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. See Note 6 for further details.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.

Capital Structure

Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits.

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss. Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the day the financial statements were issued.

Revenue Recognition

We earn revenue from different types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a three-tier valuation hierarchy based upon observable and non-observable inputs to value our assets and liabilities. The three levels are as follows: Level 1, unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date; Level 2, significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and Level 3, significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2011.

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet this criteria.

Cash and Cash Equivalents

We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. Investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2011 and 2010, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $32.3 million and $60.3 million, respectively.

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 12 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 12 years.

Other Long-Lived Assets

We may acquire goodwill or other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years. For those intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, such as goodwill or certain tradenames, management has determined that the life is indefinite and therefore, they are not amortized.

We review our finite-lived intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Assets which are held and used in operations are considered impaired if the undiscounted future cash flows from the asset do not exceed the net book value. If impaired, the assets are written down to their estimated fair value. We generally measure fair value by considering sale prices for similar assets or by discounting estimated future cash flows from the asset group using an appropriate discount rate.

Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis, or on an interim basis if events or circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment charge is recognized for any amount by which the carrying amount of goodwill or intangible assets with indefinite lives exceeds their fair value. Management performs its impairment tests of goodwill at the reporting unit level, which is one level below the operating segments. Management's review of goodwill and the tradename indicated there was no impairment during the years ended December 31, 2011, 2010 and 2009.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments, benefit plan adjustments, and unrealized gains/losses on equity investments. These components are included in the consolidated statements of stockholders' equity and comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

The composition of accumulated other comprehensive loss consists of the following at December 31:

($ in thousands)	2011	2010
Foreign currency translation adjustments	$ (1,736)	$ 13,449
Benefit plan adjustments, net of tax	(60,107)	(33,239)
Unrealized gain on equity investments, net of tax	988	1,022
	$ (60,855)	$ (18,768)

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Recently Adopted Accounting Standards

In June 2009, the FASB issued Accounting Standards Update (ASU) 2009-17, *Consolidations (Topic 810)−Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,* revising the existing guidance on the consolidation and disclosures of variable interest entities ("VIEs") which was codified in Accounting Standards Codification ("ASC") 810-10. Specifically, it changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting rights should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. The guidance also requires additional disclosures about a

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

company's involvement with VIEs and requires an entity to continually assess any significant changes in risk exposure as well as an entity's assessment of the primary beneficiary of the entity. ASC 810-10 became effective for us beginning January 1, 2010. For further discussion of the effect of the adoption, see Note 3.

In January 2011, the FASB issued ASU 2011-06, *Fair Value Measurements and Disclosures (Topic 820)−Improving Disclosures about Fair Value Measurements*. ASU 2011-06 requires expanded fair value disclosures about transfers into and out of Levels 1 and 2 fair value measurements and clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. ASU 2011-06 was effective for us beginning January 1, 2011. The adoption of this accounting standard update did not have a material impact on our financial position, results of operations, cash flows and disclosures.

In September 2011, the FASB issued ASU 2011-09, *Compensation−Retirement Benefits−Multiemployer Plans (Subtopic 715-80)−Disclosures about an Employer's Participation in a Multiemployer Plan*. ASU 2011-09 creates greater transparency in financial reporting by requiring additional disclosures of an employer's participation in a multiemployer pension plans. ASU 2011-09 became effective for us on December 31, 2011. For further discussion, see Note 15.

In September 2011, the FASB issued ASU 2011-08, an amendment to Topic 350, *Intangibles−Goodwill and Other*, which simplifies how entities test goodwill for impairment. Previous guidance under Topic 350 required an entity to test goodwill for impairment using a two-step process on at least an annual basis. First, the fair value of a reporting unit was calculated and compared to its carrying amount, including goodwill. Second, if the fair value of a reporting unit was less than its carrying amount, the amount of impairment loss, if any, was required to be measured. Under the amendment, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads the entity to determine that it is more likely than not that its fair value is less than its carrying amount. If after assessing the totality of events or circumstances, an entity determines that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then the two-step impairment test is unnecessary. If the entity concludes otherwise, then it is required to test goodwill for impairment under the two-step process as described under Topic 350. We adopted this standard in 2011.

Recently Issued Accounting Standards

In September 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, which changes the financial reporting of items reported in other comprehensive income ("OCI") by eliminating the option to present components of OCI as part of the statement of changes in stockholders' equity. The amendments in this standard require that all nonowner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments in this standard do not change the items that must be reported in OCI, when an item of OCI must be reclassified to net income, or change the option for an entity to present components of OCI gross or net of the effect of income taxes. The amendments in ASU 2011-05 are effective for our interim and annual periods beginning January 1, 2012 and are to be applied retrospectively.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, which amends current guidance to

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(1) Summary of Business and Significant Accounting Policies (Continued)

result in common fair value measurement and disclosures between accounting principles generally accepted in the United States and International Financial Reporting Standards. The amendments explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuations standards or affect valuation practices outside of financial reporting. The amendments in ASU 2011-04 are effective for our interim and annual periods beginning January 1, 2012. The adoption of the provisions of ASU 2011-04 is not expected to have a material impact on our consolidated financial position or results of operations.

(2) Receivables, net

Receivables are stated at net realizable values and consist of receivables billed to clients as well as receivables for which revenue has been earned but has not yet been billed. The U.S. federal government accounted for approximately 21% and 20% of our net receivables at December 31, 2011 and 2010, respectively. No other customer exceeded 10% of total receivables at December 31, 2011 or 2010.

The change in the allowance for uncollectible accounts consists of the following for the years ended December 31:

($ in thousands)	2011	2010	2009
Balance at beginning of year	$ 12,076	$ 13,190	$ 4,183
Provision charged to expense	5,846	3,521	11,115
Accounts written off	(9,576)	(3,614)	(2,049)
Other	(826)	(1,021)	(59)
Balance at end of year	$ 7,520	$ 12,076	$ 13,190

(3) Variable Interest Entities and Equity Method Investments

We routinely enter into teaming arrangements to perform projects for our clients. Such arrangements are customary in the engineering and construction industry and generally are project specific. The arrangements facilitate the completion of projects that are jointly contracted with our partners. These arrangements are formed to leverage the skills of the respective partners and include consulting, construction, design, program management and operations and maintenance contracts. Our risk of loss on these arrangements is usually shared with our partners. The liability of each partner is usually joint and several, which means that each partner may become liable for the entire risk of loss on the project.

We perform a qualitative assessment to determine whether we are the primary beneficiary once an entity is identified as a VIE. A qualitative assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and how they were marketed, and the parties involved in the design of the entity. All of the variable interests held by parties involved with the VIE are identified and a determination of which activities are most significant to the economic performance of the entity and which variable interest holder has the power to direct those activities is made. Most of the VIEs with which the Company is involved have relatively few variable interests and are primarily related to equity investments, subordinated financial support, and subcontracting arrangements. We consolidate those VIEs in which we have both the power to direct the activities of the VIE that most

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(3) Variable Interest Entities and Equity Method Investments (Continued)

significantly impact the VIEs economic performance and the obligation to absorb losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE. As of December 31, 2011, total assets of VIEs that were consolidated were $77.6 million and liabilities were $42.6 million.

We recorded investments in unconsolidated affiliates of $103.9 million and $83.0 million for the years ended December 31, 2011 and 2010, respectively. Our proportionate share of net income or loss is included as equity in earnings of joint ventures and affiliated companies in the consolidated statements of income. In general, the equity investment in our unconsolidated affiliates is equal to our current equity investment plus those entities' undistributed earnings. We provide certain services, including engineering, construction management and computer and telecommunications support, to these unconsolidated entities. These services are billed to the joint ventures in accordance with the provisions of the agreements.

As of December 31, 2011, the total assets of VIEs that were not consolidated were $295.6 million and total liabilities were $217.6 million. The maximum exposure to losses is limited to the funding of any future losses incurred by those entities under their respective contracts with the project company.

Summarized financial information for our unconsolidated VIEs and equity method investments as of and for the years ended December 31 is as follows:

($ in thousands)	2011	2010
FINANCIAL POSITION:		
Current assets	$ 740,365	$ 677,638
Noncurrent assets	51,867	84,042
Total assets	$ 792,232	$ 761,680
Current liabilities	$ 491,126	$ 497,338
Noncurrent liabilities	20,227	26,486
Partners'/Owners' equity	280,879	237,856
Total liabilities and equity	$ 792,232	$ 761,680
CH2M HILL's share of equity	$ 103,871	$ 82,982

($ in thousands)	2011	2010	2009
RESULTS OF OPERATIONS:			
Revenue	$ 3,037,595	$ 2,814,824	$ 2,426,505
Direct costs	(2,779,990)	(2,598,872)	(2,250,752)
Gross margin	257,605	215,952	175,753
General and administrative expenses	(50,307)	(13,603)	(3,228)
Operating income	207,298	202,349	172,525
Other income, net	130	458	479
Net income	$ 207,428	$ 202,807	$ 173,004
CH2M HILL's share of net income	$ 64,477	$ 68,513	$ 65,539

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(3) Variable Interest Entities and Equity Method Investments (Continued)

We have the following significant investments in affiliated unconsolidated companies:

	% Ownership
Domestic:	
ATCS/CH2M HILL	50.0%
AGVIQ−CH2M HILL Joint Venture II	49.0%
AGVIQ−CH2M HILL Joint Venture III	49.0%
Americas Gateway Builders	40.0%
Atkinson/CH2M HILL−a Joint Venture	30.0%
CH2M−WG Idaho, LLC	50.5%
Clark-Nexsen/CH2M HILL	50.0%
Clark-Nexsen/CH2M HILL−Norfolk	50.0%
Coastal Estuary Services	49.9%
Connecting Idaho Partners	49.0%
HEBL, Inc.	100.0%
IAP-Hill, LLC	25.0%
Kaiser-Hill Company, LLC	50.0%
National Security Technologies, LLC	10.0%
Parsons CH2M HILL Program Management Consultants, Joint Venture	47.5%
Savannah River Remediation LLC	15.0%
URS/CH2M OAK RIDGE LLC	45.0%
Washington Closure, LLC	30.0%
Foreign:	
A-One+	38.5%
CH2M HILL BECA, Ltd.	50.0%
CH2M HILL−Kunwon PMC	54.0%
CH2M Olyan	49.0%
CHBM Water Joint Venture	50.0%
CLM Delivery Partner, Limited	37.5%
Conisa	33.3%
CPG Consultants−CH2M HILL NIP Joint Venture	50.0%
ECC-VECO, LLC	50.0%
Golden Crossing Constructors Joint Venture	33.3%
HWC Treatment Program Alliance Joint Venture	50.0%
JJCH2M, a Joint Venture	40.0%
Luggage Point Alliance	50.0%
OMI BECA, Ltd.	50.0%
SMNM/VECO Joint Venture	50.0%
Sydney Water Corporation-Odour Management Program Alliance	50.0%
Transcend Partners, Ltd	40.0%

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(4) Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31:

($ in thousands)	2011	2010
Land	$ 22,615	$ 27,337
Building and land improvements	82,786	80,183
Furniture and fixtures	20,679	16,902
Computer and office equipment	89,345	81,270
Field Equipment	110,885	101,027
Leasehold improvements	78,874	67,690
	405,184	374,409
Less: Accumulated depreciation	(225,462)	(205,148)
Net property, plant and equipment	$ 179,722	$ 169,261

Depreciation expense is reflected in the consolidated statements of income in direct costs and general and administrative costs depending on the intended use of the asset and totaled $37.1 million, $52.1 million and $53.5 million for the years ended December 31, 2011, 2010 and 2009, respectively.

(5) Employee Benefit Plan Assets

We have investments that support deferred compensation arrangements and other employee benefit plans. These assets are recorded at fair market value primarily using Level 2 inputs. As of December 31, 2011 and 2010, the fair market value of these assets was $53.0 million and $47.0 million, respectively, and are included in employee benefit plan assets and other on the consolidated balance sheets.

(6) Acquisitions

On July 29, 2011, we acquired Booz Allen Hamilton's State and Local Government Transportation and Consulting ("BAH") business. The purchase price was $28.5 million adjusted for working capital and other purchase price adjustments and was paid in cash. We have performed an analysis of the fair market value of the tangible assets and liabilities we assumed as well as any identifiable intangible assets purchased. Included in the intangible assets acquired is the estimated fair value of customer relationships of $8.8 million and contracted backlog of $1.2 million, with useful lives of seven and three years, respectively. In addition, we recorded $10.5 million in goodwill related to the acquisition. The results of operations for this acquisition are reported in the Facilities and Infrastructure (F&I) operating segment. These results are not considered material to our consolidated financial results in 2011.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow") for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure and buildings. Halcrow has 6,000 employees who provide services to its clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private-sector clients around the world, including contractors, developers, operators, regulators, financial institutions, international funding agencies, local, regional and national governments, project consortia and asset owners. Approximately $114.3 million of

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(6) Acquisitions (Continued)

revenue and $3.8 million of operating loss generated from Halcrow's operations have been reported in the consolidated financial statements since the date of acquisition and are reported in the F&I operating segment.

The purchase price was paid to the selling shareholders of Halcrow in the form of $41.7 million of cash, $18.8 million of common stock of CH2M HILL, based on the stock price on the closing date, and $136.8 million of notes payable ("Loan Notes"). The Loan Notes required that we place into escrow an amount equal to the face value of the notes at the date the notes were issued. In December 2011, the Loan Notes and the related restricted cash were transferred and assigned to an unrelated third party as full satisfaction of all liabilities and guarantees under the terms of the Loan Notes. As a result, the Loan Notes are no longer a liability of CH2M HILL as of December 31, 2011.

We performed an initial purchase price allocation for these acquisitions based on our current assessment and estimates of fair values; however, we are currently in the process of evaluating the fair values of certain assets acquired and liabilities assumed. We are completing the estimations of fair values of assets and liabilities assumed including valuations of intangible assets, work in progress and billings in excess of revenue, assessments of tax assets and liabilities, valuations of pension-related assets and liabilities, determinations of fair value of financial guarantees and other items that may affect the allocation of the purchase price. As such, the purchase price allocations below are preliminary and are subject to change as the procedures are completed.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed from Halcrow as of the purchase date:

($ in thousands)

Current assets	$	249,117
Property, plant and equipment		27,294
Intangible assets		114,100
Goodwill		375,807
Other long-term assets		8,493
Total assets acquired		774,811
Current liabilities		(180,124)
Debt		(80,874)
Pension liabilities		(293,819)
Other long-term liabilities		(22,736)
Total liabilities assumed		(577,553)
Net assets acquired	$	197,258

Included in the intangible assets acquired is the preliminary calculation of fair value for customer relationships, contracted backlog and the tradename valued at $85.7 million, $17.3 million and $11.1 million, respectively. Customer relationships, contracted backlog and the tradename will be amortized over their useful lives of six, four and seven years, respectively.

The following unaudited pro forma combined financial information is presented as if CH2M HILL and Halcrow had been combined as of the beginning of the periods presented. This information is

(6) Acquisitions (Continued)

presented for illustrative purposes only and is not necessarily indicative of the results that would have been realized had the entities operated as a combined entity during the periods presented.

The proforma results of operations as if the acquisition occurred on January 1 for the years ended December 31 are as follows:

($ in thousands)	2011	2010
	(unaudited)	(unaudited)
Revenue	$ 6,084,034	$ 6,150,342
Net income	$ 30,417	$ 87,777
Basic earnings per share	$ 0.99	$ 2.79
Diluted earnings per share	$ 0.97	$ 2.73

(7) Sale of Operating Assets

In September 2009, we completed the sale of certain assets and liabilities of our Enterprise Management Solutions ("EMS") business. The selling price was $86.6 million, net of amounts due for estimated working capital adjustments of $13.5 million. We recorded a pre-tax gain of $58.2 million during 2009. The results of operations for EMS prior to disposition were recorded in the F&I operating segment. As part of the EMS sale, our company and the purchasers entered into a preferred provider agreement whereby we guaranteed an annual volume of revenues of $42.5 million to be provided to the purchasers for each of the five years through September 2014. To the extent we do not reach this volume of revenues, we must compensate the purchasers. During the year ended December 31, 2011, we did not meet our minimum revenue targets outlined under the agreement and, as a result, we accrued $2.6 million as compensation to the purchasers. The agreement allows for us to recoup this amount if we exceed the revenue targets in future years.

(8) Goodwill and Intangible Assets

The following table presents the changes in goodwill during the years ended December 31:

($ in thousands)	2011	2010
Balance at beginning of year	$ 130,354	$ 130,354
Acquisitions	386,267	–
Foreign currency translation	(13,332)	–
Balance at end of year	$ 503,289	$ 130,354

We also own a tradename valued at $20.3 million at December 31, 2011 and 2010, which is not subject to amortization.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(8) Goodwill and Intangible Assets (Continued)

Intangible assets with finite lives consist of the following:

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2011			
Contracted backlog	$ 78,071	$ (59,737)	$ 18,334
Customer relationships	147,450	(37,433)	110,017
Tradename	11,145	(45)	11,100
Non-compete agreements and other	902	(902)	–
Total finite-lived intangible assets	$ 237,568	$ (98,117)	$ 139,451
December 31, 2010			
Contracted backlog	$ 58,871	$ (58,871)	$ –
Customer relationships	57,922	(27,200)	30,722
Non-compete agreements and other	902	(902)	–
Total finite-lived intangible assets	$ 117,695	$ (86,973)	$ 30,722

All intangible assets are being amortized over their expected lives up to seven years. The amortization expense reflected in the consolidated statements of income totaled $11.1 million, $10.2 million and $27.4 million for the years ended December 31, 2011, 2010 and 2009, respectively. These intangible assets are expected to be fully amortized in 2018. At December 31, 2011, the future estimated amortization expense related to these intangible assets is (in thousands):

Year Ending:	
2012	$ 29,478
2013	29,478
2014	26,935
2015	20,104
2016	16,304
Thereafter	17,152
	$ 139,451

(9) Fair Value of Financial Instruments

Cash and cash equivalents, receivables, unbilled revenue, accounts payable and billings in excess of revenue are carried at cost, which approximates fair value due to their short maturities. Fair value of long-term debt, including the current portion, is estimated based on Level 2 inputs, except the amount outstanding on the revolving credit facility for which the carrying value approximates fair value. Fair value is determined by discounting future cash flows using interest rates available for issues with similar terms and average maturities.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(9) Fair Value of Financial Instruments (Continued)

The estimated fair values of our financial instruments where carrying values do not approximate fair value are as follows:

	2011		2010	
($ in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage notes payable	$ 13,750	$ 12,207	$ 15,253	$ 12,403
Equipment financing	13,764	12,923	22,227	21,439
Stockholder notes payable	294	272	141	98

The fair value of marketable securities classified as available-for-sale, which totaled $2.4 million at both December 31, 2011 and December 31, 2010, were valued based on Level 1 inputs whereby a readily determinable market value exists for the specific asset.

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. These currency derivative instruments are carried on the balance sheet at fair value and are based upon Level 2 inputs including third party quotes. As of December 31, 2011, we had forward foreign exchange contracts on major world currencies with varying durations, none of which extend beyond five years. At December 31, 2011, we recorded derivative assets and liabilities of $6.7 million and $6.6 million, respectively.

(10) Line of Credit and Long-Term Debt

On December 6, 2010, we entered into a Credit Agreement providing for an unsecured revolving Credit Facility (the "Credit Facility") in an amount up to $600.0 million. Subject to certain conditions, at any time prior to the date that is thirty days before the maturity date of the Credit Agreement, we will be able to invite existing and new lenders to increase the size of the revolving credit facility by up to $100.0 million, for a maximum aggregate revolving credit facility of $700.0 million. The revolving credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $300.0 million and a subfacility up to $300.0 million for multicurrency borrowings. Revolving loans under the Credit Facility bear interest, at our option, at a rate equal to either (i) the base rate plus a margin based on our consolidated leverage ratio or (ii) the LIBOR rate, based on interest periods of one, two, three or six months, plus a margin based on our consolidated leverage ratio. The base rate is equal to the greater of (i) the Federal Funds Rate, as published from time to time by the Federal Reserve Bank of New York, plus 0.5%, (ii) the lender's prime rate in effect from time to time, or (iii) the one-month LIBOR rate in effect from time to time, plus 1.0%. Our consolidated leverage ratio on any date is the ratio of our consolidated total funded debt to our consolidated earnings before interest, taxes, depreciation and amortization for the preceding four fiscal quarters. At December 31, 2011, we had $65.0 million in outstanding borrowings on the Credit Facility. The rate of interest charged on that balance was 1.81% as of December 31, 2011. Issued and outstanding letters of credit of $90.6 million were reserved against the borrowing base of the Credit Facility at December 31, 2011. This credit facility will expire on December 6, 2015. The remaining available borrowing capacity under this Credit Facility is $444.4 million at December 31, 2011.

The Credit Agreement contains customary representations and warranties and conditions to borrowing. It also includes customary affirmative and negative covenants, including covenants that limit or restrict our company and its subsidiaries' ability to incur indebtedness and other obligations, grant liens to secure their obligations, make investments, merge or consolidate, dispose of assets, enter into

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(10) Line of Credit and Long-Term Debt (Continued)

transactions with affiliates, and make certain kinds of payments, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. We entered into an amendment to the Credit Agreement on September 27, 2011 which provides for modifications to certain covenants and other provisions of the Credit Agreement to take into account the acquisition of Halcrow. As of December 31, 2011, we were in compliance with the covenants required by the Credit Agreement. There can be no assurance that the capacity under this facility will be adequate to fund future operations or acquisitions we may pursue from time to time.

Our nonrecourse and other long-term debt, as of December 31 consist of the following:

($ in thousands)	2011	2010
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$11,429	$12,430
Mortgage payable in monthly installments to December 2015, secured by real estate. The note bears interest at 6.59%	2,321	2,823
	13,750	15,253
Other:		
Revolving credit facility	$65,000	$ –
Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.00% to 8.00%	13,764	22,227
Stockholder notes payable	294	141
Total debt	92,808	37,621
Less current portion of debt	11,334	13,934
Total long-term portion of debt	$81,474	$23,687

At December 31, 2011, future principal payments on long-term debt are as follows (in thousands):

Year Ending:		
2012	$	11,334
2013		3,413
2014		3,266
2015		67,957
2016		1,311
Thereafter		5,527
	$	92,808

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(11) Operating Lease Obligations

We have entered into certain noncancellable leases, which are being accounted for as operating leases. At December 31, 2011, future minimum lease payments are as follows (in thousands):

Year Ending:		
2012	$	117,106
2013		100,909
2014		81,809
2015		67,301
2016		54,065
Thereafter		96,620
	$	517,810

Rental expense charged to operations, net of sublease income, was $121.5 million, $126.7 million and $138.9 million during the years ended December 31, 2011, 2010 and 2009, respectively, including amortization of a deferred gain of $4.3 million in the years ended December 31, 2011 and 2010, and 2009 related to the sale-leaseback of our corporate offices. Certain of our operating leases contain provisions for a specific rent-free period. We accrue rental expense during the rent-free period based on total expected rent payments to be made over the life of the related lease.

(12) Income Taxes

Income before provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)		2011		2010		2009
U.S. income	$	146,721	$	135,915	$	143,190
Foreign income		22,506		11,584		6,972
Income before taxes	$	169,227	$	147,499	$	150,162

The provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)		2011		2010		2009
Current income tax expense:						
Federal	$	55,576	$	55,835	$	49,035
Foreign		13,016		11,729		14,138
State and local		7,839		10,939		12,653
Total current income tax expense		76,431		78,503		75,826
Deferred income tax benefit:						
Federal		(17,619)		(17,280)		(23,291)
Foreign		(806)		(4,771)		(2,646)
State		(2,076)		(2,648)		(3,469)
Total deferred income tax benefit		(20,501)		(24,699)		(29,406)
Total income tax expense	$	55,930	$	53,804	$	46,420

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(12) Income Taxes (Continued)

The reconciliations of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate for the years ended December 31 are as follows:

($ in thousands)	2011	2010	2009
Pretax income	$ 169,227	$ 147,499	$ 150,162
Federal statutory rate	35%	35%	35%
Expected tax expense	59,229	51,625	52,556
Reconciling items:			
State income taxes, net of federal benefit	6,402	5,640	7,763
Nondeductible meals and entertainment	2,466	3,082	3,035
Section 199−Domestic manufacturer deduction	(5,472)	(3,686)	(4,515)
Compensation	286	(1,804)	(6,114)
Subsidiary earnings	(6,126)	(5,358)	(7,520)
Permanent expenses, exclusions and credits	(3,462)	2,108	(6,660)
Foreign permanent expenses, taxes, credits and other	3,283	2,835	8,442
Other	(676)	(638)	(567)
Provision for income taxes	$ 55,930	$ 53,804	$ 46,420

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31 are as follows:

($ in thousands)	2011	2010
Deferred tax assets:		
Net foreign operating loss carryforwards	$ 45,690	$ 23,050
Deferred gain, insurance and other	32,878	24,758
Accrued employee benefits	264,516	180,055
Total deferred tax assets	343,084	227,863
Valuation allowance	(97,695)	(27,712)
Net deferred tax assets	245,389	200,151
Deferred tax liabilities:		
Investments in affiliates	13,685	2,871
Depreciation and amortization	33,591	22,354
Net deferred tax liabilities	47,276	25,225
Net deferred tax assets	$ 198,113	$ 174,926

A valuation allowance is required to be established for those deferred tax assets where it is more likely than not that they will not be realized. The above valuation allowances relate primarily to operating loss carryforwards from foreign operations and employee benefits of $460.0 million and $86.9 million for the years ended December 31, 2011 and 2010, respectively. The foreign net operating losses can be carried forward for varying terms depending on the foreign jurisdiction between three years and an unlimited carry forward period. As a result of the Halcrow acquisition, we recorded net deferred tax assets of $77.5 million, which have a full valuation allowance, as we believe it is not more likely than not that the tax benefit related to these assets will be realized in the foreseeable future.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(12) Income Taxes (Continued)

Undistributed earnings of our foreign subsidiaries amounted to approximately $94.7 million at December 31, 2011. These earnings are considered to be permanently reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made. If these earnings were repatriated as of December 31, 2011, approximately $20.2 million of income tax expense would be incurred. Cash held in international accounts at December 31, 2011 and 2010 was $142.3 million and $129.7 million, respectively.

The tax benefit from stock-based compensation awards for the years ended December 31, 2011, 2010 and 2009 was $13.1 million, $15.0 million and $6.4 million, respectively. These amounts are reflected as additional paid-in capital in the consolidated statements of stockholders' equity and comprehensive income and are reported as financing activities in the consolidated statements of cash flows.

As of December 31, 2011 and 2010, we had $27.4 million and $18.3 million, respectively, recorded as a liability for uncertain tax positions and accrued interest. We recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2011 and 2010, we had approximately $2.6 million and $3.0 million, respectively, of accrued interest and penalties related to uncertain tax positions. A reconciliation of the beginning and ending amount of uncertain tax positions as of December 31, 2010 and December 31, 2011 is as follows (in thousands):

Balance at December 31, 2009	$ 23,752
Additions for current year tax positions	2,591
Additions for prior year tax positions	3,882
Reductions for prior year tax positions	(7,725)
Settlement with taxing authorities	(777)
Reductions as a result of lapse of applicable statue of expirations	(6,385)
Balance at December 31, 2010	$ 15,338
Balance at December 31, 2010	$ 15,338
Additions for current year tax positions	9,325
Additions for prior year tax positions	1,862
Reductions for prior year tax positions	(1,129)
Settlement with taxing authorities	–
Reductions as a result of lapse of applicable statue of expirations	(564)
Balance at December 31, 2011	$ 24,832

If recognized, the $24.8 million in uncertain tax positions would affect the effective tax rate. It is also possible that the reserve could change within twelve months of the reporting date related to the state research and experimentation credit as a result of tax authority settlement. The estimated range of unrecognized change is zero to $0.8 million at December 31, 2011.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S. and Canada. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities in major tax jurisdictions for years before 2004.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(13) Earnings Per Share

Basic earnings per share ("EPS") excludes the dilutive effect of common stock equivalents and is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted EPS includes the dilutive effect of common stock equivalents, which consists of stock options, and is computed using the weighted-average number of common shares and common stock equivalents outstanding during the period.

Reconciliations of basic and diluted EPS for the years ended December 31 are as follows:

($ in thousands)	2011	2010	2009
Numerator:			
Net income attributable to CH2M HILL	$113,297	$93,695	$103,742
Denominator:			
Basic weighted-average common shares outstanding	30,824	31,458	31,908
Dilutive effect of common stock equivalents	604	705	691
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	31,428	32,163	32,599
Basic net income per common share	$ 3.68	$ 2.98	$ 3.25
Diluted net income per common share	$ 3.60	$ 2.91	$ 3.18

(14) Employee Benefit Plans

Deferred Compensation Plans

Effective February 11, 2010, we amended and restated the CH2M HILL Companies, Ltd. Deferred Compensation Retirement Plan ("DCRP") to form the CH2M HILL Supplemental Executive Retirement and Retention Plan ("SERRP"). The Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA"). Under this plan, each participant's account consists of various contributions made to the account by our Company on behalf of the participant. We select the investment vehicles available under the plan. Compensation expense was $3.9 million and $0.6 million for the years ended December 31, 2011 and 2010, respectively.

In addition to the SERRP, we have a nonqualified deferred compensation plan that provides benefits payable to officers and certain highly compensated employees at specified future dates, or upon retirement, disability or death. Effective January 1, 2011, we amended and restated the Deferred Compensation Plan and Executive Deferred Compensation Plan to combine both plans into a single plan. The plan allows eligible participants to defer up to a certain amount of base compensation and incentive compensation received, in cash or common stock. It also allows a more select group of eligible participants, whose 401(k) Plan contributions are limited by the ERISA, to defer additional base compensation to which we may make a matching contribution. The plan is also used to provide additional retirement benefits for certain of our senior executives at levels to be determined from time-to-time by the Board of Directors.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Benefit Plans (Continued)

The Deferred Compensation Plans are unfunded; therefore, benefits are paid from the general assets of our company. The participant's cash deferrals earn a return based on the participant's selection of investments in several hypothetical investment options. All deferrals of common stock must remain invested in common stock and are distributed in common stock.

Compensation expense for the two nonqualified plans was $4.1 million, $2.8 million and $8.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Stock Option Plans

Effective January 1, 2009, the Board of Directors and stockholders approved the CH2M HILL Companies, Ltd. 2009 Stock Option Plan ("2009 Stock Option Plan"). The 2009 Stock Option Plan reserves 3,000,000 shares of our common stock for issuance upon exercise of stock options granted under the plan. All options outstanding under the previously cancelled plans ("1999 and 2004 Stock Option Plans"), expired or for any other reason cease to be exercisable, were rolled into the 2009 Stock Option Plan and are available for grant in addition to the 3,000,000 options reserved.

Stock options are granted at an exercise price equal to the fair market value of our common stock at the date of grant. Stock options granted generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of grant. The following table summarizes the activity relating to the 2009 Stock Option Plan during 2011:

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	2,971,845	$ 29.52
Granted	892,687	$ 49.69
Exercised	(812,748)	$ 22.76
Forfeited	(104,610)	$ 41.54
Expired	(33,516)	$ 26.44
Outstanding at December 31, 2011	2,913,658	$ 37.18
Exercisable at December 31, 2011	1,426,031	$ 29.19
Available for future grants	1,410,033	

The weighted-average remaining contractual term for all options outstanding at December 31, 2011 and 2010 was 2.6 years and 2.4 years, respectively. The aggregate intrinsic value of all options outstanding was $54.0 million and $50.4 million, respectively. The weighted-average remaining contractual term for options vested and exercisable at December 31, 2011 and 2010 was 1.4 years and 1.6 years, respectively. The aggregate intrinsic value for the vested and exercisable options was $37.8 million and $35.9 million, respectively. The remaining unrecognized compensation expense related to nonvested awards as of December 31, 2011 is $6.3 million. We expect to recognize this compensation expense over the weighted average remaining recognition period of 1.7 years, subject to forfeitures that may occur during that period.

We received $4.6 million, $3.7 million and $3.9 million from options exercised during the years ended December 31, 2011, 2010 and 2009, respectively. Our stock option plans also allow participants to satisfy the exercise price and participant tax withholding obligation by tendering shares of company stock that have been owned by the participants for at least six months. The intrinsic value associated

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(14) Employee Benefit Plans (Continued)

with exercises was $16.4 million, $16.3 million and $11.8 million during the years ended December 31, 2011, 2010 and 2009, respectively.

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant date fair value of options granted during the years ended December 31, 2011 and 2010 was $7.40 and $6.30, respectively. The following assumptions were used in determining the fair value of options granted during 2011 and 2010:

	2011	2010
Risk-free interest rate	1.15%	1.56%
Expected dividend yield	0.00%	0.00%
Expected option life	4.19 Years	4.21 Years
Expected stock price volatility	15.63%	15.06%

We estimate the expected term of options granted based on historical experience of employee exercise behavior. We estimate the volatility of our common stock by using the weighted-average of historical volatility over the same period as the option term. We use the Treasury Yield Curve rates for the risk-free interest rate in the option valuation model with maturities similar to the expected term of the options. We do not anticipate paying any cash dividends on our common stock in the foreseeable future and therefore use an expected dividend yield of zero in the option valuation model. We are required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. All stock-based payment awards are amortized on a straight-line basis over the requisite service periods of the awards.

The total compensation expense recognized for stock options granted for the years ended December 31, 2011, 2010 and 2009 was $4.8 million, $4.8 million and $4.7 million, respectively.

Payroll Deduction Stock Purchase Plan

In November 1999, we established the Payroll Deduction Stock Purchase Plan ("PDSPP") which provides for the purchase of common stock at 90% of the market value as of the date of purchase through payroll deductions by participating employees. Eligible employees may purchase common stock totaling up to 15% of an employee's compensation through payroll deductions. An employee cannot purchase more than $25,000 of common stock under the PDSPP in any calendar year. The PDSPP is intended to qualify under Section 423 of the Internal Revenue Code ("IRC"). The PDSPP is not intended to qualify under Section 401(a) of the IRC and is not subject to ERISA. The PDSPP is non-compensatory since the plan is available to all stockholders and incorporates no option features such as a look-back period. Accordingly, no compensation expense is recognized in the financial statements for the PDSPP. During the years ended December 31, 2011, 2010 and 2009, a total of 527,503 shares, 569,788 shares and 688,776 shares, respectively, were issued under the PDSPP, for total proceeds of $24.4 million, $22.2 million and $21.5 million, respectively.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(14) Employee Benefit Plans (Continued)

Phantom Stock Plan

In January 2000, we established the Phantom Stock Plan, which provides eligible individuals with added incentives to continue in the long-term service of our company. Eligible individuals are generally individuals who are not residents of the U.S. Phantom stock grants are 100% vested on the grant date and may be redeemed after six months from the grant date. The value of phantom stock is equal to the market value of our common stock. All amounts granted under the Phantom Stock Plan are payable in cash only and are generally granted in connection with the short and long term incentive plans. Compensation expense under this plan is based on the value of the units on the date of grant.

During the years ended December 31, 2011, 2010 and 2009, a total of 731 units, 6,136 units and 1,504 units, respectively, were granted under the Phantom Stock Plan. The fair values of the units granted under the Phantom Stock Plan during 2011, 2010 and 2009 were $49.90, $40.52 and $31.10, respectively. Compensation expense related to the Phantom Stock Plan during 2011, 2010 and 2009 was $0.6 million, $0.5 million, and $0.4 million, respectively.

The following table summarizes the activity relating to the Phantom Stock Plan during 2011:

	Number of Units
Balance at December 31, 2010	36,467
Granted	731
Exercised	(4,306)
Cancelled	(405)
Balance at December 31, 2011	32,487

Stock Appreciation Rights Plan

In February 1999, we established the Stock Appreciation Rights ("SARs") Plan. Eligible individuals are generally individuals who are not residents of the U.S. SARs are granted at an exercise price equal to the market value of our common stock and generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of the grant. All amounts granted under the SARs Plan are payable in cash only. Compensation expense under this plan is based on the vesting provisions and the market value of our common stock.

Compensation expense related to the SARs Plan amounted to $0.1 million, $0.2 million and $0.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Benefit Plans (Continued)

The following table summarizes the activity relating to the SARs Plan during 2011:

	Number of Rights	Weighted Average Exercise Price
Balance at December 31, 2010	30,675	$ 27.28
Granted	8,773	$ 50.51
Exercised	(15,016)	$ 20.73
Cancelled	(3,287)	$ 38.29
Balance at December 31, 2011	21,145	$ 39.90

Incentive Plans

The Annual Incentive Plan ("AIP") aids in the recruitment, motivation, and retention of employees. Management determines which employees participate in the AIP. During the years ended December 31, 2011, 2010 and 2009, a total of 58,045 shares, 369,566 shares and 432,093 shares, respectively, were issued under the AIP. The fair values of the shares issued under the AIP were $46.75, $40.52 and $31.10, for the years ended December 31, 2011, 2010, and 2009, respectively. We accrued compensation expense related to common stock awards under the AIP in the amount of $2.7 million and $14.4 million for the years ended December 31, 2011 and 2009, respectively. We accrued compensation expense in 2009 for the shares issued in 2010 and all of the 2010 AIP awards were paid in cash in 2011. Therefore no stock-based compensation was recognized in 2010.

The Long Term Incentive Plan ("LTIP") rewards certain executives and senior leaders for the creation of value in the organization through the achievement of specific long-term (3 year) goals of earnings growth and strategic initiatives. The Compensation Committee of the Board reviews and endorses participation in the LTIP in any program year and a new plan is established each year. During the years ended December 31, 2011, 2010 and 2009, a total of 219,087 shares, 279,447 shares and 323,474 shares, respectively, were issued under the LTIP at a fair value of $46.75, $40.52 and $31.10 per share, respectively. Compensation expense related to common stock awards under the LTIP amounted to $11.8 million, $15.0 million and $13.3 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Restricted Stock Plan

In January 2000, we established the Restricted Stock Policy and Administration Plan (amended and restated effective February 22, 2011) which provides eligible individuals with added incentives to continue in the long-term service of our company. The awards are made for no consideration, vest over various periods, and may include performance requirements, but are considered outstanding at the time of grant. During the years ended December 31, 2011, 2010 and 2009, a total of 136,696 shares, 186,396 shares and 111,246 shares, respectively, were granted under the Restricted Stock Policy and Administration Plan.

We recognize compensation costs, net of forfeitures, over the vesting term based on the fair value of the restricted stock at the date of grant. The amount of compensation expense recognized under the Restricted Stock Policy and Administration Plan was $5.5 million, $4.8 million and $2.9 million for the years ended December 31, 2011, 2010 and 2009, respectively. As of December 31, 2011, there was

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(14) Employee Benefit Plans (Continued)

$8.2 million of unrecognized compensation expense related to non-vested restricted stock grants. The expense is expected to be recognized over a weighted average period of 2.83 years.

The following table summarizes the activity relating to the Restricted Stock Policy and Administration Plan during 2011:

	Non-vested Shares	Weighted Average Grant Date Fair Value	
Balance at December 31, 2010	448,053	$	30.91
Granted	136,696	$	50.37
Vested	(172,376)	$	26.91
Cancelled and expired	(18,086)	$	39.61
Balance at December 31, 2011	394,287	$	39.04

The weighted-average fair values of the shares granted under the Restricted Stock Plan during 2011, 2010 and 2009 were $50.37, $42.32 and $33.76, respectively.

(15) Employee Retirement Plans

Retirement and Tax-Deferred Savings Plan

The Retirement and Tax-Deferred Savings Plan ("401(k) Plan") is a profit sharing plan that includes a cash or deferred arrangement that is intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. Employees are eligible to participate in the 401(k) Plan on the first date of hire with respect to employee contributions and matching contributions. Each eligible employee begins to participate in the 401(k) Plan with respect to defined contributions as of the first day of the first month that begins on or after the eligible employee completes a twelve-month period of service during which the employee is credited with at least 1,000 hours of service.

The 401(k) Plan allows for matching contributions to be made in both cash and stock. Matching contributions may be made in an amount that is based on a percentage of the employee's contributions for the calendar quarter up to 4% of the employee's base compensation. Participants of the 401(k) Plan are, at all times, 100% vested in the employee contribution account. Employer contributions allocated to a participant's account generally vest over six years of completed service. Expenses related to matching contributions for the 401(k) Plan for 2011, 2010 and 2009 were $24.8 million, $20.6 million and $25.4 million, respectively. In addition, expenses related to defined contributions made in common stock for the 401(k) Plan for 2011, 2010 and 2009 were $20.0 million, $16.6 million and $12.7 million, respectively.

Defined Benefit Plans

We sponsor several defined benefit pension plans primarily in the United States and the United Kingdom.

In the U.S., we have three noncontributory defined benefit pension plans. Plan benefits in two of the plans are frozen while one plan remains active. Effective December 31, 2010, the active plan was amended to change the calculation of future benefits. Benefits are generally based on years of service and compensation during the span of employment.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

In the U.K., we assumed several defined benefit plans as part of our acquisition of Halcrow on November 10, 2011, including the Halcrow Pension Scheme, the Pension & Life Assurance Plan of Halcrow Fox & Associates Limited and a few smaller plans. These defined benefit plans have been closed to new entrants for many years. The information related to these plans is presented in the Non-U.S. Pension Plans columns of the tables below. We have completed preliminary actuarial valuations for these plans, however, our analysis is based on preliminary data received about the plans including plan participants. These estimates are subject to change during 2012.

Benefit Expense

The weighted average actuarial assumptions used to compute the net periodic pension expense are based upon information available as of the beginning of the year, as presented in the following table.

	U.S. Pension Plans		
	2011	2010	2009
Discount rate	5.80%	5.90%	6.25%
Expected long-term rate of return on plan assets	7.50%	7.50%	8.00%
Rate of compensation increase	3.00%	4.00%	4.00%

The components of the net periodic pension expense for the years ended December 31 are detailed below:

	U.S. Pension Plans			Non-U.S. Pension Plans
($ in thousands)	**2011**	**2010**	**2009**	**2011**
Service cost	$ 3,666	$ 5,579	$ 4,691	$ 320
Interest cost	10,585	10,692	9,870	5,969
Expected return on plan assets	(10,462)	(9,149)	(8,262)	(5,674)
Amortization of prior service cost (credits)	(783)	92	87	–
Recognized net actuarial loss	3,549	4,058	4,382	–
Net expense included in current income	$ 6,555	$ 11,272	$ 10,768	$ 615

Benefit Obligations

The measurement date used for the U.S. and non-U.S. defined benefit pension plans is December 31. The significant actuarial weighted average assumptions used to compute the projected benefit obligations for the defined benefit pension plans at December 31, are as follows:

	U.S. Pension Plans		Non-U.S. Pension Plans
	2011	2010	2011
Discount rate	5.30%	5.80%	4.94%
Rate of compensation increase	3.00%	3.00%	4.10%

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

The discount rate assumption for the U.S. and U.K. defined benefit pension plans was determined using an actuarial bond model. The model assumes we purchase high quality, Aa-rated or better, corporate bonds such that the expected cash flow from the selected bond portfolio generally matches the timing of our projected benefit payments. The model develops the average yield on this portfolio of bonds as of the measurement date. This average yield is used as the discount rate.

The following table summarizes the change in the projected benefit obligation and plan assets for the defined benefit pension plans for the years ended December 31:

($ in thousands)	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Benefit obligation at beginning of year	$187,595	$184,716	$ –
Service cost	3,666	5,579	320
Interest cost	10,585	10,692	5,969
Actuarial loss	12,313	2,613	21,060
Plan amendments	–	(9,610)	–
Currency translation	–	–	(34,494)
Benefits paid	(8,409)	(6,395)	(3,262)
Liabilities assumed from the Halcrow acquisition and other	–	–	936,760
Benefit obligation at end of year	$205,750	$187,595	$ 926,353
Plan assets at beginning of year	$138,692	$122,588	–
Actual return on plan assets	(1,172)	14,426	10,371
Company contributions	12,380	8,073	2,279
Currency translation	–	–	(23,745)
Benefits paid	(8,409)	(6,395)	(3,262)
Assets obtained from the Halcrow acquisition and other	–	–	638,329
Fair value of plan assets at end of year	$141,491	$138,692	$ 623,972

We expect to make contributions of approximately $35.0 million to $40.0 million to the defined benefit pension plans in 2012.

The expected benefit payments for the U.S. and non-U.S. defined benefit pension plans are as follows:

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2012	$ 11,808	$ 39,967
2013	12,325	38,707
2014	13,367	39,503
2015	14,448	39,984
2016	15,476	41,274
2017-2021	85,135	225,117
	$ 152,559	$ 424,552

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

Benefit Plan Assets

The target allocation for the U.S. pension plans and the weighted-average asset allocations for the defined benefit pension plans at December 31, 2011 and 2010 by asset category are set out below. For the non-U.S. pension plans, the targeted allocation of assets is generally related to the expected benefit payments over the next five to ten years. The target is to hold sufficient assets in fixed income securities to meet these cash flows. So as the benefit plan matures, an increasing proportion of plan assets will be held in fixed income securities.

	U.S. Pension Plans			Non-U.S. Pension Plans
	Target Allocation	2011	2010	2011
Equity securities	60%	52%	54%	45%
Debt securities	40%	47%	45%	45%
Other	–	1%	1%	10%
Total	100%	100%	100%	100%

The investment philosophy for the defined benefit pension plans is primarily to have the asset values and long-term rates of return exceed those of the relative benchmarks in order to protect and pay the expected future benefit payments to participants. Asset allocation decisions are made in an attempt to construct a total portfolio that achieves the desired expected risk and return needed to meet long term liabilities of the plans. For non-U.S. plans, the asset allocation decisions are often made by an independent board of trustees. In order to accomplish the investment philosophy and strategy, the benefit plan trustees monitor the asset classes allowed for investment, the strategic mix targets, and allowable ranges of such.

Investments in domestic and international equity securities are utilized with the expectation that they will provide a higher rate of return than debt securities for periods in excess of five to ten years, albeit with greater risk. Investments in debt securities, such as government and corporate bonds of domestic and international entities, are utilized with the expectation that they are generally low in risk and can meet the shorter term cash flow needs of the plans.

We use long-term historical actual return experience with consideration of the expected investment mix of the plan assets, as well as future estimates of long-term investment returns to develop the expected rate of return assumptions used in calculating the net periodic pension cost.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

The following tables summarize the fair values of our defined benefit pension plan assets by major asset category:

Non-U.S. Pension Plans

($ in thousands)	Fair Value Measurement at December 31, 2011 Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 26,204	$ 26,204	$ –	$ –
Equity funds	297,655	7,058	290,597	–
Fixed income securities	268,862	122,196	146,666	–
International property fund	31,251	–	31,251	–
Total	$ 623,972	$ 155,458	$ 468,514	$ –

U.S. Pension Plans

($ in thousands)	Fair Value Measurement at December 31, 2011 Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 117	$ 117	$ –	$ –
Equity funds	74,448	–	74,448	–
Fixed income securities	66,926	–	66,926	–
Total	$ 141,491	$ 117	$ 141,374	$ –

($ in thousands)	Fair Value Measurement at December 31, 2010 Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity funds	$ 75,562	$ –	$ 75,562	$ –
Fixed income securities	63,130		63,130	–
Total	$ 138,692	$ –	$ 138,692	$ –

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

Funded Status

The following table presents the underfunded status of the defined benefit pension plans at December 31:

($ in thousands)	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Projected benefit obligation	$205,750	$187,595	$ 926,353
Fair value of plan assets	141,491	138,692	623,972
Underfunded status	$ (64,259)	$ (48,903)	$(302,381)
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	$ 74,245	$ 53,848	$ 14,837
Net prior service cost (credits)	(8,662)	(9,446)	–
Total	$ 65,583	$ 44,402	$ 14,837
Amounts to be recognized in the following year as a component of net periodic pension expense:			
Net actuarial loss	$ 5,546	$ 3,550	–
Net prior service cost	(781)	(783)	–
Total	$ 4,765	$ 2,767	–
Additional information:			
Accumulated benefit obligation	$200,735	$182,065	$ 922,497

The liability for the underfunded status is included in long-term employee related liabilities on the consolidated balance sheets.

Other Postretirement Benefits

We sponsor a medical benefit plan for retired employees of certain subsidiaries. The plan is contributory, and retiree premiums are based on years of service at retirement. The benefits contain limitations and a cap on future cost increases. We fund postretirement medical benefits on a pay-as-you-go basis. Effective December 31, 2009, the plan was modified impacting the eligibility criteria, the cost, and the events of termination regarding the retiree medical coverage. Additionally, we have a frozen non-qualified pension plan that provides additional retirement benefits to certain senior executives that remained employed and retired from CH2M HILL on or after age 65.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

The non-qualified pension and postretirement healthcare benefit payments, including expected future services, are expected to be paid from plan assets and operating cash flows as follows:

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2012	$ 100	$ 2,467
2013	93	2,707
2014	87	3,019
2015	81	3,322
2016	75	3,637
2017-2021	301	21,888
	$ 737	$ 37,040

Benefit Expense

The measurement date used for non-qualified pension and other postretirement benefit plans is December 31. The actuarial assumptions used to compute the non-qualified pension benefit expense and postretirement benefit expense are based upon information available as of the beginning of the year, as presented in the following table.

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
	2011	2010	2009	2011	2010	2009
Actuarial assumptions at beginning of year:						
Discount rate	5.80%	5.90%	6.25%	5.80%	5.90%	6.25%
Initial healthcare costs trend rate	na	na	na	na	na	5.99%
Ultimate healthcare cost trend rate	na	na	na	na	na	4.50%
Year ultimate trend rate is reached	na	na	na	na	na	2011

na−not applicable

The components of the non-qualified pension benefit expense and postretirement benefit expense for the years ended December 31 are detailed below:

($ in thousands)	Non-Qualified Pension Plan 2011	2010	2009	Postretirement Benefit Plans 2011	2010	2009
Service cost	$ −	$ −	$ −	$ 1,971	$ 2,878	$ 3,327
Interest cost	34	36	38	2,519	2,340	2,181
Amortization of transition obligation	−	−	−	349	349	349
Amortization of prior service costs	−	−	−	354	354	387
Recognized gain due to curtailment	−	−	−	−	−	(1,052)
Recognized net actuarial loss (gain)	12	9	3	50	(3)	(1)
Net expense included in current income	$ 46	$ 45	$ 41	$ 5,243	$ 5,918	$ 5,191

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

The gain recognized in 2009 due to the curtailment in the postretirement benefit plans represents a decrease in the accrued benefit obligation of $2.8 million, accelerated recognition of previously unrecognized loss of $0.2 million, and accelerated recognition of previously unrecognized prior service cost of $1.5 million.

The discount rate used to compute the benefit obligations for the non-qualified pension plan and postretirement benefit plans at December 31, 2011 and 2010 were 5.30% and 5.80%, respectively.

The discount rate assumptions are set annually based on several factors such as: a) the rates of return on high quality fixed income investments available and expected to be available during the period to maturity of the benefits and b) the duration of the plan liabilities is also compared to a portfolio of high quality corporate bonds appropriate to provide for the projected benefit payments of the plan.

The following table summarizes the change in benefit obligation and change in plan assets for the non-qualified pension and postretirement benefit plans for the years ended December 31:

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	2011	2010	2011	2010
Benefit obligation at beginning of year	$ 628	$ 651	$ 44,980	$ 40,281
Service cost	–	–	1,971	2,878
Interest cost	34	36	2,519	2,340
Plan contributions	–	–	1,404	1,272
Actuarial loss (gain)	214	32	(680)	1,388
Benefits paid	(106)	(91)	(3,373)	(3,179)
Benefit obligation at end of year	$ 770	$ 628	$ 46,821	$ 44,980

We have instituted caps on the potential growth of our retiree healthcare costs. Based on expected costs for 2012, the retiree healthcare cost caps are expected to be reached in 2012 and apply in all future years. As healthcare costs continue to increase, these caps are intended to remain in force at current levels. As a result, a 1% change in the health care cost trends has no impact on the postretirement benefit obligation or costs.

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(15) Employee Retirement Plans (Continued)

Funded Status

The following table presents the underfunded status of the non-qualified pension and postretirement benefit plans at December 31:

	Non-Qualified Pension Plan		Postretirement Benefit Plans	
($ in thousands)	**2011**	**2010**	**2011**	**2010**
Projected benefit obligation	$ 770	$ 628	$ –	$ –
Accumulated benefit obligation	–	–	46,821	44,980
Underfunded status	$(770)	$(628)	$(46,821)	$(44,980)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$ 365	$ 163	$ 4,213	$ 4,943
Net prior service cost	–	–	285	638
Transition obligation	–	–	100	449
Total	$ 365	$ 163	$ 4,598	$ 6,030
Amounts to be recognized in the following year as a component of net periodic cost:				
Net actuarial loss	$ 36	$ 13	$ –	$ 50
Transition obligation	–	–	100	349
Net prior service cost	–	–	341	353
Total	$ 36	$ 13	$ 441	$ 752

Multiemployer Plans

We participate in various multiemployer pension plans for certain employees represented by labor unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements, generally based on the number of hours worked. We made contributions to the various plans totaling approximately $4.3 million, $6.5 million and $11.8 million for the years ended December 31, 2011, 2010 and 2009, respectively.

We have employees who participate in benefit plans with the U.S. Department of Energy for which information is not provided because we are not responsible for the current or future funded status of those plans.

(16) Segment Information

Effective January 1, 2011, we reorganized our reporting structure under which our chief operating decision maker makes strategic and operating decisions with regard to assessing performance and allocating resources. As a result, our Industrial Systems business was divided based upon its operations and absorbed within our Environmental Services business and Water business. Our Water business operations were then grouped with the Energy business creating the Energy and Water ("E&W") segment. Our Environmental Services business was then combined with our Nuclear business and our Government Facilities and Infrastructure business and reflected in the new Government, Environment

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(16) Segment Information (Continued)

and Nuclear ("GEN") segment. Lastly, our Transportation business, Operations and Maintenance business and Industrial and Advanced Technology business were grouped together to form the Facilities and Infrastructure ("F&I") segment.

Within our E&W segment, our Energy business primarily focuses on providing services to a comprehensive range of private sector clients and utilities, while our Water business primarily provides services to state and local governments. Our GEN segment primarily provides a comprehensive range of services to various U.S. federal government agencies and foreign governments as well as some private industries. Our F&I segment primarily provides a comprehensive range of services to various state, local and provincial governments and also a select group of private industry clients.

We evaluate performance based on several factors, of which the primary financial measure is operating income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We use operating income as our measurement of segment profit. Corporate expenses, including costs for centralized management activities, are not allocable to individual operating segments and are included in "Other" below. These costs primarily include expenses associated with administrative functions such as executive management, legal, and general business development efforts.

Certain financial information for each segment is provided below (in thousands):

2011	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$2,191,243	$ 1,372,125	$ 1,991,865	$ −	$5,555,233
Equity in earnings of joint ventures and affiliated companies	$ 35,809	$ 20,905	$ 7,763	$ −	$ 64,477
Depreciation and amortization	$ 6,161	$ 6,868	$ 35,186	$ −	$ 48,215
Operating income (loss)	$ 78,970	$ 65,523	$ 62,119	$(21,459)	$ 185,153
Segment assets	$1,664,084	$ 504,205	$ 526,566	$ −	$2,694,855
Goodwill	$ −	$ 384,766	$ 118,523	$ −	$ 503,289

2010	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$2,218,368	$ 1,224,579	$ 1,979,854	$ −	$5,422,801
Equity in earnings of joint ventures and affiliated companies	$ 35,116	$ 22,861	$ 10,536	$ −	$ 68,513
Depreciation and amortization	$ 5,414	$ 5,247	$ 51,650	$ −	$ 62,311
Operating income (loss)	$ 94,840	$ 34,137	$ 58,818	$(13,032)	$ 174,763
Segment assets	$ 936,526	$ 358,477	$ 672,077	$ −	$1,967,080
Goodwill	$ −	$ 11,831	$ 118,523	$ −	$ 130,354

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(16) Segment Information (Continued)

2009	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$ 1,931,093	$ 1,243,516	$2,324,709	$ −	$ 5,499,318
Equity in earnings of joint ventures and affiliated companies	$ 30,635	$ 21,367	$ 13,537	$ −	$ 65,539
Depreciation and amortization	$ 6,105	$ 6,211	$ 68,573	$ −	$ 80,889
Operating income (loss)	$ 93,985	$ 28,576	$ 65,264	$(13,294)	$ 174,531
Segment assets	$ 804,885	$ 427,355	$ 715,782	$ −	$ 1,948,022
Goodwill	$ −	$ 11,831	$ 118,523	$ −	$ 130,354

We derived approximately 35%, 37% and 35% of our total revenues from contracts with the U.S. federal government in the years ended December 31, 2011, 2010 and 2009, respectively.

Although we provide services in numerous countries, no single country outside of the U.S. accounted for 10% or greater of the total consolidated revenue. Total U.S. and international revenue for the years ended December 31 were as follows:

($ in thousands)	2011	2010	2009
U.S.	$ 4,185,501	$ 4,274,155	$ 4,525,613
International	1,369,732	1,148,646	973,705
Total	$ 5,555,233	$ 5,422,801	$ 5,499,318

(17) Commitments and Contingencies

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in our engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We also post surety bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts. Bid bonds are also issued by a surety to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid.

Commercial commitments outstanding as of December 31, 2011 are summarized below:

	Amount of Commitment Expiration Per Period				
($ in thousands)	Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$ 71.6	$ 18.3	$ 0.7	$ −	$ 90.6
Bank guarantees	15.7	9.0	6.0	17.0	47.7
Surety and bid bonds	894.5	628.0	34.4	−	1,556.9
Total	$ 981.8	$ 655.3	$ 41.1	$ 17.0	$ 1,695.2

In connection with the acquisition of VECO, the purchase agreement established a holdback contingency of $70.0 million for tax indemnifications and the potential future payment of certain contingencies that may arise after the date of acquisition. Since the date of acquisition, we have made

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(17) Commitments and Contingencies (Continued)

distributions to the sellers of VECO and paid expenses on their behalf which were deemed distributions of the holdback contingency. Upon resolution of the remaining outstanding items, we will likely incur costs which will be paid out of the holdback funds with any remaining amount being remitted to the sellers of VECO. Additionally, under the terms of the BAH acquisition agreement, we held back $2.9 million of the purchase price, for the payment and discharge of any indemnification claims payable as a result of inaccuracies or breach of representations or warrants made by BAH as defined under the terms of the purchase agreement. The holdback contingency is payable to BAH, 50% on the one year anniversary of the closing and the remainder at the eighteen month anniversary. Interest accrues on the outstanding balance at the rate stated in the purchase agreement. At December 31, 2011 and 2010, the outstanding balance payable under the holdback contingencies was $41.3 million and $46.7 million, respectively.

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from the U.S. federal government and various federal agencies, state and municipal sources, the company's procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. federal government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. federal government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, our management believes that proceedings and legal actions currently pending would not result in a material adverse effect on the company's results of operations or financial condition even if the final outcome is adverse to us.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover CH2M HILL's liabilities, if any, with regard to such claims. Any amounts that are probable of payment by the company are accrued when such amounts are estimable. As of December 31, 2011 and 2010, accruals for potential estimated claim liabilities were $34.1 million and $28.9 million, respectively.

In April of 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. As part of its investigation, the U.S. Attorney's Office raised the possibility of civil and/or criminal charges for possible violations arising from our overtime practices on this project. We are fully cooperating with the investigation and will continue to work to resolve this matter. In addition, two former CH2M HILL Hanford employees pleaded guilty in United States District Court on a felony charge related to time card falsification. We have reasons to believe that these pleas are related to the investigation. At this time we do not believe that a loss in excess of the amount accrued would have a material impact on our consolidated financial statements.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of their primary office locations. However, Halcrow subsequently vacated the space and, at the date of

CH2M HILL COMPANIES, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(17) Commitments and Contingencies (Continued)

acquisition, had no involvement with the property and was not using any portion of the building. The lease requires Halcrow to continue to make lease payments until 2080 with clauses that require the rent to escalate with market conditions. We are currently attempting to obtain a third party determination of the fair value of this lease obligation in order to complete the purchase accounting for the Halcrow acquisition.

(18) Quarterly Financial Information (unaudited)

Our quarterly financial information for the years ended December 31, 2011 and 2010 is as follows:

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2011					
Revenue	$ 1,268,095	$ 1,360,571	$ 1,504,294	$ 1,422,273	$ 5,555,233
Operating income	42,289	62,044	40,457	40,363	185,153
Net income attributable to CH2M HILL	23,558	40,367	26,328	23,044	113,297
Net income per common share					
Basic	$ 0.77	$ 1.31	$ 0.85	$ 0.74	$ 3.68
Diluted	$ 0.75	$ 1.29	$ 0.84	$ 0.73	$ 3.60
2010					
Revenue	$ 1,235,579	$ 1,341,088	$ 1,399,063	$ 1,447,071	$ 5,422,801
Operating income	26,859	62,016	46,362	39,526	174,763
Net income attributable to CH2M HILL	14,332	31,732	25,293	22,338	93,695
Net income per common share					
Basic	$ 0.45	$ 1.00	$ 0.81	$ 0.71	$ 2.98
Diluted	$ 0.44	$ 0.98	$ 0.79	$ 0.69	$ 2.91

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Englewood, Douglas County, State of Colorado, on February 29, 2012.

CH2M HILL COMPANIES, LTD.

By: /s/ MICHAEL A. LUCKI
Michael A. Lucki
Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates stated, through their attorney-in-fact as appointed in the power of attorney of February 9, 2012 included as Exhibit 24.1 filed herewith.

Signature	Title	Date
/s/ LEE A. MCINTIRE Lee A. McIntire	Chief Executive Officer (Principal Executive Officer)	February 29, 2012
/s/ MICHAEL A. LUCKI Michael A. Lucki	Chief Financial Officer (Principal Financial Officer)	February 29, 2012
/s/ JOANN SHEA JoAnn Shea	Chief Accounting Officer (Principal Accounting Officer)	February 29, 2012
* Manuel E. Aguirre	Director	February 29, 2012
* Robert W. Bailey	Director	February 29, 2012
* Robert G. Card	Director	February 29, 2012
* Jerry D. Geist	Director	February 29, 2012
* Charles O. Holliday, Jr.	Director	February 29, 2012
* Michael A. Lucki	Director	February 29, 2012
* Michael E. McKelvy	Director	February 29, 2012
*	Director	February 29, 2012

Georgia R. Nelson

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Signature	Title	Date
* Jacqueline C. Rast	Director	February 29, 2012
* Nancy R. Tuor	Director	February 29, 2012
* Barry L. Williams	Director	February 29, 2012

*By: /s/ MICHAEL A. LUCKI
Michael A. Lucki,
as attorney-in-fact

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Exhibit 10.3

CH2M Hill Companies, Ltd.
Amended and Restated Long Term Incentive Plan

ARTICLE I
INTRODUCTION

1.1 ***Establishment***. CH2M HILL Companies, Ltd., a Delaware corporation hereby amends and restates the CH2M HILL Companies, Ltd. Long Term Incentive Plan (LTIP) effective January 1, 2011 to award incentive compensation to eligible Participants. This Plan amends, restates, supersedes and combines the Long Term Incentive Plan dated January 1, 2005, and the Executive Officers Long Term Incentive Plan, previously amended and restated as of May 8, 2008.

1.2 ***Purposes***. The purposes of the Plan are to:

Reward a limited group of executives and senior leaders for the creation of value in the organization through the achievement of financial and/or strategic goals, and

Provide financial incentives to Plan Participants to incentivize their contribution to the annual and long-term financial performance of the Company, thereby increasing shareholder value.

ARTICLE II
DEFINITIONS

2.1 ***Affiliated Company*** means any corporation, limited liability company, partnership or other business entity or division or department of an entity, having employees to whom the Plan Sponsor has extended (with the acceptance of such entity), and, if such ownership level is less than 50%, for legitimate business reasons, the benefits of this Plan, or any successor entities of such an entity, and in which the Plan Sponsor owns directly or indirectly at least 20% of the entity.

2.2 ***Award*** means a grant of Stock Instruments and/or cash under the Plan.

2.3 ***Board*** means the Board of Directors of the Company.

2.4 ***CEO*** means Chief Executive Officer of CH2M HILL Companies, Ltd.

2.5 ***Change of Control*** For purposes of the Plan, a Change of Control will occur if any one of the following events occurs:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total Fair Value of Company stock. However, if any one person or more than one person acting as a group, owns more than 50% of the total Fair Value of Company stock, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company (or to cause a change in the effective control of the Company).

(b) There is a change in the effective control of the Company. A change in the effective control of the Company occurs on the date that either:

(i) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company that represents 30% or more of the total voting power of Company stock; or

(ii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

(c) Any one person, or more than one person acting as a group, acquires ownership of all or substantially all of the assets of CH2M HILL Companies, Ltd.

(d) The stockholders of the Company approve a plan of liquidation or dissolution of CH2M HILL Companies, Ltd. and such transaction is consummated.

For purposes of this definition "persons acting as a group" shall have the following meaning: Persons will not be considered to be acting as a group solely because they purchased stock of the Company at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

For the avoidance of doubt, this Section shall be interpreted in accordance with Treasury guidance for the definition of"change in the ownership of a corporation" and "change in the effective control of a corporation" under Section 409A of the Code.

2.6 ***Code*** means the Internal Revenue Code of 1986, as amended from time to time.

2.7 ***Committee*** means a committee established under Article V of the Plan.

2.8 ***Company*** means the Plan Sponsor.

2.9 ***Competitor*** means any engineering, program management, or construction company engaged in any activities or business similar in material respects to CH2M HILL business and/or listed among the top 25 companies on any ENR (Engineering News Record) list of top industry leaders (for the year in question), where the Company is listed in the top 25 companies on the list.

2.10 ***"Disability"*** means a disability of the Employee pursuant to which the Employee is entitled to disability benefits from the long term disability program of the Company or an Affiliated Company.

2.11 ***Employee*** means an individual who is employed by the Company or an Affiliated Company.

2.12 ***Effective Date*** means the effective date of the Plan, which is January 1, 2011.

2.13 ***Participant*** means an Employee designated to be eligible to receive an Award under the Plan as provided in Article III.

2.14 ***Performance-Based Compensation*** means compensation under an Award that is intended to satisfy the requirements of Section 162(m) of the Code for "qualified performance-based compensation" paid to a participant who is deemed a "covered employee" within the meaning of Code § 162(m)(3). Notwithstanding the foregoing, nothing in the Plan shall be construed to mean that an Award which does not satisfy the requirements for "qualified performance-based compensation" under Code § 162(m) does not constitute performance-based compensation for other purposes, including for purposes of Code Section 409A.

2.15 ***Plan or LTIP*** means the CH2M HILL Companies, Ltd. Long Term Incentive Plan.

2.16 ***Plan Sponsor*** means CH2M HILL Companies, Ltd.

2.17 ***Program*** means each three-year LTIP cycle.

2.18 ***Program Period*** means a period beginning on January 1st of the Program year and completing 36 months thereafter (ex. January 1, 2009 through December 31, 2011).

2.19 ***Retirement"*** means the termination of employment or significant reduction in hours by the Participant on or after age 55, other than an involuntary termination for cause, if the sum of the Participant's age and years of service equals 65 or more and, in all cases, that constitutes a"separation from service" within the meaning of Code § 409A. Prior to January 1, 2011, Retirement means the termination of employment or significant reduction in hours by the Participant on or after age 55 that constitutes a "separation from service" within the meaning of Code § 409A.

2.20 ***Stock Instruments*** means CH2M HILL stock or stock equivalents granted under the Plan.

2.21 ***Target Award*** means the target award amount established under the Plan for Participants.

ARTICLE III
PARTICIPATION

The Committee, in its sole discretion, shall designate the Employees who may participate in the Plan for any Program Period from among the Employees of the Company or an Affiliated Company. Participation in the Plan will be on a Program Period by Program Period basis, and participation in a Program Period will not, in and of itself, entitle an Employee to participate in any other Program Period.

ARTICLE IV
LTIP AWARDS

4.1 ***Target Awards and Performance Goals***. Within 90 days of the beginning of each Program Period, as required by the Code, the Committee in its sole discretion shall establish the Target Award for each Participant and the performance goals for the Program Period and notify participants in writing. The performance required to achieve a payout at target (100% of target), as well as the minimum and maximum payouts, will be determined by the Committee. Performance goals for a Participant who is a "covered employee" within the meaning of Code § 162(m)(3) that are intended to be Performance-Based Compensation must be approved by Company shareholders in accordance with the procedures set forth in Section 162(m) of the Code.

4.2 ***Award Determination Process.*** As soon as practicable after the end of each Program Period, the Committee shall compare actual performance during the Program Period to the performance goals for the Program Period and determine the payout percentage. The actual payout value of the Award will be the Target Award adjusted up or down according to the payout percentage, and may be further adjusted based on individual performance as determined by the Committee. All determinations by the Committee related to attainment of performance goals shall be made in the sole discretion of the Committee, and shall be final and binding on all Participants. Award provisions shall not be modified or amended if the modification or amendment would cause compensation payable pursuant to such Award to fail to constitute qualified performance-based compensation under Code § 162(m).

4.3 ***Maximum Award Payout.*** The maximum Award payout for each Participant for any LTIP Program Period, shall generally not exceed 200% (2 times) of the Target Award as determine by the Committee, but will be within the discretion of the Committee to determine subject to section 4.4 with respect to compliance with the requirements of Code **§** 162(m). Notwithstanding the above, the maximum award payout for each Participant for any Program Period shall not exceed $10,000,000 for that Program Period and may be adjusted to a lesser amount at the discretion of the Committee.

4.4 ***Code § 162(m) Compliance.*** The Company intends that the Awards to Participants who are deemed "covered employees" within the meaning of Code § 162(m)(3) will satisfy the performance-based compensation requirements of Code § 162(m) so that the Company may deduct any compensation paid under the Plan for federal income tax purposes without limitation. If any provision of this Plan or any Award would otherwise conflict with such intent, that provision, to the extent possible, shall be interpreted and deemed amended so as to avoid such conflict.

4.5 ***Payouts of LTIP Awards.*** The payout of Awards will be made as soon as practicable after the end of the Program Period when Award payout amounts have been determined and generally within ninety days after the end of the Program Period, but no later than the end of the calendar year following the end of the Program Period. Except as provided in Article VII, a Participant must be employed by the Company or an Affiliated Company as of the Award payout date to be eligible for the payout. Payments can be made in the form of 100% cash, 100% Stock Instruments, or any combination thereof as determined by the Committee. To the extent an Award payout results in a Participant exceeding any ownership limits under the Company's Articles of Incorporation and/or Bylaws, the Award shall be paid out in cash.

4.6 ***Non-Transferability of Awards***. No Award shall be assignable or transferable.

4.7 ***Restrictions on Transfers of Instruments.*** All Stock Instruments transferred to a Participant in accordance with the Plan will be subject to the terms, conditions, and restrictions on Company Stock set forth in the Company's Articles of Incorporation and Bylaws, as amended from time to time, including: (i) restrictions that grant the Company the right to repurchase shares upon termination of the shareholder's affiliation with the Company; (ii) restrictions that grant the Company a right of first refusal if the shareholder wishes to sell shares other than in the Internal Market; and (iii) restrictions that require the approval of the Company for any other sale of shares.

4.8 ***Withholding Requirement.*** All Awards are subject to withholding of all taxes, government mandated social benefit contributions, or other payments required to be withheld which are applicable to the Participants. If Company stock is awarded, a Participant will receive shares net of his or her tax withholding obligation if not enough cash is awarded to cover taxes.

ARTICLE V
PLAN ADMINISTRATION

5.1 ***Committee.*** The Plan shall be administered by the Compensation Committee appointed by and serving at the pleasure of the Board. The composition of the Committee shall consist of those members as described in the Charter of the Committee, as may be amended from time to time (the "Charter").

5.2 ***Committee Meetings and Actions.*** The Committee shall hold meetings and have the authority to take such action as determined in the Charter.

5.3 ***Powers of Committee.*** The Committee shall, in its sole discretion, select the Participants from among the Employees, select the performance goals for each Program Period, establish Target Awards for Participants for each Program Period, determine the time at which LTIP Awards are to be paid, determine actual performance against the established performance goals for purposes of Award payout calculations, and establish such other terms under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall have the full and exclusive right to grant and determine terms and conditions of all Awards granted under the Plan. The Committee shall determine the form of notice that shall evidence the particular provisions, terms, and conditions. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan, as it may deem proper and in the best interests of the Company.

The Committee may from time to time delegate its responsibilities as it determines is necessary, in its sole discretion. The Committee may correct any defect, supply any omission, and reconcile any inconsistency in the Plan. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons. The

Committee has delegated to the executive leadership team (currently referred to as the Joint Council) the ability to select those Employees (other than the members of the executive leadership team and/or Section 16 officers under the securities laws) who shall participate in the Plan from time to time and establish their Target Awards. The executive leadership team shall inform the Committee of any such decisions at the next regularly scheduled Committee meeting. The Committee shall approve participation and Target Awards for executive leadership team and/or Section 16 officers under the securities laws.

5.4 ***Interpretation of Plan.*** The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding and conclusive upon all persons, including the Company, its shareholders, and all persons having any interest in Stock Instruments which may be or have been granted pursuant to the Plan.

5.5 ***Limitation of Liability and Indemnification.***

a. No member of the Committee shall be liable for any action or determination made in good faith.

b. Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Plan Sponsor against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid in settlement thereof, with the Company's approval, or paid in satisfaction of a judgment in any such action, suit or proceeding against him, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such person's own behalf.

ARTICLE VI
CHANGE IN CONTROL

All outstanding LTIP Awards shall become immediately payable in full at target and in cash upon the occurrence of a Change in Control event.

ARTICLE VII
TERMINATION OF AFFILIATION

7.1 ***Retirement***. If a Participant qualifies for Retirement while participating in any Program Period, and provided the Participant does not, subsequent to such Retirement, affiliate with a Competitor (directly or indirectly as an employee, consultant, director, officer, or shareholder of more than 5% of equity), the Participant shall be entitled to the payouts of all outstanding Awards. Notwithstanding the foregoing, the payouts will be prorated based on the number of full months that the Participant actually worked as a full-time or part-time employee for the Company or an Affiliated Company during the Program Period(s), and will be based on the extent to which the performance goals for the Program Period(s) have been satisfied. The payout(s) will be made at the time each outstanding Award payout is due for each Program Period.

7.2 ***Death***. If a Participant dies while employed by the Company or an Affiliated Company, payouts of all his/her outstanding Awards will be made to the personal representative of the Participant's estate or the designated beneficiary or other person or persons who shall have acquired entitlement to earned benefits under the Plan by bequest or inheritance (hereafter, "Beneficiary") as provided in Section 4.5 of the Plan. Payouts will be prorated based on the number of months that the Participant actually worked as a full-time or part-time employee for the Company or an Affiliated

Company during the Program Period(s), and will be based on the extent to which the performance goals for the Program Period(s) have been satisfied. The payout(s) will be made at the time each outstanding Award payout is due for each Program Period. The Committee's determination with respect to payout amounts based on the above criteria shall be final and binding on the Beneficiary.

7.3 ***Disability***. Upon the Participant's separation from service, within the meaning of Code § 409A, from the Company or an Affiliated Company by reason of Disability, payouts of all his/her outstanding Awards will be made to the Participant as provided in Section 4.5 of the Plan. Such payout(s) will be prorated based on the number of months that the Participant actually worked as a full-time or part-time employee for the Company or an Affiliated Company during the Program Period(s), and will be based on the extent to which the performance goals for the Program Period(s) have been satisfied. The payout(s) will be made at the time each outstanding Award payout is due for each Program. The Committee's determination with respect to payout amounts based on the above criteria shall be final and binding on the Participant.

7.4 ***Other Termination.*** Upon the Participant's voluntary or involuntary separation from service, within the meaning of Code § 409A, from the Company or an Affiliated Company (except as otherwise provided in Article VI or in sections 7.1, 7.2 and 7.3), all rights a Participant has under any outstanding and not yet paid Awards shall terminate.

ARTICLE VIII
REQUIREMENTS OF LAW

8.1 ***Requirements of Law***. All Awards pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

8.2 ***Governing Law***. The Plan and all agreements under the Plan shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America.

ARTICLE IX
AMENDMENT, MODIFICATION AND TERMINATION

The Board may amend or modify any provision of the Plan at any time. The Board may suspend the granting of Awards under the Plan or terminate the Plan at any time.

The Board may determine that any Awards granted under the Plan shall be subject to additional and/or modified terms and conditions, and the terms of the Award shall be adjusted accordingly, as may be necessary to comply with or take account of any securities, exchange control, or taxation laws, regulations or practice of any territory which may have application to the relevant Participant.

ARTICLE X
MISCELLANEOUS

10.1 ***Gender and Number.*** Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

10.2 ***No Right to Continued Employment***. Nothing contained in the Plan or in any Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's employment by, or consulting relationship with, the Company or an Affiliated Company, or interfere in any way with the right of the Company or Affiliated Companies, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an award. Any Participant who leaves the employment of the Company or an Affiliated Company shall not be entitled to any compensation for any loss of any right or any benefit or prospective right or benefit under this Plan which the Participant might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

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Exhibit 10.8

CH2M HILL Companies, Ltd.
Amended and Restated Deferred Compensation Plan

ARTICLE I
INTRODUCTION

1.1 ***Establishment***. CH2M HILL Companies, Ltd., a Delaware corporation, hereby establishes the CH2M HILL Companies, Ltd. Amended and Restated Deferred Compensation Plan effective as of January 1, 2011, for the purpose of providing Participants with an opportunity to defer compensation that would otherwise be currently payable to Participants. This Plan constitutes an unsecured promise by the Company to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company. Any amounts set aside to defray the liabilities assumed by the Company will remain the general assets of the Company and will remain subject to the claims of the Company's creditors until such amounts are distributed to the Participants. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended. This Plan amends, restates, supersedes and combines into a single document the Restated and Amended Deferred Compensation Plan, previously amended and restated as of January 1, 2005 and the Executive Deferred Compensation Plan, previously amended and restated as of January 1, 2005.

1.2 ***Purposes***. The purposes of the Plan are to provide Participants with added incentives to continue in the long-term service of the Company, to provide a financial incentive that will help the Company attract, retain and motivate the Employees, and to recognize the valuable services performed on its behalf by certain employees of the Company and Affiliated Companies.

1.3 ***Regulatory Changes***. It is the intention of the Company to administer this Plan as it applies to all amounts deferred after January 1, 2005 in accordance with the requirements of Section 409A; and to administer this Plan as it applies to all amounts deferred prior to January 1, 2005 without regard to the requirements of Section 409A, to the extent that Section 409A so permits.

ARTICLE II
DEFINITIONS

2.1 ***"Account"*** means a recordkeeping account under the Plan for a Participant as set forth or established in Section 4.1.

2.2 ***"Affiliated Companies"*** means any corporation, limited liability company, partnership or other business entity or division or department of an entity, having employees to whom the Plan Sponsor has extended (with the acceptance of such entity), and, if such ownership level is less than 50%, for legitimate business reasons, the benefits of this Plan, or any successor entities of such an entity. and in which the Plan Sponsor owns directly or indirectly at least 20% of the entity.

2.3 ***"Annual Incentive Pay"*** means any payments or bonuses awarded under the CH2M HILL Companies, Ltd. Annual Incentive Plan or other annual incentive remuneration to be paid to the Participant by the Company and Affiliated Companies which is payable in cash or Stock as approved by the Committee.

2.4 ***"Base Salary"*** means the annual base salary of the Employee effective on January 1 of the Plan Year, excluding distributions from nonqualified deferred compensation plans, bonuses, other Incentive Pay paid to the Employee by the Company and Affiliated Companies, commissions, fringe benefits, equity awards, relocation expenses, non-monetary awards, automobile and other allowances and compensation paid during any period of disability as determined under the Company's short term or long term disability plan. Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or nonqualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income pursuant to a cafeteria plan or 401(k) plan established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to the Employee.

2.5 ***"Beneficiary"*** means the person or persons or other entity or entities that have been designated by the Participant to receive, after the Participant's death, benefits under the Plan in accordance with the terms of the Plan. The designation by the Participant must be on forms prescribed by the Company and must be filed with the Company. If the Participant fails to designate a Beneficiary, or if the designated Beneficiary fails to survive the Participant, the benefits due hereunder shall be paid to the Participant's estate. Beneficiary designations may be revoked or changed by filing a new Beneficiary designation with the Company.

2.6 ***"Board"*** means the Board of Directors of the Plan Sponsor.

2.7 ***"Cause"*** shall mean a Participant's:

(i) conviction for commission of a felony or a crime involving moral turpitude;

(ii) willful commission of any act of theft, fraud, embezzlement or misappropriation against the Company or its subsidiaries or affiliates; or

(iii) willful neglect or gross misconduct in the performance of the Participant's duties hereunder (other than such failure resulting from the Participant's incapacity due to physical or mental illness).

No act, or failure to act, on the part of the Participant shall be deemed "willful" unless done, or omitted to be done, by the Participant without reasonable belief that his action or omission was in the best interest of the Company.

2.8 ***"CEO"*** means the Chief Executive Officer of CH2M HILL Companies, Ltd.

2.9 ***"CHRO"*** means the Chief Human Resources Officer of CH2M HILL Companies, Ltd.

2.10 **"*Code*"** means the Internal Revenue Code of 1986, as amended from time to time.

2.11 **"*Committee*"** means a committee established under Article VIII of the Plan.

2.12 ***"Company"*** means the Plan Sponsor and the Affiliated Companies.

2.13 ***"Compensation"*** means Base Salary and Incentive Pay.

2.14 ***"Constructive Termination"*** means, without the Participant's express written consent, the occurrence of any of the following:

(i) *Change in Responsibilities.* (1) The assignment to the Participant of any duties or responsibilities inconsistent in any material adverse respect with the Participant's position(s), duties, responsibilities or status immediately prior to such Change of Control (including any diminution of such duties or responsibilities); or (2) a material adverse change in the Participant's reporting responsibilities, titles or offices with the Plan Sponsor or successor as in effect immediately prior to such Change of Control.

(ii) *Change in Compensation.* Any material reduction by the Plan Sponsor or successor in the Participant's total compensation package, including any material adverse change in the annual salary, the incentive bonus ranges and targets as compared to the compensation package in effect immediately prior to such Change of Control.

(iii) *Change in Location.* Any requirement of the Plan Sponsor or successor that the Participant (1) be based anywhere more than 25 miles from the facility where the Participant is located at the time of the Change of Control; or (2) travel on the Plan Sponsor's or successor's business to an extent substantially greater than the travel obligations of the Participant immediately prior to such Change of Control.

(iv) *Material Breach.* Any other action or inaction that constitutes a material breach by the Company of the agreement under which the Participant provides services.

(v) *Assumption of this Agreement.* The failure of the Plan Sponsor to assign and obtain the assumption of the Participant's Change of Control Agreement from any successor.

Inadvertent Action. An action taken in good faith and which is remedied by the Plan Sponsor or successor within 30 calendar days after receipt of notice thereof given by the Participant shall not constitute Constructive Termination. The Participant must provide notice of termination of employment within 30 calendar days of the Participant's knowledge of an event constituting Constructive Termination or such event shall not constitute Constructive Termination.

2.15 ***"Deferral Election Form"*** means the form pursuant to which the Participant elects to reduce his Base Salary or Incentive Pay.

2.16 ***"Director"*** means a member of the Board.

2.17 ***"Effective Date"*** means the effective date of this amendment and restatement Plan which is January 1, 2011

2.18 ***"Employees"*** means those individuals who are employed by the Company or any of the Affiliated Companies.

2.19 **"*Employer*"** means the Company and/or any of its subsidiaries and any Affiliated Companies (now in existence or hereafter formed or acquired).

2.20 ***"Fair Value"*** means the price per share denominated in United States dollars, as determined by the Board from time to time, on the date Fair Value is being determined, in accordance with Section 409A.

2.21 ***"Incentive Pay"*** means any payments or bonuses awarded under the CH2M HILL Companies, Ltd. Annual Incentive Plan (as applicable), CH2M HILL Companies, Ltd. Long Term Incentive Plan, or other incentive remuneration to be paid to the Participant by the Company and Affiliated Companies which is payable in cash or Stock as approved by the Committee.

2.22 ***"Key Employee"*** shall mean any Participant who is a "specified employee" for purposes of Section 409A as determined annually by the Committee in accordance with the Treasury Regulations.

2.23 ***"Long Term Incentive Pay"*** means any payments or bonuses awarded under the CH2M HILL Companies, Ltd. Long Term Incentive Plan, or other incentive remuneration to be paid to the Participant by the Company and Affiliated Companies which is payable in cash or Stock for multi-year performance periods, as approved by the Committee.

2.24 ***"Participant"*** means an Employee designated by the Committee to participate in the Plan.

2.25 **"*Performance-Based Compensation*"** means compensation the entitlement to or amount of which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months, as determined by the Committee in accordance with the Treasury Regulations.

2.26 ***"Plan"*** means the CH2M HILL Companies, Ltd. Deferred Compensation Plan.

2.27 ***"Plan Sponsor"*** means CH2M HILL Companies, Ltd.

2.28 ***"Plan Year"*** means the 12 consecutive month period ending each December 31.

2.29 ***"Retirement"*** means the termination of employment or significant reduction in hours by the Participant on or after age 55 that constitutes a Separation from Service.

2.30 ***"Section 409A"*** means Section 409A of the Code.

2.31 ***"Senior Executive"*** means a Participant who is eligible for the Company Matching Contribution as determined by the Committee.

2.32 ***"Separation from Service"*** means a termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, other than by reason of death, as determined by the Committee in accordance with the Treasury Regulations. In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(a) For a Participant who provides services to an Employer as an Employee, a Separation from Service shall occur when such Participant has experienced a termination of employment with such Employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date will permanently decrease to no more than 20% of the average level of bona fide services performed by such Participant over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months).

If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds 6 months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

(b) Notwithstanding the foregoing provisions in this part (b), if a Participant provides services for an Employer as both an Employee and as a Director, to the extent permitted by the Treasury Regulations the services provided by such Participant as a Director shall not be taken into account in determining whether the Participant has experienced a Separation from Service as an Employee.

2.33 ***"Serious Financial Hardship"*** means an unforeseeable emergency causing severe financial hardship to the Participant resulting from one or more of the following:

(a) Accident or sudden and unexpected illness involving the Participant, a member of the Participant's immediate family or household or another dependent, (as defined in Code Section 152).

(b) Loss of the Participant's property due to casualty.

(c) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

(d) The need to pay for funeral expenses of a spouse, beneficiary, or a dependent (as defined in Code Section 152(a)).

2.34 ***"Stock"*** means the common stock of the Plan Sponsor and any stock issued or issuable subsequent to the Effective Date in substitution for the common stock.

2.35 ***"Termination Date"*** means the date on which the Participant Separates from Service with the Company.

2.36 ***"Treasury Regulations"*** means the regulations promulgated under Section 409A.

2.37 ***"Trust"*** means the CH2M HILL Companies, Ltd. Deferred Compensation Trust Agreement.

2.37 ***"Trustee"*** means the trustee pursuant to the CH2M HILL Companies, Ltd. Deferred Compensation Trust Agreement which is currently Wells Fargo Bank West, National Association.

ARTICLE III
PARTICIPATION

The Committee, in its sole discretion, shall designate the Employees who may participate in the Plan for a Plan Year from among the Employees of the Company. The Employees who are eligible for designation for participation shall be those Employees who are members of a select group of management or highly compensated employees. Participation in the Plan will be on a Plan Year by Plan Year basis, and participation for any Plan Year will not, in and of itself, entitle an Employee to participate for any other Plan Year.

ARTICLE IV
ACCOUNT AND DEFERRALS

4.1 ***Account.*** The Company will maintain an Account for each Participant to reflect the amount payable to the Participant under the Plan. The Company shall distribute benefit statements reflecting the current amount in the Participant's Account to the Participant on an annual basis. Any amount that the Participant elects to defer shall increase the balance in the Participant's Account. Any amounts distributed to the Participant or the Participant's Beneficiary shall decrease the balance in the Participant's Account.

4.2 ***Deferrals.*** A Participant may elect to defer Compensation by submitting a Deferral Election Form during the applicable enrollment periods established by the Committee and set forth in Section 4.3.

Deferrals from Base Salary shall be withheld in substantially equal amounts from Base Salary payable for the Plan Year for which the deferral is made. Deferrals from Incentive Pay shall be withheld from the Incentive Pay otherwise payable for the Plan Year for which the deferral is made.

If any Participant Separates from Service for any reason during a Plan Year for which compensation is to be deferred, the actual deferral specified in the Participant's election for the Plan Year shall be adjusted to equal the actual amounts deferred prior to such separation. Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, then to the extent required by this Section 4.2, Section 409A and the Treasury Regulations, the maximum amount of the Participant's Base Salary or Incentive Pay that may be deferred by the Participant for the Plan Year shall be determined by applying the percentages, as determined by the Committee, to the portion of such compensation attributable to services performed after the date that the Participant's deferral election is made.

4.3 ***Time and Method of Election to Defer.***

(a) A Participant may make a deferral election at any time prior to the beginning of the Plan Year for Compensation for services rendered during the Plan Year. For Plan Years beginning after December 31, 2012, an election will be effective for all future Plan Years as to Base Salary and Annual Incentive Pay unless the deferral election is terminated on a timely basis prior to the beginning of the future Plan Year, provided, however, that as to a Senior Executive's deferral election, such deferral election will not be effective for future Plan Years to the extent the Senior Executive ceases to be eligible for matching contributions pursuant to Section 4.4 as to the amount of the Senior Executive's deferral election that had been subject to matching contributions in prior Plan Years. Any election so made shall be irrevocable with respect to a Plan Year that has commenced, except that in the event of Serious Financial Hardship, the Committee, in its sole discretion, shall have the power to cease further deferrals by the Participant. If no election is made, all Compensation shall be paid on a regular basis during the Plan Year. Election shall be made in writing on the form provided by the Company.

(b) An Employee who first becomes eligible to participate in the Plan on or after the beginning of a Plan Year, as determined in accordance with the Treasury Regulations, may be permitted to make an election to defer the portion of Compensation attributable to services to be performed after such election, provided that the Participant submits an election form on or before the deadline established by the Committee, which in no event shall be later than 30 days after the Participant first becomes eligible to participate in the Plan.

(c) Subject to the limitations described below, the Committee may determine that an irrevocable deferral election for an amount that qualifies as Performance-Based Compensation may be made by submitting an election form on or before the deadline established by the Committee, which in no event shall be later than 6 months before the end of the performance period.

In order for a Participant to be eligible to make a deferral election for Performance-Based Compensation in accordance with the deadline established pursuant to this Section 4.3(c), the Participant must have performed services continuously from the later of (i) the beginning of the performance period for such compensation, or (ii) the date upon which the performance criteria for such compensation are established, through the date upon which the Participant makes the deferral election for such compensation. In no event shall a deferral election submitted under this Section 4.3(c) be permitted to apply to any amount of Performance-Based Compensation that has become readily ascertainable.

4.4 ***Company Matching Contributions.*** The Company shall contribute a matching contribution based on each Senior Executive's deferral contributions made pursuant to Section 4.2 in an amount determined by the Committee. This amount may differ for different Senior Executives and may be based on Participant's Compensation in excess of the limitation imposed on compensation under Code Section 401(a)(17) for the Plan Year (or another amount as determined by the Committee). The Company matching contribution shall only be allocated to the Participant if the Participant is employed by the Company or an Affiliated Company on the last day of the Plan Year and any matching contributions to the Plan prior to the last day of the Plan Year shall be forfeited by any Participant is not employed by the Company or an Affiliated Company on the last day of the Plan Year.

4.5 ***Company Discretionary Contributions.*** The Company may, at the discretion of the Committee, contribute a discretionary contribution for any Plan Year to the Account of any Senior Executive or Senior Officer in any amount determined by the Committee.

4.6 ***Crediting of Earnings, Gain or Loss on Participant Account.*** The Participant's Account shall be credited with earnings, gain or loss in accordance with the provisions of this Section.

Deemed Investments. The Company shall select the investment vehicles that are available for investment under the Plan. Earnings, gain or loss shall continue to be credited until the balance in the Participant's Account is eliminated.

Crediting of Earnings Based on Selected Investment Vehicles. Following the end of day the New York Stock Exchange is open for business, the Participant's Account shall be credited with earnings, gain or loss equal to the rate of return earned on investment vehicles with respect to any portion of the Participant's Account not invested in Stock. If the Participant does not select any investment vehicle, earnings, gain or loss shall be credited to the Participant's Account as if the Participant had selected the lowest risk investment available under the Plan.

Stock Contributions. A Participant's deferral of Stock shall be deemed invested in Stock, must remain invested in Stock, and must be distributed in Stock. Participants shall not be permitted to select any other investment vehicles with respect to a Stock deferral. The number of shares of Stock contributed by a Participant shall be allocated to the Participant's Account in the Plan. The accounting records for the portion of the Participant's Account deemed invested in Stock shall be maintained in shares rather than dollar values.

For the purpose of crediting earnings, gain or loss on Stock contributions, Stock contributions shall be deemed to be credited as of the day the Stock would have been received by the Participant. Earnings, gain or loss shall continue to be credited until the balance in the Participant's Account is eliminated.

Changes in Investment Vehicle Selection. The Committee shall establish rules and procedures for the timing and frequency of investment vehicle selection. With respect to any investment vehicle other than Stock approved by the Committee, a Participant may change his or her investment selection as of each day during which the New York Stock Exchange is open for business.

Trust Investments May Be Different Than Participant Account. The selection of investment vehicles shall be taken into account solely for the purpose of crediting earnings, gain or loss on the Participant's Account. The Trustee shall not be required to invest assets of the Trust in accordance with the investment vehicles selected by Participants. Regardless of whether the Trustee invests the Trust in Stock, a Participant's deemed investment in Stock shall be treated as held directly by the Participant solely for the purpose of determining whether the Participant has exceeded the employee ownership limitations established by the Company and the Board.

4.7 ***Withholding Requirement.*** The Company has the discretion to make a lump sum distribution of a portion of a Participant's vested Account in an amount sufficient to satisfy the Participant's share of FICA and other employment taxes attributable to the Participant's vested interest in the Participant's Account and all federal, state and local withholding tax liabilities resulting from such distribution. The Company shall withhold these amounts in order to satisfy federal, state and local withholding tax requirements. All payments under the Plan are subject to withholding of all taxes, government mandated social benefit contributions, or other payments required to be withheld which are applicable to the Participant. If Company stock is distributed, Participant will receive shares net of Participant's tax withholding obligation if not enough cash is distributed to cover taxes.

ARTICLE V
VESTING AND INVESTMENT OF BENEFIT

5.1 ***Vesting.*** All amounts withheld from the Participant's compensation and earnings, gain, or loss thereon shall be 100% vested at all times. Company contributions made pursuant to Section 4.4 and Section 4.5 shall be 100% vested after the Participant has satisfied the requirements for Retirement, on the Participant's Separation from Service due to death or disability, or as otherwise determined by the Committee.

Except as otherwise provided above for Separations from Service due to death or disability, for Company contributions made prior to January 1, 2011, the Participant shall be vested in the

Participant's Account attributable to Company contributions, and earnings, gain, or loss thereon in accordance with the following schedule:

Years of Vesting Service	Vested %
Less than 2 years	0%
More than 2, but less than 3 years	20%
More than 3, but less than 4 years	40%
More than 4, but less than 5 years	60%
More than 5, but less than 6 years	80%
6 or more years	100%

A Participant shall be credited with one Year of Vesting Service for each full year in the Participant's period of service commencing with the day the Participant first performed an hour of service with the Company or any Affiliated Company and ending on the date the Participant Separates from Service with the Company and all Affiliated Companies. Years of Service are based on the adjusted date of service for vesting, not date of hire. All Company contributions made pursuant to Section 4.4 and Section 4.5, and earnings, gain, or loss thereon will be forfeited if the Participant voluntarily Separates from Service without qualifying for Retirement, regardless of vesting.

For Company contributions made pursuant to the Plan prior January 1, 2011, the vesting provisions of Section 5.1 of the Plan prior to the 2011 amendment and restatement shall continue to apply.

5.2 ***Subject to Trust.*** All amounts credited to an Participant's Account under the Plan shall be subject to the claims of general creditors of the Company and Affiliated Companies. All amounts contributed with respect to a Participant to the Trust shall be held in accordance with the terms of the Trust.

5.3 ***Insurance.*** The Company and Affiliated Companies, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of any Participant, in such amounts and in such forms as the Plan Sponsor may choose. The Plan Sponsor or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Plan Sponsor, the Participant shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Plan Sponsor has applied for insurance.

ARTICLE VI
PAYMENT OF BENEFIT

6.1 ***Elections***. Payment from the Participant's Account shall be governed by the election(s) made by the Participant on form(s) provided to the Committee which specifies the manner in which the Participant's Account will be distributed, except that as soon as administratively practicable following the distribution date elected (and in any event within 60 days after such date), the Participant's entire vested balance in the Account shall be distributed to the Participant in a single lump sum if such distribution is due to a Separation from Service, unless the Participant Termination Date is on or after the Participant's Retirement. The Participant may elect any of the forms of payment permitted and the timing of payment from the methods permitted (lump sum or installment) and the distribution shall be determined by each individual election, except that if the Participant's Account is less than $10,000 on the date benefits will commence, the Participant shall receive a lump sum payment of his Account, and, provided further, that the timing of payments must be deferred at least three years after the end of the Plan Year for which the contributions that relate to the payments are made unless otherwise determined by the Committee and no distribution of Company contributions made pursuant to Section 4.4 and Section 4.5 after December 31, 2010 can be made or commence prior to a Separation from Service due to Retirement or as otherwise determined by the Committee.

The Participant's election with respect to the form of payment and with respect to the timing of payment shall be made prior to the beginning of the Plan Year in which the Participant contributes to the Plan and will specifically determine distribution for contributions made and earnings thereon made pursuant to that election or prior to the Participant's first contribution if initial eligibility is after the start of a Plan Year. For amounts credited to a Participant's Account on or after January 1, 2005, the Participant may submit a subsequent election with respect to the form of payment or the timing of the payment; however, such subsequent election shall be effective only if: (a) the election is submitted at least 12 months prior to the earlier of the Participant's death, Termination Date, or the date elected by the Participant with respect to distribution timing and (b) the payment with respect to which such election is made (except in the event of death) must be deferred for a period of not less than 5 years from the date such payment would otherwise have been made. As to the amounts credited to a Participant's Account prior January 1, 2005, and the earnings and losses credited thereto, with respect to such amounts, the Participant may submit a subsequent election with respect to the form of payment or the timing of the payment; however, such subsequent election shall be effective only if the election is submitted at least 12 months prior to the earlier of the Participant's death, Termination Date, or the date elected by the Participant with respect to distribution timing. If the Participant fails to make an election with respect to the form and timing of payments for a Plan Year, amounts credited to the Participant's Account for the Plan Year pursuant to the Participant's deferral elections, and the earnings credited thereto, will be distributed in a single lump sum on the Participant's Separation from Service and amounts credited to the Participant's Account for the Plan Year pursuant to the Company's contributions made after December 31, 2010, and the earnings and losses credited thereto, will be distributed in a five annual installments commencing with the Participant's Separation from Service qualifying as a Retirement. The Participant may make a subsequent election with respect to the form of payment or the timing of the payment in compliance with the requirements of this Section 6.1 even if the Participant failed to make an initial deferral election.

6.2 ***Timing of Payment Permitted***. Subject to Section 6.1, each Participant may elect the time when distributions will commence from the Participant's Account from among the following options: (a) the Participant's Retirement, (b) the date specified by the Participant (which may not be between December 1 and December 31 of any year) which, with respect to Company contributions made pursuant to Section 4.4 and Section 4.5 after December 31, 2010, cannot be prior to the time the Participant qualifies for Retirement or as otherwise determined by the Committee, and (c) any additional times permitted by the Committee, in its sole discretion, from time to time provided, however, that the timing of any payment shall be subject to the provisions of Section 11.10. However, the Participant's vested Account will be distributed in a single lump sum if the Participant has a Termination Date prior to the elected distribution commencement date and to qualifying for Retirement, and as soon as administratively practicable following a Participant's Termination Date (and in any event within 60 days after the Termination Date has occurred, provided, however, that if such Termination Date occurs on or after December 1, the distribution will be made in the next calendar year). The Participant's Account will be distributed in the form of payment elected by the Participant as permitted by Section 6.3 if the Participant has a Termination Date on or after qualifying for Retirement, and as soon as administratively practicable following such Participant's Termination Date (and in any event within 60 days after the Termination Date has occurred, provided, however, that if such Termination Date occurs on or after December 1, the distribution will be made in the next calendar year and each subsequent installment distribution, if any, will be made on the anniversary of such distribution date). Although Participants may elect a separate form and timing of distribution of amounts which relate to each Plan Year, each payment shall be deemed to be a separate payment for purposes of Section 409A.

6.3 ***Forms of Payment Permitted***. Subject to Section 6.1, each Participant may elect one or more of the following forms of payment: (a) single sum payment in cash and Stock (to the extent of Stock deferrals in the Participant's Account), (b) annual installment payments over 5, 10, or 15 years in cash and Stock (to the extent of Stock deferrals in the Participant's Account), and (c) any additional forms permitted by the Committee, in its sole discretion, from time to time. All Stock deferrals shall be distributed in Stock. Each annual installment shall be determined by dividing the Participant's Account by the number of remaining installments.

6.4 ***Designation of Beneficiary.*** Each Participant may designate one or more Beneficiaries (who may be designated contingently or successively) to whom the Participant's Account is payable in the event of the Participant's death. Each designation will automatically revoke any prior designations by the same Participant. The beneficiary designation shall be in writing on a form prescribed by the Committee. Any beneficiary designation will be effective as of the date on which the written designation is received by the Committee during the lifetime of the Participant.

6.5 ***Death or Disability Prior to Commencement.*** If the Participant dies or Separates from Service due to a disability prior to commencement of distribution of the Participant's Account, the Participant's Account shall be distributed in a lump sum to the Participant or Participant's Beneficiary as soon as administratively practicable following the Participant's death or disability (and in any event within 60 days after the such date, provided, however, that if such death or disability occurs on or after December 1, the distribution will be made in the next calendar year)

6.6 ***Death After Commencement.*** If the Participant dies after commencement of distribution of benefits, but prior to the complete distribution of all benefits to which the Participant is entitled under the Plan, payment of the remaining balance of the Participant's Account shall be distributed in a lump sum to the Participant's Beneficiary as soon as administratively practicable following the Participant's death (and in any event within 60 days after the date of death occurred, provided, however, that if such death occurs on or after December 1, the distribution will be made in the next calendar year).

6.7 ***Early Distributions on Account of Serious Financial Hardship.*** In the event of Serious Financial Hardship of a Participant, the Participant may request distribution of some or all of the Participant's Account allocable to the Participant's deferral contributions pursuant to Section 4.1 and the earnings and losses credited thereto. The Committee may require such evidence as it deems necessary to determine if a distribution is warranted. The Committee shall have the power to cease further deferrals by the Participant in lieu of or in addition to permitting a distribution. Payment shall not be made to the extent that the hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, or by liquidation of the Participant's assets, to the extent such liquidation would not itself cause Serious Financial Hardship. Distribution shall be limited to the amount necessary to meet the emergency need.

6.8 ***Separation from Service after Change of Control.*** Notwithstanding anything to the contrary in this Article, if a Participant has a Separation from Service as an Employee within two years after a Change of Control, the Participant shall be 100% vested in the Participant's Account and payment of the Participant's entire Account shall be made to the Participant in a lump sum as soon as practical after termination of employment (and in any event within 60 days after the Termination Date).

6.9 ***Separation from Service Prior to Change of Control.*** Notwithstanding anything to the contrary in this Article, if a Participant has a Separation from Service as an Employee (actually or pursuant to a Constructive Termination (as defined below)) prior to a Change of Control, and the Participant reasonably demonstrates that such separation was at the request or suggestion of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change of Control and a Change of Control involving such third party occurs, the Participant shall be 100% vested in the Participant's Account.

6.10 ***Separation from Service for Cause; Separation from Service Prior to Qualifying for Retirement Other than Due to Death or Disability.*** Notwithstanding anything to the contrary in this Plan, if a Participant has a Separation from Service for Cause at any time or for reasons other than death or disability prior to qualifying for Retirement, the Participant's Account balances attributable to Company contributions made pursuant to Section 4.4 and 4.5, and the earnings attributable there to, will be forfeited upon termination or as otherwise determined by the Committee.

ARTICLE VII
CHANGE OF CONTROL

Change of Control. For purposes of the Plan, a Change of Control will occur if any one of the following events occurs:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of CH2M HILL Companies, Ltd. that, together with stock held by such person or group, constitutes more than 50% of the total Fair Value of CH2M HILL Companies, Ltd. stock. However, if any one person or more than one person acting as a group, owns more than 50% of the total Fair Value of CH2M HILL Companies, Ltd. stock, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of CH2M HILL Companies, Ltd. (or to cause a change in the effective control of CH2M HILL Companies, Ltd.).

(b) There is a change in the effective control of CH2M HILL Companies, Ltd.. A change in the effective control of CH2M HILL Companies, Ltd. occurs on the date that either:

(i) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of CH2M HILL Companies, Ltd. that represents 30% or more of the total voting power of CH2M HILL Companies, Ltd. stock; or

(ii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

(c) Any one person, or more than one person acting as a group, acquires ownership of all or substantially all of the assets of CH2M HILL Companies, Ltd.

(d) The stockholders of CH2M HILL Companies, Ltd. approve a plan of liquidation or dissolution of CH2M HILL Companies, Ltd. and such transaction is consummated.

For purposes of the definition in this Section 7.1 "persons acting as a group" shall have the following meaning: Persons will not be considered to be acting as a group solely because they purchased stock of CH2M HILL Companies, Ltd. at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

For the avoidance of doubt, this Section shall be interpreted in accordance with Treasury guidance for the definition of Change of Control under Section 409A.

ARTICLE VIII
PLAN ADMINISTRATION

8.1 ***Committee.*** The Plan shall be administered by the Compensation Committee appointed by and serving at the pleasure of the Board. The composition of the Committee shall consist of those members as described in the Charter of the Committee, as may be amended from time to time (the "Charter").

8.2 ***Committee Meetings and Actions.*** The Committee shall hold meetings and have the authority to take such action as determined in the Charter

8.3 ***Powers of Committee.*** The Committee shall, in its sole discretion, select the Participants from among the Employees and establish such other terms under the Plan as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants that shall evidence the particular provisions, terms, conditions, rights and duties of the Plan Sponsor and the Participants. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may from time to time delegate its responsibilities as it determines is necessary, in its sole discretion. The Committee may correct any defect, supply any omission, reconcile any inconsistency in the Plan or in any agreement entered into under the Plan, and reconcile any inconsistency between the Plan and any Agreement in the manner and to the extent it shall deem expedient, and the Committee shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons. The Committee has delegated to the CEO and CHRO, acting jointly, the ability to make decisions about the establishment of election periods, the minimum deferral period, the permitted timing of payments, the permitted forms of payment, vesting of Company contributions subject to Section 5.1 and other administrative features of the Plan as well as to select those Employees (other than the CEO and CHRO) who will participate in the Plan from time to time; provided, however, that the timing of any payment shall be subject to the provisions of Section 11.10. The CEO and CHRO shall inform the Committee of any such decisions at the next regularly scheduled Committee meeting. Day to day administration of the Plan shall be performed by employees of the Company.

8.4 ***Interpretation of Plan.*** The determination of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding and conclusive upon all persons, including the Company, its shareholders, and all persons having any interest in Participants' Account.

8.5 ***Indemnification.*** Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Plan Sponsor against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid in settlement thereof, with the Company's approval, or paid in satisfaction of a judgment in any such action, suit or proceeding against him, provided such person shall give the Company an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such person's own behalf. The foregoing right of indemnification shall not be exclusive of, and is in addition to, any other rights of indemnification to which any person may be entitled under the Plan Sponsor's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE IX
CLAIMS PROCEDURE

9.1 ***Request for Determination of Benefits***. A Participant or Beneficiary may submit a written request for a determination with respect to the amount of benefits distributable. The Committee must evaluate the request and notify the Participant or Beneficiary of the determination within 90 days after the request is received. If special circumstances exist, this time period may be extended to a total of 180 days.

9.2 ***Denial of Claims***. The Committee shall make all determinations as to the right of any person to a benefit or the amount of such benefit under this Plan. The Committee shall provide adequate notice in writing to any claimant whose claim for benefits under the Plan has been denied. The Committee's claim denial notice shall set forth:

(a) the specific reason or reasons for the denial;

(b) specific references to pertinent Plan provisions on which the denial is based;

(c) a description of any additional material and information needed for the claimant to perfect the claim and an explanation of why the material or information is needed; and

(d) an explanation of the Plan's claims review procedure describing the steps to be taken by a Participant or Beneficiary who wishes to submit his or her claim for review, including any applicable time limits, and a statement of the Participant's or Beneficiary's right to bring a civil action under Employee Retirement Income Security Act of 1974, as amended § 502(a) if the claim is denied on review.

A Participant or Beneficiary who wishes to appeal the adverse determination must request a review in writing to the Committee within 60 days after the appealing Participant or Beneficiary received the denial of benefits.

9.3 ***Appeal Procedure.*** A Participant or Beneficiary may appeal a denial of benefits. Appeals must be made in writing to the Committee within 60 days after the claimant receives the notice of denial. A Participant or Beneficiary appealing a denial of benefits (or the authorized representative of the Participant or Beneficiary) shall be entitled to:

(a) submit in writing any comments, documents, records and other information relating to the claim and request a review;

(b) review pertinent Plan documents; and

(c) upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. A document, record, or other information shall be considered relevant to the claim if such document, record, or other information (i) was relied upon in making the benefit determination, (ii) was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination, or (iii) demonstrates compliance with the administrative processes and safeguards designed to ensure and verify that benefit claim determinations are made in accordance with the Plan and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated Participants or Beneficiaries.

The Committee shall reexamine all facts related to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances.

9.4 ***Decision on Review.*** The decision on review of a denied claim shall be made in the following manner:

(a) The decision on review shall be made by the Committee, who may in its discretion hold a hearing on the denied claim. The Committee shall make its decision solely on the basis of the written record, including documents and written materials submitted by the Participant or Beneficiary (or the authorized representative of the Participant or Beneficiary). The Administrator shall make its decision promptly, which shall ordinarily be not later than 60 days after the Plan's receipt of the request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing. In that case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If an extension of time is required due to special circumstances, the Committee will provide written notice of the extension to the Participant or Beneficiary prior to the time the extension commences, stating the special circumstances requiring the extension and the date by which a final decision is expected.

(b) The decision on review shall be in writing, written in a manner calculated to be understood by the Participant or Beneficiary. If the claim is denied, the written notice shall include specific reasons for the decision, specific references to the pertinent Plan provisions on which the decision is based, a statement of the Participant's or Beneficiary's right to bring an action under ERISA § 502(a), and a statement that the Participant or Beneficiary is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents,

records and other information relevant to the claimant's claim for benefits. A document, record, or other information shall be considered relevant to the claim if such document, record, or other information (i) was relied upon in making the benefit determination, (ii) was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination, or (iii) demonstrates compliance with the administrative processes and safeguards designed to ensure and verify that benefit claim determinations are made in accordance with the Plan and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated claimants.

The Committee's decision on review shall be final. In the event the decision on review is not provided to the Participant or Beneficiary within the time required, the claim shall be deemed denied on review.

ARTICLE X
AMENDMENT, MODIFICATION AND TERMINATION

The Plan Sponsor reserves the right to amend or terminate this Plan at any time by action of the Board, directly or through delegation by the Board to one of its committees. The Company may terminate further deferrals under the Plan for any reason with respect to deferrals for Plan Years beginning after the date of the Company's termination of the Plan. In the event of such cessation of deferrals, all other rights and obligations shall continue until all Participants' Account have been paid to all Participants under the terms of the Plan. At any time following a Change of Control, the Company may terminate the Plan. If the Company terminates the Plan following a Change of Control within the meaning of Section 409A, each Participant's Account shall become immediately due and payable.

ARTICLE XI
MISCELLANEOUS

11.1 ***Gender and Number.*** Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

11.2 ***No Right to Continued Employment***. Nothing contained in the Plan or in any Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's employment by, or consulting relationship with, the Company, or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant. Nothing in this Plan shall limit or impair the Company's right to terminate the employment of any employee. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of service shall be determined by the Committee in its sole discretion. Participation in this Plan is a matter entirely separate from any pension right or entitlement the Participant may have and from the terms or conditions of the Participant's employment. Participation in this Plan shall not affect in any way a Participant's pension rights or entitlements or terms or conditions of employment. Any Participant who leaves the employment of the Company shall not be entitled to any compensation for any loss of any right or any benefit or prospective right or benefit under this Plan which the Participant might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

11.3 ***Non-Assignability.*** Neither a Participant nor a Beneficiary may voluntarily or involuntarily anticipate, assign, or alienate (either at law or in equity) any benefit under the Plan, and the Committee shall not recognize any such anticipation, assignment, or alienation. Furthermore, a benefit under the Plan shall not be subject to attachment, garnishment, levy, execution, or other legal or equitable process. Any attempted sale, conveyance, transfer, assignment, pledge or encumbrance of the rights, interests or benefits provided pursuant to the terms of the Plan or the levy of any attachment or similar process thereupon, shall by null and void and without effect.

11.4 ***Participation in Other Plans.*** Nothing in this Plan shall affect any right which the Participant may otherwise have to participate in any retirement plan or agreement which the Company or an Affiliated Company has adopted or may adopt hereafter.

11.5 ***Governing Law.*** To the extent not preempted by federal law, this Plan shall be construed in accordance with, and shall be governed by, the laws of the State of Delaware.

11.6 ***Entire Understanding.*** This instrument contains the entire understanding between the Company and the Employees participating in the Plan relating to the Plan, and supersedes any prior agreement between the parties, whether written or oral. Neither this Plan nor any provision of the Plan may be waived, modified, amended, changed, discharged or terminated without action by the Board.

11.7 ***Provisions Severable.*** To the extent that any one or more of the provisions of the Plan shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

11.8 ***Headings.*** The article and section headings are for convenience only and shall not be used in interpreting or construing the Plan.

11.9 ***Successors, Mergers, or Consolidations.*** Any Agreement under the Plan shall inure to the benefit of and be binding upon (a) the Company and its successors and assigns and upon any corporation into which the Company may be merged or consolidated, and (b) the Participant, and his heirs, executors, administrators and legal representatives.

11.10 ***Section 409A***. Anything in this Plan to the contrary notwithstanding, if

(a) on the date of termination of Participant's employment with the Company or a subsidiary,

(b) Participant is determined to be a Key Employee,

(c) the payments exceed the amounts permitted to be paid pursuant to the Treasury Regulations, and

(d) such delay (6 months plus 1 day) is required to avoid the imposition of the tax set forth in Section 409A as a result of such termination the Participant would receive any payment that, absent the application of this Section 11.10, would be subject to interest and additional tax imposed pursuant to Section 409A, then no such payment shall be payable prior to the date that is the earliest of (i) 6 months and 1 day after the Participant's Termination Date, (ii) the Participant's death or (3) such other date as will cause such payment not to be subject to interest and additional tax under Section 409A (with a catch-up payment equal to the sum of all amounts that have been delayed to be made as of the date of the initial payment).

For purposes of the Plan, a termination of employment shall be considered to occur only upon a Separation from Service within the meaning of Section 409A and the regulations issues under Section 409A.

It is the intention of the Company and the Participant that payments or benefits payable under this Plan not be subject to the additional tax imposed pursuant to Section 409A. To the extent such potential payments or benefits could become subject to such Section, the Company and Participant shall cooperate to structure the payments with the goal of giving the Participant the economic benefits described herein in a manner that does not result in such tax being imposed.

11.2 ***Rabbi Trust.*** The Company may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

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Exhibit 21.1

Subsidiaries of CH2M HILL Companies, Ltd.

1. Operations Management International Inc., a California corporation

2. CH2M HILL, Inc., a Florida corporation

3. CH2M HILL Constructors, Inc., a Delaware corporation

4. LG Constructors, Inc., a Delaware corporation

5. VECO Services, Inc., an Alaskan corporation

6. CH2M HILL Energy, Ltd., a Delaware corporation

7. Halcrow Holdings Ltd., a United Kingdom private company limited by shares

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
CH2M HILL Companies, Ltd.:

We consent to the incorporation by reference in the registration statement (No. 333-148101) on Form S-4 and in the registration statement (No. 333-113160) on Form S-8 of CH2M HILL Companies, Ltd. and subsidiaries (the Company) of our report dated February 29, 2012, with respect to the consolidated balance sheets of the Company as of December 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011, and the effectiveness of internal control over financial reporting as of December 31, 2011, which appears in the December 31, 2011 annual report on Form 10-K and to the references to our firm under the heading "Selected Financial Data" included in the annual report on Form 10-K of the Company.

Our report refers to the Company's adoption of new accounting standards relating to variable interest entities on January 1, 2010 and noncontrolling interests in consolidated financial statements on January 1, 2009.

Our report also contains an explanatory paragraph that states that management excluded from its assessment of the effectiveness of CH2M HILL Companies, Ltd. and subsidiaries internal control over financial reporting as of December 31, 2011, Halcrow Holdings, Ltd. and subsidiaries internal control over financial reporting associated with total assets of $725.0 million and total revenues of $114.3 million, included in the consolidated financial statements of CH2M HILL Companies, Ltd. and subsidiaries as of and for the year ended December 31, 2011. Our audit of internal control over financial reporting of CH2M HILL Companies, Ltd. and subsidiaries also excluded an evaluation of the internal control over financial reporting of Halcrow Holdings Ltd. and subsidiaries.

KPMG LLP

Denver, Colorado
February 29, 2012

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Exhibit 24.1

POWER OF ATTORNEY

Each person whose signature appears below does hereby make, constitute and appoint each of Lee A. McIntire, Michael A. Lucki, Margaret B. McLean, or JoAnn Shea as such person's true and lawful attorney-in-fact and agent, with full power of substitution, resubstitution and revocation to execute, deliver and file with the U.S. Securities and Exchange Commission, the United Kingdom Financial Services Authority, or securities registration agencies in foreign countries, including but not limited to: Argentina, Brazil, Canada, Hong Kong, India, Ireland, Mexico, Poland, Qatar, Singapore, the United Arab Emirates, and the United Kingdom, for and on such person's behalf, and in any and all capacities,

1. A Registration Statement on Form S-4, any and all amendments (including post-effective amendments) thereto and any abbreviated registration statements in connection with this Registration Statement pursuant to the Securities Act of 1933, with all exhibits thereto and other documents in connection therewith or foreign jurisdiction equivalent registration statements;

2. An Annual Report on Form 10-K for the year ended December 31, 2011, any and all amendments (including post-effective amendments) thereto with all exhibits thereto and other documents in connection therewith, or foreign jurisdiction equivalent reports and statements; and

3. A European Prospectus and any and all amendments thereto with all exhibits and other documents in connection therewith,

granting unto said attorneys-in fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or such person's substitute or substitutes may lawfully do or cause to be done by virtue hereof.

/s/ LEE A. MCINTIRE Lee A. McIntire	February 9, 2012
/s/ MANUEL ERNESTO AGUIRRE Manuel Ernesto Aguirre	February 9, 2012
/s/ ROBERT W. BAILEY Robert W. Bailey	February 9, 2012
/s/ ROBERT G. CARD Robert G. Card	February 9, 2012
/s/ JERRY D. GEIST Jerry D. Geist	February 9, 2012
/s/ CHARLES O. HOLLIDAY, JR. Charles O. Holliday, Jr.	February 9, 2012
/s/ MICHAEL A. LUCKI Michael A. Lucki	February 9, 2012
/s/ MICHAEL E. MCKELVY	February 9, 2012

Michael E. McKelvy

/s/ GEORGIA R. NELSON Georgia R. Nelson	February 9, 2012
/s/ JACQUELINE C. RAST Jacqueline C. Rast	February 9, 2012
/s/ NANCY R. TUOR Nancy R. Tuor	February 9, 2012
/s/ BARRY L. WILLIAMS Barry L. Williams	February 9, 2012

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Exhibit 31.1

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lee A McIntire, Chief Executive Officer of CH2M HILL Companies, Ltd., certify that:

1. I have reviewed this annual report on Form 10-K of CH2M HILL Companies, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the

equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2012
/s/ LEE A. MCINTIRE

Lee A. McIntire
Chief Executive Officer

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Exhibit 31.2

CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael A. Lucki, Chief Financial Officer of CH2M HILL Companies, Ltd., certify that:

1. I have reviewed this annual report on Form 10-K of CH2M HILL Companies, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2012
/s/ MICHAEL A. LUCKI

Michael A. Lucki
Chief Financial Officer

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Exhibit 32.1

CERTIFICATION

PURSUANT TO RULE 13A-14(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350)

In connection with the Annual Report of CH2M HILL Companies, Ltd. (the "Company") on Form 10-K for the annual period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lee A. McIntire, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ LEE A. MCINTIRE

Lee A. McIntire
Chief Executive Officer

February 29, 2012

This certification "accompanies" the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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[CERTIFICATION PURSUANT TO RULE 13A-14(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350)]

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Exhibit 32.2

CERTIFICATION

PURSUANT TO RULE 13A-14(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE (18 U.S.C. SECTION 1350)

In connection with the Annual Report of CH2M HILL Companies, Ltd. (the "Company") on Form 10-K for the annual period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Lucki, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002 that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ MICHAEL A. LUCKI

Michael A. Lucki
Chief Financial Officer

February 29, 2012

This certification "accompanies" the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Segment Information (Tables)	12 Months Ended Dec. 31, 2011
Segment Information	
Financial information related to segments	

2011	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$2,191,243	$1,372,125	$1,991,865	$—	$5,555,233
Equity in earnings of joint ventures and affiliated companies	$35,809	$20,905	$7,763	$—	$64,477
Depreciation and amortization	$6,161	$6,868	$35,186	$—	$48,215
Operating income (loss)	$78,970	$65,523	$62,119	$(21,459)	$185,153
Segment assets	$1,664,084	$504,205	$526,566	$—	$2,694,855
Goodwill	$—	$384,766	$118,523	$—	$503,289

2010	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$2,218,368	$1,224,579	$1,979,854	$—	$5,422,801
Equity in earnings of joint ventures and affiliated companies	$35,116	$22,861	$10,536	$—	$68,513
Depreciation and amortization	$5,414	$5,247	$51,650	$—	$62,311
Operating income (loss)	$94,840	$34,137	$58,818	$(13,032)	$174,763
Segment assets	$936,526	$358,477	$672,077	$—	$1,967,080

2009	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$1,931,093	$1,243,516	$2,324,709	$—	$5,499,318
Equity in earnings of joint ventures and affiliated companies	$30,635	$21,367	$13,537	$—	$65,539
Depreciation and amortization	$6,105	$6,211	$68,573	$—	$80,889
Operating income (loss)	$93,985	$28,576	$65,264	$(13,294)	$174,531
Segment assets	$804,885	$427,355	$715,782	$—	$1,948,022
Goodwill	$—	$11,831	$118,523	$—	$130,354

Schedule of total U.S. and international revenue

($ in thousands)	2011	2010	2009
U.S.	$4,185,501	$4,274,155	$4,525,613
International	1,369,732	1,148,646	973,705
Total	$5,555,233	$5,422,801	$5,499,318

Fair Value of Financial Instruments (Details) (USD $)	Dec. 31, 2011	Dec. 31, 2010
Carrying Amount | Mortgage notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	$ 13,750,000	$ 15,253,000
Carrying Amount | Equipment financing, due in monthly installments to December 2015, secured by equipment, interest ranging from 4.00% to 8.00%		
Carrying value and estimated fair value of financial instruments		
Long-term debt	13,764,000	22,227,000
Carrying Amount | Stockholder notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	294,000	141,000
Fair Value | Level 1		
Carrying value and estimated fair value of financial instruments		
Fair value of securities classified as available-for-sale	2,400,000	2,400,000
Fair Value | Level 2 | Mortgage notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	12,207,000	12,403,000
Fair Value | Level 2 | Equipment financing, due in monthly installments to December 2015, secured by equipment, interest ranging from 4.00% to 8.00%		
Carrying value and estimated fair value of financial instruments		
Long-term debt	12,923,000	21,439,000
Fair Value | Level 2 | Stockholder notes payable		
Carrying value and estimated fair value of financial instruments		
Long-term debt	$ 272,000	$ 98,000

Property, Plant and Equipment (Details) (USD $)	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Property, plant and equipment			
Property, plant and equipment, gross	$ 405,184,000	$ 374,409,000	
Less: Accumulated depreciation	(225,462,000)	(205,148,000)	
Property, plant and equipment, net	179,722,000	169,261,000	
Depreciation expense	37,100,000	52,100,000	53,500,000
Land			
Property, plant and equipment			
Property, plant and equipment, gross	22,615,000	27,337,000	
Building and land improvements			
Property, plant and equipment			
Property, plant and equipment, gross	82,786,000	80,183,000	
Furniture and fixtures			
Property, plant and equipment			
Property, plant and equipment, gross	20,679,000	16,902,000	
Computer and office equipment			
Property, plant and equipment			
Property, plant and equipment, gross	89,345,000	81,270,000	
Field Equipment			
Property, plant and equipment			
Property, plant and equipment, gross	110,885,000	101,027,000	
Leasehold improvements			
Property, plant and equipment			
Property, plant and equipment, gross	$ 78,874,000	$ 67,690,000	

Segment Information (Details 3) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Total U.S. and international revenue											
Revenue	$ 1,422,273	$ 1,504,294	$ 1,360,571	$ 1,268,095	$ 1,447,071	$ 1,399,063	$ 1,341,088	$ 1,235,579	$ 5,555,233	$ 5,422,801	$ 5,499,318
U.S.											
Total U.S. and international revenue											
Revenue									4,185,501	4,274,155	4,525,613
International											
Total U.S. and international revenue											
Revenue									$ 1,369,732	$ 1,148,646	$ 973,705

Fair Value of Financial Instruments (Details 2) (Forward foreign exchange contracts, USD $) In Millions, unless otherwise specified	12 Months Ended
	Dec. 31, 2011 Y
Forward foreign exchange contracts	
Derivative financial instruments	
Term of forward foreign exchange contracts	5
Derivative assets	$ 6.7
Derivative liabilities	$ 6.6

Variable Interest Entities and Equity Method Investments (Details 2) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
FINANCIAL POSITION:											
Current assets	$ 1,562,648				$ 1,368,673				$ 1,562,648	$ 1,368,673	
Total assets	2,694,855				1,967,080				2,694,855	1,967,080	1,948,022
Current liabilities	1,346,609				1,133,800				1,346,609	1,133,800	
Partners'/Owners' equity	656,559				544,880				656,559	544,880	
Total liabilities and stockholders' equity	2,694,855				1,967,080				2,694,855	1,967,080	
RESULTS OF OPERATIONS:											
Revenue	1,422,273	1,504,294	1,360,571	1,268,095	1,447,071	1,399,063	1,341,088	1,235,579	5,555,233	5,422,801	5,499,318
Direct costs									(4,487,584)	(4,426,352)	(4,478,884)
General and administrative expenses									(946,973)	(890,199)	(969,677)
Operating income	40,363	40,457	62,044	42,289	39,526	46,362	62,016	26,859	185,153	174,763	174,531
CH2M HILL's share of net income									64,477	68,513	65,539
Unconsolidated VIE's											
FINANCIAL POSITION:											
Total assets	295,600								295,600		
Unconsolidated VIE's | Equity method investments											
FINANCIAL POSITION:											
Current assets	740,365				677,638				740,365	677,638	
Noncurrent assets	51,867				84,042				51,867	84,042	
Total assets	792,232				761,680				792,232	761,680	
Current liabilities	491,126				497,338				491,126	497,338	
Noncurrent liabilities	20,227				26,486				20,227	26,486	
Partners'/Owners' equity	280,879				237,856				280,879	237,856	
Total liabilities and stockholders' equity	792,232				761,680				792,232	761,680	
CH2M HILL's share of equity	103,871				82,982				103,871	82,982	
RESULTS OF OPERATIONS:											
Revenue									3,037,595	2,814,824	2,426,505
Direct costs									(2,779,990)	(2,598,872)	(2,250,752)
Gross margin									257,605	215,952	175,753
General and administrative expenses									(50,307)	(13,603)	(3,228)
Operating income									207,298	202,349	172,525
Other income, net									130	458	479
Net income									207,428	202,807	173,004
CH2M HILL's share of net income									$ 64,477	$ 68,513	$ 65,539

Line of Credit and Long-term Debt (Tables)

12 Months Ended Dec. 31, 2011

Line of Credit and Long-term Debt

Components of nonrecourse and other long-term debt

($ in thousands)	2011	2010
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$11,429	$12,430
Mortgage payable in monthly installments to December 2015, secured by real estate. The note bears interest at 6.59%	2,321	2,823
	13,750	15,253
Other:		
Revolving credit facility	$65,000	$—
Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.00% to 8.00%	13,764	22,227
Stockholder notes payable	294	141
Total debt	92,808	37,621
	11,334	13,934
	$81,474	$23,687

Schedule of future principal payments on long-term debt

Year Ending:	
2012	$11,334
2013	3,413
2014	3,266
2015	67,957
2016	1,311
Thereafter	5,527
	$92,808

Quarterly Financial Information (unaudited) (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Quarterly Financial Information (unaudited)											
Revenue	$ 1,422,273	$ 1,504,294	$ 1,360,571	$ 1,268,095	$ 1,447,071	$ 1,399,063	$ 1,341,088	$ 1,235,579	$ 5,555,233	$ 5,422,801	$ 5,499,318
Operating income	40,363	40,457	62,044	42,289	39,526	46,362	62,016	26,859	185,153	174,763	174,531
Net income attributable to CH2M HILL	$ 23,044	$ 26,328	$ 40,367	$ 23,558	$ 22,338	$ 25,293	$ 31,732	$ 14,332	$ 113,297	$ 93,695	$ 103,742
Net income per common share											
Basic (in dollars per share)	$ 0.74	$ 0.85	$ 1.31	$ 0.77	$ 0.71	$ 0.81	$ 1.00	$ 0.45	$ 3.68	$ 2.98	$ 3.25
Diluted (in dollars per share)	$ 0.73	$ 0.84	$ 1.29	$ 0.75	$ 0.69	$ 0.79	$ 0.98	$ 0.44	$ 3.60	$ 2.91	$ 3.18

Line of Credit and Long-term Debt (Details 2) (USD $) In Thousands, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Future principal payments on long-term debt		
2012	$ 11,334	
2013	3,413	
2014	3,266	
2015	67,957	
2016	1,311	
Thereafter	5,527	
Total debt	$ 92,808	$ 37,621

Commitments and Contingencies (Details) (USD $)	1 Months Ended Apr. 30, 2010 employee	Dec. 31, 2011	Dec. 31, 2010
Commercial Guarantee Commitments			
Less than 1 year		$ 981,800	
1-3 Years		655,300	
4-5 Years		41,100	
Over 5 Years		17,000	
Total Amount Committed		1,695,200	
Commitments and Contingencies			
Accruals for potential estimated claim liabilities		34,100,000	28,900,000
Number of former employees who pleaded guilty in United States District Court	2		
Letters of credit			
Commercial Guarantee Commitments			
Less than 1 year		71,600	
1-3 Years		18,300	
4-5 Years		700	
Total Amount Committed		90,600	
Bank guarantees			
Commercial Guarantee Commitments			
Less than 1 year		15,700	
1-3 Years		9,000	
4-5 Years		6,000	
Over 5 Years		17,000	
Total Amount Committed		47,700	
Surety and bid bonds			
Commercial Guarantee Commitments			
Less than 1 year		894,500	
1-3 Years		628,000	
4-5 Years		34,400	
Total Amount Committed		$ 1,556,900	

Summary of Business and Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2011

Summary of Business and Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.

Capital Structure and Accumulated Other Comprehensive Loss

Capital Structure

Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments, benefit plan adjustments, and unrealized gains/losses on equity investments. These components are included in the consolidated statements of stockholders' equity and comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate.

The composition of accumulated other comprehensive loss consists of the following at December 31:

($ in thousands)	2011	2010
Foreign currency translation adjustments	$(1,736)	$13,449
Benefit plan adjustments, net of tax	(60,107)	(33,239)
Unrealized gain on equity investments, net of tax	988	1,022
	$(60,855)	$(18,768)

Foreign Currency Translation

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss. Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

Subsequent Events

Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the day the financial statements were issued.

Revenue Recognition

Revenue Recognition

We earn revenue from different types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

Fair Value Measurements

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a three-tier valuation hierarchy based upon observable and non-observable inputs to value our assets and liabilities. The three levels are as follows: Level 1, unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date; Level 2, significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and Level 3, significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2011.

Income Taxes

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet this criteria.

Cash and Cash Equivalents

Cash and Cash Equivalents

We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. Investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2011 and 2010, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $32.3 million and $60.3 million, respectively.

Available-for-Sale Securities

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

Property, Plant and Equipment

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 12 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 12 years.

Other Long-Lived Assets

Other Long-Lived Assets

We may acquire goodwill or other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years. For those intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, such as goodwill or certain tradenames, management has determined that the life is indefinite and therefore, they are not amortized.

We review our finite-lived intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Assets which are held and used in operations are considered impaired if the undiscounted future cash flows from the asset do not exceed the net book value. If impaired, the assets are written down to their estimated fair value. We generally measure fair value by considering sale prices for similar assets or by discounting estimated future cash flows from the asset group using an appropriate discount rate.

Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis, or on an interim basis if events or circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment charge is recognized for any amount by which the carrying amount of goodwill or intangible assets with indefinite lives exceeds their fair value. Management performs its impairment tests of goodwill at the reporting unit level, which is one level below the operating segments. Management's review of goodwill and the tradename indicated there was no impairment during the years ended December 31, 2011, 2010 and 2009.

Derivative instruments

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

Concentrations of Credit Risk

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Acquisitions (Details)	3 Months Ended Dec. 31, 2011 USD ($) employee	3 Months Ended Sep. 30, 2011 USD ($)	3 Months Ended Jun. 30, 2011 USD ($)	3 Months Ended Mar. 31, 2011 USD ($)	3 Months Ended Dec. 31, 2010 USD ($)	3 Months Ended Sep. 30, 2010 USD ($)	3 Months Ended Jun. 30, 2010 USD ($)	3 Months Ended Mar. 31, 2010 USD ($)	12 Months Ended Dec. 31, 2011 USD ($) employee	12 Months Ended Dec. 31, 2010 USD ($)	12 Months Ended Dec. 31, 2009 USD ($)	Jul. 29, 2011 Booz Allen Hamilton USD ($)	1 Months Ended Jul. 31, 2011 Booz Allen Hamilton Customer relationships Y	Jul. 29, 2011 Booz Allen Hamilton Customer relationships USD ($)	1 Months Ended Jul. 31, 2011 Booz Allen Hamilton Contracted backlog Y	Jul. 29, 2011 Booz Allen Hamilton Contracted backlog USD ($)	1 Months Ended Nov. 30, 2011 Halcrow USD ($)	Nov. 10, 2011 Halcrow USD ($) employee	Nov. 10, 2011 Halcrow GBP (£)	1 Months Ended Nov. 30, 2011 Halcrow Customer relationships Y	Nov. 10, 2011 Halcrow Customer relationships USD ($)	1 Months Ended Nov. 30, 2011 Halcrow Contracted backlog Y	Nov. 10, 2011 Halcrow Contracted backlog USD ($)	1 Months Ended Nov. 30, 2011 Halcrow Tradename Y	Nov. 10, 2011 Halcrow Tradename USD ($)
Acquisitions																									
Revenue	$ 1,422,273,000	$ 1,504,294,000	$ 1,360,571,000	$ 1,268,095,000	$ 1,447,071,000	$ 1,399,063,000	$ 1,341,088,000	$ 1,235,579,000	$ 5,555,233,000	$ 5,422,801,000	$ 5,499,318,000						$ 114,300,000								
Operating loss generated from acquisition	40,363,000	40,457,000	62,044,000	42,289,000	39,526,000	46,362,000	62,016,000	26,859,000	185,153,000	174,763,000	174,531,000						3,800,000								
Cost of the acquisition adjusted to certain working capital and other purchase price adjustments												28,500,000						197,300,000	124,000,000						
Intangible assets														8,800,000		1,200,000		114,100,000			85,700,000		17,300,000		11,100,000
Useful lives (in years)													7		3					6		4		7	
Goodwill	503,289,000				130,354,000				503,289,000	130,354,000	130,534,000	10,500,000						375,807,000							
Number of employees	6,000								6,000									6,000	6,000						
Cash paid																		41,700,000							
Value of common stock issued									18,841,000								18,800,000								
Notes payable																		136,800,000							
Fair values of the assets acquired and liabilities assumed																									
Current assets																		249,117,000							
Property, plant and equipment																		27,294,000							
Intangible assets														8,800,000		1,200,000		114,100,000			85,700,000		17,300,000		11,100,000
Goodwill	503,289,000				130,354,000				503,289,000	130,354,000	130,534,000	10,500,000						375,807,000							
Other long-term assets																		8,493,000							
Total assets acquired																		774,811,000							
Current liabilities																		(180,124,000)							
Debt																		(80,874,000)							
Pension liabilities																		(293,819,000)							
Other long-term liabilities																		(22,736,000)							
Total liabilities assumed																		(577,553,000)							
Net assets acquired																		197,258,000							
Proforma results of operations																									
Revenue									6,084,034,000	6,150,342,000															
Net income									$ 30,417,000	$ 87,777,000															
Basic earnings per share									$ 0.99	$ 2.79															
Diluted earnings per share									$ 0.97	$ 2.73															

Summary of Business and Significant Accounting Policies (Details) (USD $)	12 Months Ended Dec. 31, 2011 M Y level employee	Dec. 31, 2010
Summary of Business and Significant Accounting Policies		
Number of employees	6,000	
Common stock, shares authorized	100,000,000	100,000,000
Common stock, par value (in dollars per share)	$ 0.01	$ 0.01
Preferred stock, shares authorized	50,000,000	50,000,000
Preferred stock, par value (in dollars per share)	$ 0.01	$ 0.01
Maximum term of original maturity to classify instruments as cash and cash equivalents (in months)	3	
Cash and cash equivalents related to joint ventures	$ 32,300,000	$ 60,300,000
Other Long-Lived Assets		
Useful lives of intangible assets, high end of range (in years)	7	
Number of levels below the operating segments for performing goodwill impairment tests	1	
Accumulated other comprehensive loss		
Foreign currency translation adjustments	(1,736,000)	13,449,000
Benefit plan adjustments, net of tax	(60,107,000)	(33,239,000)
Unrealized gain on equity investments, net of tax	988,000	1,022,000
Total accumulated other comprehensive loss	$ (60,855,000)	$ (18,768,000)
Buildings		
Property, plant and equipment		
Useful lives of assets, low end of range (in years)	12	
Useful lives of assets, high end of range (in years)	20	
Furniture, fixtures, computers, software and other equipment		
Property, plant and equipment		
Useful lives of assets, low end of range (in years)	3	
Useful lives of assets, high end of range (in years)	10	
Leasehold improvements		
Property, plant and equipment		
Useful lives of assets, high end of range (in years)	12	

Employee Benefit Plans (Tables)	12 Months Ended Dec. 31, 2011

Employee Benefit Plans

Schedule of activity relating to the 2009 Stock Option Plan

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	2,971,845	$29.52
Granted	892,687	$49.69
Exercised	(812,748)	$22.76
Forfeited	(104,610)	$41.54
Expired	(33,516)	$26.44
Outstanding at December 31, 2011	2,913,658	$37.18
Exercisable at December 31, 2011	1,426,031	$29.19
Available for future grants	1,410,033	

Schedule of assumptions used in determining the fair value of options granted

	2011	2010
Risk-free interest rate	1.15%	1.56%
Expected dividend yield	0.00%	0.00%
Expected option life	4.19 Years	4.21 Years
Expected stock price volatility	15.63%	15.06%

Schedule of activity relating to the Phantom Stock Plan

	Number of Units
Balance at December 31, 2010	36,467
Granted	731
Exercised	(4,306)
Cancelled	(405)
Balance at December 31, 2011	32,487

Schedule of activity relating to the SARs Plan

	Number of Rights	Weighted Average Exercise Price
Balance at December 31, 2010	30,675	$27.28
Granted	8,773	$50.51
Exercised	(15,016)	$20.73
Cancelled	(3,287)	$38.29
Balance at December 31, 2011	21,145	$39.90

Schedule of activity relating to the Restricted Stock Plan

	Non-vested Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2010	448,053	$30.91
Granted	136,696	$50.37
Vested	(172,376)	$26.91
Cancelled and expired	(18,086)	$39.61
Balance at December 31, 2011	394,287	$39.04

Goodwill and Intangible Assets (Details) (USD $) In Thousands, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2009
Changes in goodwill		
Balance at beginning of year	$ 130,354	$ 130,354
Acquisitions	386,267	
Foreign currency translation	(13,332)	
Balance at end of year	$ 503,289	$ 130,354

Employee Retirement Plans (Details 5) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Multi-Employer Plans			
Contributions by employer	$ 4.3	$ 6.5	$ 11.8

Employee Benefit Plans (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011 plan	Dec. 31, 2010	Dec. 31, 2009
Supplemental Executive Retirement and Retention Plan ("SERRP")			
Deferred Compensation Plans			
Compensation expense	$ 3.9	$ 0.6	
Nonqualified deferred compensation plans			
Deferred Compensation Plans			
Compensation expense	$ 4.1	$ 2.8	$ 8.4
Number of nonqualified plans	2		

Variable Interest Entities and Equity Method Investments (Details 3) (Affiliated unconsolidated companies)	12 Months Ended
	Dec. 31, 2011
Domestic | ATCS/CH2M HILL	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Domestic | AGVIQ-CH2M HILL Joint Venture II	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Domestic | AGVIQ-CH2M HILL Joint Venture III	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Domestic | Americas Gateway Builders	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	40.00%
Domestic | Atkinson/CH2M HILL a Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	30.00%
Domestic | CH2M-WG Idaho, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.50%
Domestic | Clark-Nexsen/CH2M HILL	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Domestic | Clark Nexsen/CH2M HILL Norfolk	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Domestic | Coastal Estuary Services	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.90%
Domestic | Connecting Idaho Partners	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Domestic | HEBL, Inc.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	100.00%
Domestic | IAP-Hill, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	25.00%
Domestic | Kaiser-Hill Company, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%

Domestic | National Security Technologies, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	10.00%
Domestic | Parsons CH2M HILL Program Management Consultants, Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	47.50%
Domestic | Savannah River Remediation LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	15.00%
Domestic | URS/CH2M OAK RIDGE LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	45.00%
Domestic | Washington Closure, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	30.00%
Foreign | A-One+	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	38.50%
Foreign | CH2M HILL BECA, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | CH2M HILL Kunwon PMC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	54.00%
Foreign | CH2M Olyan	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	49.00%
Foreign | CHBM Water Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | CLM Delivery Partner, Limited	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	37.50%
Foreign | Conisa	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	33.30%
Foreign | CPG Consultants CH2M HILL NIP Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | ECC-VECO, LLC	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Golden Crossing Constructors Joint Venture	
Investments in affiliated unconsolidated companies	

Percentage of ownership in affiliated unconsolidated companies	33.30%
Foreign | HWC Treatment Program Alliance Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | JJCH2M, a Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	40.00%
Foreign | Luggage Point Alliance	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | OMI BECA, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | SMNM/VECO Joint Venture	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Sydney Water Corporation-Odour Management Program Alliance	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	50.00%
Foreign | Transcend Partners, Ltd.	
Investments in affiliated unconsolidated companies	
Percentage of ownership in affiliated unconsolidated companies	40.00%

Variable Interest Entities and Equity Method Investments	12 Months Ended Dec. 31, 2011
Variable Interest Entities and Equity Method Investments	
Variable Interest Entities and Equity Method Investments	

(3) Variable Interest Entities and Equity Method Investments

We routinely enter into teaming arrangements to perform projects for our clients. Such arrangements are customary in the engineering and construction industry and generally are project specific. The arrangements facilitate the completion of projects that are jointly contracted with our partners. These arrangements are formed to leverage the skills of the respective partners and include consulting, construction, design, program management and operations and maintenance contracts. Our risk of loss on these arrangements is usually shared with our partners. The liability of each partner is usually joint and several, which means that each partner may become liable for the entire risk of loss on the project.

We perform a qualitative assessment to determine whether we are the primary beneficiary once an entity is identified as a VIE. A qualitative assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and how they were marketed, and the parties involved in the design of the entity. All of the variable interests held by parties involved with the VIE are identified and a determination of which activities are most significant to the economic performance of the entity and which variable interest holder has the power to direct those activities is made. Most of the VIEs with which the Company is involved have relatively few variable interests and are primarily related to equity investments, subordinated financial support, and subcontracting arrangements. We consolidate those VIEs in which we have both the power to direct the activities of the VIE that most significantly impact the VIEs economic performance and the obligation to absorb losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE. As of December 31, 2011, total assets of VIEs that were consolidated were $77.6 million and liabilities were $42.6 million.

We recorded investments in unconsolidated affiliates of $103.9 million and $83.0 million for the years ended December 31, 2011 and 2010, respectively. Our proportionate share of net income or loss is included as equity in earnings of joint ventures and affiliated companies in the consolidated statements of income. In general, the equity investment in our unconsolidated affiliates is equal to our current equity investment plus those entities' undistributed earnings. We provide certain services, including engineering, construction management and computer and telecommunications support, to these unconsolidated entities. These services are billed to the joint ventures in accordance with the provisions of the agreements.

As of December 31, 2011, the total assets of VIEs that were not consolidated were $295.6 million and total liabilities were $217.6 million. The maximum exposure to losses is limited to the funding of any future losses incurred by those entities under their respective contracts with the project company.

Summarized financial information for our unconsolidated VIEs and equity method investments as of and for the years ended December 31 is as follows:

($ in thousands)	2011	2010
FINANCIAL POSITION:		
Current assets	$740,365	$677,638
Noncurrent assets	51,867	84,042
Total assets	$792,232	$761,680
Current liabilities	$491,126	$497,338
Noncurrent liabilities	20,227	26,486
Partners'/Owners' equity	280,879	237,856
Total liabilities and equity	$792,232	$761,680
CH2M HILL's share of equity	$103,871	$82,982

($ in thousands)	2011	2010	2009
RESULTS OF OPERATIONS:			
Revenue	$3,037,595	$2,814,824	$2,426,505
Direct costs	(2,779,990)	(2,598,872)	(2,250,752)
Gross margin	257,605	215,952	175,753
General and administrative expenses	(50,307)	(13,603)	(3,228)
Operating income	207,298	202,349	172,525
Other income, net	130	458	479
Net income	$207,428	$202,807	$173,004
CH2M HILL's share of net income	$64,477	$68,513	$65,539

We have the following significant investments in affiliated unconsolidated companies:

	% Ownership
Domestic:	
ATCS/CH2M HILL	50.0 %
AGVIQ—CH2M HILL Joint Venture II	49.0 %
AGVIQ—CH2M HILL Joint Venture III	49.0 %
Americas Gateway Builders	40.0 %
Atkinson/CH2M HILL—a Joint Venture	30.0 %
CH2M—WG Idaho, LLC	50.5 %
Clark-Nexsen/CH2M HILL	50.0 %
Clark-Nexsen/CH2M HILL—Norfolk	50.0 %
Coastal Estuary Services	49.9 %
Connecting Idaho Partners	49.0 %
HEBL, Inc.	100.0 %
IAP-Hill, LLC	25.0 %
Kaiser-Hill Company, LLC	50.0 %
National Security Technologies, LLC	10.0 %
Parsons CH2M HILL Program Management Consultants, Joint Venture	47.5 %
Savannah River Remediation LLC	15.0 %
URS/CH2M OAK RIDGE LLC	45.0 %
Washington Closure, LLC	30.0 %
Foreign:	
A-One+	38.5 %
CH2M HILL BECA, Ltd.	50.0 %
CH2M HILL—Kunwon PMC	54.0 %
CH2M Olyan	49.0 %
CHBM Water Joint Venture	50.0 %
CLM Delivery Partner, Limited	37.5 %
Conisa	33.3 %
CPG Consultants—CH2M HILL NIP Joint Venture	50.0 %
ECC-VECO, LLC	50.0 %
Golden Crossing Constructors Joint Venture	33.3 %
HWC Treatment Program Alliance Joint Venture	50.0 %
JJCH2M, a Joint Venture	40.0 %
Luggage Point Alliance	50.0 %
OMI BECA, Ltd.	50.0 %
SMNM/VECO Joint Venture	50.0 %
Sydney Water Corporation-Odour Management Program Alliance	50.0 %
Transcend Partners, Ltd	40.0 %

Employee Benefit Plans (Details 2) (USD $)	12 Months Ended		
	Dec. 31, 2011 M Y	Dec. 31, 2010 Y	Dec. 31, 2009
2009 Stock Option Plan			
Share Based Payment Award			
Number of shares reserved	3,000,000		
Stock options			
Share Based Payment Award			
Percentage of awards exercisable after one year from the date of grant	25.00%		
Percentage of awards exercisable after two years from the date of grant	25.00%		
Percentage of awards exercisable after three years from the date of grant	50.00%		
Expiration term (in years)	P5Y		
Stock options, Number of Shares			
Outstanding at the beginning of the period (in shares)	2,971,845		
Granted (in shares)	892,687		
Exercised (in shares)	(812,748)		
Forfeited (in shares)	(104,610)		
Expired (in shares)	(33,516)		
Outstanding at the end of the period (in shares)	2,913,658	2,971,845	
Exercisable at the end of the period (in shares)	1,426,031		
Available for future grants (in shares)	1,410,033		
Stock Options, Weighted Average Exercise Price			
Outstanding at the beginning of the period (in dollars per share)	$ 29.52		
Granted (in dollars per share)	$ 49.69		
Exercised (in dollars per share)	$ 22.76		
Forfeited (in dollars per share)	$ 41.54		
Expired (in dollars per share)	$ 26.44		
Outstanding at the end of the period (in dollars per share)	$ 37.18	$ 29.52	
Exercisable at the end of the period (in dollars per share)	$ 29.19		
Outstanding weighted -average remaining contractual term at the end the period (in years)	2.6	2.4	
Outstanding aggregate intrinsic value at the end of the period (in dollars)	$ 54,000,000	$ 50,400,000	
Weighted-average remaining contractual term for options vested (in years)	1.4	1.6	
Weighted-average remaining contractual term of options exercisable (in years)	1.4	1.6	
Aggregate intrinsic value of options exercisable	37,800,000	35,900,000	
Weighted average remaining recognition period (in years)	1.7		
Cash received from the exercises of stock option	4,600,000	3,700,000	3,900,000
Minimum ownership period for tendering shares to satisfy exercise price and tax withholding obligation (in months)	6		
Intrinsic value of option exercises (in dollars)	16,400,000	16,300,000	11,800,000

Weighted-average grant date fair value of options granted (in dollars per share)	$ 7.40	$ 6.30	
Assumption of measure fair value of options			
Risk-free interest rate (as a percent)	1.15%	1.56%	
Expected dividend yield (as a percent)	0.00%	0.00%	
Expected option life (in years)	4.19	4.21	
Expected stock price volatility (as a percent)	15.63%	15.06%	
Additional share-based compensation information			
Remaining unrecognized compensation expense related to nonvested awards	6,300,000		
Total compensation cost recognized	4,800,000	4,800,000	4,700,000
Payroll Deduction Stock Purchase Plan ("PDSPP")			
Additional share-based compensation information			
Percentage of market value of common stock as of the date of purchase	90.00%		
Maximum percentage of payroll deductions on annual compensation	15.00%		
Maximum dollar amount of common stock that an employee may purchase in any calendar year	25,000		
Shares issued	527,503	569,788	688,776
Proceeds from issuance	24,400,000	22,200,000	21,500,000
Phantom Stock Plan			
Additional share-based compensation information			
Total compensation cost recognized	600,000	500,000	400,000
Percentage of awards vested on the date of grant	100%		
Minimum period after the grant date to redeem shares (in months)	6		
Weighted-average grant date fair value of shares granted (in dollars per share)	$ 49.90	$ 40.52	$ 31.10
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	36,467		
Granted (in shares)	731	6,136	1,504
Exercised (in shares)	(4,306)		
Cancelled (in shares)	(405)		
Outstanding at the end of the period (in shares)	32,487	36,467	
Stock Appreciation Rights Plan			
Share Based Payment Award			
Percentage of awards exercisable after one year from the date of grant	25.00%		
Percentage of awards exercisable after two years from the date of grant	25.00%		
Percentage of awards exercisable after three years from the date of grant	50.00%		
Expiration term (in years)	P5Y		
Additional share-based compensation information			
Total compensation cost recognized	100,000	200,000	400,000
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	30,675		
Granted (in shares)	8,773		
Exercised (in shares)	(15,016)		
Cancelled (in shares)	(3,287)		
Outstanding at the end of the period (in shares)	21,145	30,675	

Weighted Average Exercise Price			
Outstanding at the beginning of the period (in dollars per share)	$ 27.28		
Granted (in dollars per share)	$ 50.51		
Exercised (in dollars per share)	$ 20.73		
Cancelled (in dollars per share)	$ 38.29		
Outstanding at the end of the period (in dollars per share)	$ 39.90	$ 27.28	
Annual Incentive Plan ("AIP")			
Additional share-based compensation information			
Total compensation cost recognized	2,700,000		14,400,000
Shares issued	58,045	369,566	432,093
Incentive plan disclosures			
Share-based compensation arrangement, grant date fair value of shares granted (in dollars per share)	$ 46.75	$ 40.52	$ 31.10
Long Term Incentive Plan ("LTIP")			
Additional share-based compensation information			
Total compensation cost recognized	11,800,000	15,000,000	13,300,000
Shares issued	219,087	279,447	323,474
Incentive plan disclosures			
Share-based compensation arrangement, grant date fair value of shares granted (in dollars per share)	$ 46.75	$ 40.52	$ 31.10
Weighted Average Grant Date Fair Value			
The period over which long-term goals are assessed to determine eligibility for the award under the plan (in years)	3		
Restricted Stock Plan			
Stock Options, Weighted Average Exercise Price			
Weighted average remaining recognition period (in years)	2.83		
Additional share-based compensation information			
Remaining unrecognized compensation expense related to nonvested awards	8,200,000		
Total compensation cost recognized	$ 5,500,000	$ 4,800,000	$ 2,900,000
Weighted-average grant date fair value of shares granted (in dollars per share)	$ 50.37	$ 42.32	$ 33.76
Stock activity other than options			
Outstanding at the beginning of the period (in shares)	448,053		
Granted (in shares)	136,696	186,396	111,246
Vested (in shares)	(172,376)		
Cancelled and expired (in shares)	(18,086)		
Outstanding at the end of the period (in shares)	394,287	448,053	
Weighted Average Grant Date Fair Value			
Outstanding at the beginning of the period (in dollars per share)	$ 30.91		
Vested (in dollars per share)	$ 26.91		
Cancelled and expired (in dollars per share)	$ 39.61		
Outstanding at the end of the period (in dollars per share)	$ 39.04	$ 30.91	

Receivables, net (Details) (Customer concentration risk, Receivables)	Dec. 31, 2011	Dec. 31, 2010
Receivables, net		
Threshold not reached for reporting any single country outside U.S. (as a percent)	10.00%	
U.S. federal government		
Receivables, net		
Percentage of benchmark derived from specified source	21.00%	20.00%

Property, Plant and Equipment (Tables)	12 Months Ended Dec. 31, 2011
Property, Plant and Equipment	
Components of property, plant and equipment	

($ in thousands)	2011	2010
Land	$22,615	$27,337
Building and land improvements	82,786	80,183
Furniture and fixtures	20,679	16,902
Computer and office equipment	89,345	81,270
Field Equipment	110,885	101,027
Leasehold improvements	78,874	67,690
	405,184	374,409
Less: Accumulated depreciation	(225,462)	(205,148)
Net property, plant and equipment	$179,722	$169,261

Variable Interest Entities and Equity Method Investments (Tables)	12 Months Ended Dec. 31, 2011
Variable Interest Entities and Equity Method Investments	
Schedule of summarized financial information for unconsolidated VIEs and equity method investments	(see tables below)

($ in thousands)	2011	2010
FINANCIAL POSITION:		
Current assets	$740,365	$677,638
Noncurrent assets	51,867	84,042
Total assets	$792,232	$761,680
Current liabilities	$491,126	$497,338
Noncurrent liabilities	20,227	26,486
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Total liabilities and equity	$792,232	$761,680
CH2M HILL's share of equity	$103,871	$82,982

($ in thousands)	2011	2010	2009
RESULTS OF OPERATIONS:			
Revenue	$3,037,595	$2,814,824	$2,426,505
Direct costs	(2,779,990)	(2,598,872)	(2,250,752)
Gross margin	257,605	215,952	175,753
General and administrative expenses	(50,307)	(13,603)	(3,228)
Operating income	207,298	202,349	172,525
Other income, net	130	458	479
Net income	$207,428	$202,807	$173,004
CH2M HILL's share of net income	$64,477	$68,513	$65,539

Schedule of significant investments in affiliated unconsolidated companies

	% Ownership	
Domestic:		
ATCS/CH2M HILL	50.0	%
AGVIQ—CH2M HILL Joint Venture II	49.0	%
AGVIQ—CH2M HILL Joint Venture III	49.0	%
Americas Gateway Builders	40.0	%
Atkinson/CH2M HILL—a Joint Venture	30.0	%
CH2M—WG Idaho, LLC	50.5	%
Clark-Nexsen/CH2M HILL	50.0	%
Clark-Nexsen/CH2M HILL—Norfolk	50.0	%
Coastal Estuary Services	49.9	%
Connecting Idaho Partners	49.0	%
HEBL, Inc.	100.0	%
IAP-Hill, LLC	25.0	%
Kaiser-Hill Company, LLC	50.0	%
National Security Technologies, LLC	10.0	%
Parsons CH2M HILL Program Management Consultants, Joint Venture	47.5	%
Savannah River Remediation LLC	15.0	%
URS/CH2M OAK RIDGE LLC	45.0	%
Washington Closure, LLC	30.0	%
Foreign:		
A-One+	38.5	%
CH2M HILL BECA, Ltd.	50.0	%
CH2M HILL—Kunwon PMC	54.0	%
CH2M Olyan	49.0	%
CHBM Water Joint Venture	50.0	%
CLM Delivery Partner, Limited	37.5	%
Conisa	33.3	%
CPG Consultants—CH2M HILL NIP Joint Venture	50.0	%
ECC-VECO, LLC	50.0	%
Golden Crossing Constructors Joint Venture	33.3	%
HWC Treatment Program Alliance Joint Venture	50.0	%
JJCH2M, a Joint Venture	40.0	%
Luggage Point Alliance	50.0	%
OMI BECA, Ltd.	50.0	%
SMNM/VECO Joint Venture	50.0	%
Sydney Water Corporation-Odour Management Program Alliance	50.0	%
Transcend Partners, Ltd	40.0	%

Line of Credit and Long-term Debt (Details) (USD $)	Dec. 31, 2011	Dec. 31, 2010	12 Months Ended Dec. 31, 2011 Revolving Credit Facility Q D	Dec. 06, 2010 Revolving Credit Facility	12 Months Ended Dec. 31, 2011 Revolving Credit Facility Variable rate base - option 1	12 Months Ended Dec. 31, 2011 Revolving Credit Facility Variable rate base - option 2	12 Months Ended Dec. 31, 2011 Revolving Credit Facility Variable rate base - option 3	Dec. 31, 2011 Mortgage notes payable	Dec. 31, 2010 Mortgage notes payable	Dec. 31, 2011 Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases, interest at 5.35%	Dec. 31, 2010 Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases, interest at 5.35%	Dec. 31, 2011 Mortgage payable in monthly installments to December 2015, secured by real estate, interest at 6.59%.	Dec. 31, 2010 Mortgage payable in monthly installments to December 2015, secured by real estate, interest at 6.59%.	12 Months Ended Dec. 31, 2011 Equipment financing, due in monthly installments to December 2015, secured by equipment, interest ranging from 4.00% to 8.00%	12 Months Ended Dec. 31, 2010 Equipment financing, due in monthly installments to December 2015, secured by equipment, interest ranging from 4.00% to 8.00%	Dec. 31, 2011 Stockholder notes payable	Dec. 31, 2010 Stockholder notes payable
Line of credit																	
Initial borrowing capacity				$ 600,000,000													
Period before maturity to apply for increase in initial borrowing capacity from existing and new lenders (in days)			30														
Additional borrowing capacity, option to increase			100,000,000														
Maximum borrowing under credit facility			700,000,000														
Maximum available for the issuance of standby letters of credit			300,000,000														
Maximum subfacility available for multicurrency borrowings			300,000,000														
Variable interest rate basis					LIBOR (based on a 1, 2, 3, or 6 month interest period), plus a margin based on the entity's consolidated leverage ratio	Federal Funds Rate	LIBOR										
Basis points spread on variable interest rate (as a percent)						0.50%	1.00%										
Number of Consecutive Quarters Debt Instrument Covenant Compliance, Consolidated Leverage Ratio, Computed Based on Consolidated Funded Debt to Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization			4														
Line of credit facility interest rate at end of period (as a percent)			1.81%														
Issued and outstanding letters of credit reserved against the borrowing base of credit agreement			90,600,000														
Remaining available borrowing capacity			444,400,000														
Long-term debt																	
Interest rate on notes (as a percent)										5.35%	5.35%	6.59%	6.59%				
Minimum interest rate on notes (as a percent)														4.00%	4.00%		
Maximum interest rate on notes (as a percent)														8.00%	8.00%		
Total debt	92,808,000	37,621,000	65,000,000					13,750,000	15,253,000	11,429,000	12,430,000	2,321,000	2,823,000	13,764,000	22,227,000	294,000	141,000
Less current portion of debt	11,334,000	13,934,000															
Total long-term portion of debt	$ 81,474,000	$ 23,687,000															

Receivables, net (Details 2) (Uncollectible Accounts, USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Uncollectible Accounts			
Change in allowance for uncollectible accounts			
Balance at beginning of year	$ 12,076	$ 13,190	$ 4,183
Provision charged to expense	5,846	3,521	11,115
Accounts written off	(9,576)	(3,614)	(2,049)
Other	(826)	(1,021)	(59)
Balance at end of year	$ 7,520	$ 12,076	$ 13,190

Acquisitions (Tables)	12 Months Ended Dec. 31, 2011

Acquisitions

Schedule of estimated fair values of the assets acquired and liabilities assumed

($ in thousands)	
Current assets	$249,117
Property, plant and equipment	27,294
Intangible assets	114,100
Goodwill	375,807
Other long-term assets	8,493
Total assets acquired	774,811
Current liabilities	(180,124)
Debt	(80,874)
Pension liabilities	(293,819)
Other long-term liabilities	(22,736)
Total liabilities assumed	(577,553)
Net assets acquired	$197,258

Schedule of proforma results of operations

($ in thousands)	2011 (unaudited)	2010 (unaudited)
Revenue	$6,084,034	$6,150,342
Net income	$30,417	$87,777
Basic earnings per share	$0.99	$2.79
Diluted earnings per share	$0.97	$2.73

Goodwill and Intangible Assets (Tables)	12 Months Ended Dec. 31, 2011

Goodwill and Intangible Assets

Schedule of changes in goodwill

($ in thousands)	2011	2010
Balance at beginning of year	$130,354	$130,354
Acquisitions	386,267	—
Foreign currency translation	(13,332)	—
Balance at end of year	$503,289	$130,354

Schedule of components of finite-lived intangible assets

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2011			
Contracted backlog	$78,071	$(59,737)	$18,334
Customer relationships	147,450	(37,433)	110,017
Tradename	11,145	(45)	11,100
Non-compete agreements and other	902	(902)	—
Total finite-lived intangible assets	$237,568	$(98,117)	$139,451
December 31, 2010			
Contracted backlog	$58,871	$(58,871)	$—
Customer relationships	57,922	(27,200)	30,722
Non-compete agreements and other	902	(902)	—
Total finite-lived intangible assets	$117,695	$(86,973)	$30,722

Schedule of future estimated amortization expense related to these intangible assets

Year Ending:	
2012	$29,478
2013	29,478
2014	26,935
2015	20,104
2016	16,304
Thereafter	17,152
	$139,451

Receivables, net	12 Months Ended Dec. 31, 2011

Receivables, net

Receivables, net

(2) Receivables, net

Receivables are stated at net realizable values and consist of receivables billed to clients as well as receivables for which revenue has been earned but has not yet been billed. The U.S. federal government accounted for approximately 21% and 20% of our net receivables at December 31, 2011 and 2010, respectively. No other customer exceeded 10% of total receivables at December 31, 2011 or 2010.

The change in the allowance for uncollectible accounts consists of the following for the years ended December 31:

($ in thousands)	2011	2010	2009
Balance at beginning of year	$12,076	$13,190	$4,183
Provision charged to expense	5,846	3,521	11,115
Accounts written off	(9,576)	(3,614)	(2,049)
Other	(826)	(1,021)	(59)
Balance at end of year	$7,520	$12,076	$13,190

Fair Value of Financial Instruments (Tables)

12 Months Ended Dec. 31, 2011

Fair Value of Financial Instruments

Estimated fair values of financial instruments where carrying values do not approximate fair value

($ in thousands)	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage notes payable	$13,750	$12,207	$15,253	$12,403
Equipment financing	13,764	12,923	22,227	21,439
Stockholder notes payable	294	272	141	98

Commitments and Contingencies (Tables)

12 Months Ended Dec. 31, 2011

Commitments and Contingencies

Schedule of commercial commitments outstanding

($ in thousands)	Amount of Commitment Expiration Per Period: Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$71.6	$18.3	$0.7	$—	$90.6
Bank guarantees	15.7	9.0	6.0	17.0	47.7
Surety and bid bonds	894.5	628.0	34.4	—	1,556.9
Total	$981.8	$655.3	$41.1	$17.0	$1,695.2

Goodwill and Intangible Assets (Details 2) (USD $)	12 Months Ended		
	Dec. 31, 2011 Y	Dec. 31, 2010	Dec. 31, 2009
Intangible assets with finite lives			
Cost	$ 237,568,000	$ 117,695,000	
Accumulated Amortization	(98,117,000)	(86,973,000)	
Net finite-lived intangible assets	139,451,000	30,722,000	
Finite-lived intangible assets			
Maximum amortization period of finite-lived intangible assets (in years)	7		
Amortization expense	11,100,000	10,200,000	27,400,000
Future estimated amortization expense of intangible assets			
2012	29,478,000		
2013	29,478,000		
2014	26,935,000		
2015	20,104,000		
2016	16,304,000		
Thereafter	17,152,000		
Total future estimated amortization expense of intangible assets	139,451,000		
Contracted backlog			
Intangible assets with finite lives			
Cost	78,071,000	58,871,000	
Accumulated Amortization	(59,737,000)	(58,871,000)	
Net finite-lived intangible assets	18,334,000		
Customer relationships			
Intangible assets with finite lives			
Cost	147,450,000	57,922,000	
Accumulated Amortization	(37,433,000)	(27,200,000)	
Net finite-lived intangible assets	110,017,000	30,722,000	
Tradename			
Intangible assets with finite lives			
Cost	11,145,000		
Accumulated Amortization	(45,000)		
Net finite-lived intangible assets	11,100,000		
Tradename	20,300,000	20,300,000	
Non-compete agreements and other			
Intangible assets with finite lives			
Cost	902,000	902,000	
Accumulated Amortization	$ (902,000)	$ (902,000)	

Commitments and Contingencies (Details 2) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011 VECO	12 Months Ended Dec. 31, 2011 BAH M Y
Acquisitions holdback contingency				
Holdback contingency amount			$ 70.0	$ 2.9
Holdback contingency payable percentage on the one year anniversary				50.00%
Holdback contingency payable on number of year anniversary				1
Holdback contingency payable at number of months anniversary				18
Outstanding balance payable under the holdback contingencies	$ 41.3	$ 46.7		

Consolidated Balance Sheets (USD $) In Thousands, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Current assets:		
Cash and cash equivalents	$ 208,266	$ 290,405
Available-for-sale securities	2,356	2,412
Receivables, net-		
Client accounts	703,062	558,734
Unbilled revenue	448,553	389,353
Other	39,095	21,264
Income tax receivable	43,324	
Deferred income taxes	69,370	62,007
Prepaid expenses and other current assets	48,622	44,498
Total current assets	1,562,648	1,368,673
Investments in unconsolidated affiliates	103,871	82,982
Property, plant and equipment, net	179,722	169,261
Goodwill	503,289	130,354
Intangible assets, net	159,777	51,048
Deferred income taxes	128,743	112,919
Employee benefit plan assets and other	56,805	51,843
Total assets	2,694,855	1,967,080
Current liabilities:		
Current portion of long-term debt	11,334	13,934
Accounts payable and accrued subcontractor costs	398,332	407,694
Billings in excess of revenue	393,754	237,053
Accrued payroll and employee related liabilities	315,650	291,713
Current income tax payable		20,010
Other accrued liabilities	227,539	163,396
Total current liabilities	1,346,609	1,133,800
Long-term employee related liabilities	466,939	144,603
Long-term debt	81,474	23,687
Other long-term liabilities	133,520	110,822
Total liabilities	2,028,542	1,412,912
Commitments and contingencies (Note17)		
Stockholders' equity:		
Preferred stock, Class A $0.01 par value, 50,000,000 shares authorized; none issued		
Common stock, $0.01 par value, 100,000,000 shares authorized; 31,050,654 and 30,527,473 issued and outstanding at December 31, 2011 and 2010, respectively	311	305
Retained earnings	717,103	563,343
Accumulated other comprehensive loss	(60,855)	(18,768)
Total CH2M HILL common stockholders' equity	656,559	544,880
Noncontrolling interests	9,754	9,288
Total equity	666,313	554,168

Total liabilities and stockholders' equity	$ 2,694,855	$ 1,967,080

Variable Interest Entities and Equity Method Investments (Details) (USD $)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Variable interest entities			
Total assets of VIEs not consolidated	$ 2,694,855,000	$ 1,967,080,000	$ 1,948,022,000
Total liabilities of VIEs not consolidated	2,028,542,000	1,412,912,000	
Investments in unconsolidated affiliates			
Investments in unconsolidated affiliates	103,871,000	82,982,000	
Consolidated VIEs			
Variable interest entities			
Total assets of VIEs consolidated	77,600,000		
Total liabilities of VIEs consolidated	42,600,000		
Unconsolidated VIE's			
Variable interest entities			
Total assets of VIEs not consolidated	295,600,000		
Total liabilities of VIEs not consolidated	217,600,000		
Investments in unconsolidated affiliates			
Investments in unconsolidated affiliates	$ 103,900,000	$ 83,000,000	

Consolidated Statements of Cash Flows (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Cash flows from operating activities:			
Net income	$ 125,429	$ 117,715	$ 122,098
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,215	62,311	80,889
Gain on sale of operating assets			(58,235)
Stock-based employee compensation	71,495	50,603	67,738
Loss on disposal of property, plant and equipment	2,403	1,266	3,570
Allowance for uncollectible accounts	5,846	3,521	11,115
Deferred income taxes	(20,501)	(24,699)	(29,289)
Gain on sale of investments		(6,495)	
Undistributed earnings from unconsolidated affiliates	(64,477)	(68,513)	(65,539)
Distributions of income from unconsolidated affiliates	57,597	71,181	52,808
Contributions to defined benefit pension plans	(14,659)	(8,073)	(1,415)
Changes in current assets and liabilities, net of businesses acquired:			
Receivables and unbilled revenue	3,573	72,921	40,748
Prepaid expenses and other	610	(2,465)	13,510
Accounts payable and accrued subcontractor costs	(34,605)	(16,558)	(29,470)
Billings in excess of revenues	85,775	(61,950)	9,331
Accrued payroll and employee related liabilities	28,814	29,517	3,631
Other accrued liabilities	(5,933)	32,530	8,089
Current income taxes receivable (payable)	(73,251)	41,486	(10,268)
Long-term employee related liabilities and other	41,069	(7,729)	21,170
Net cash provided by operating activities	257,400	286,569	240,481
Cash flows from investing activities:			
Capital expenditures	(30,202)	(26,884)	(37,663)
Acquisitions, net of cash acquired	(187,678)		(1,186)
Investments in unconsolidated affiliates	(29,162)	(49,133)	(68,366)
Distributions of capital from unconsolidated affiliates	23,627	35,601	41,597
Consolidation of previously unconsolidated variable interest entities		32,651	
Proceeds from sale of operating assets	6,415	2,961	71,036
Purchases of investments		(37,079)	
Proceeds from sale of investments		43,573	10,741
Net cash provided by (used in) investing activities	(217,000)	1,690	16,159
Cash flows from financing activities:			
Borrowings on long-term debt	451,129	404,827	747,349
Payments on long-term debt	(476,796)	(419,056)	(870,885)
Repurchases and retirements of common stock	(93,627)	(137,208)	(91,253)
Excess tax benefits from stock-based compensation	13,066	14,968	6,432
Net distributions to noncontrolling interests	(11,799)	(31,806)	(9,380)

Net cash used in financing activities	(118,027)	(168,275)	(217,737)
Effect of exchange rate changes on cash	(4,512)	704	16,532
Increase (decrease) in cash and cash equivalents	(82,139)	120,688	55,435
Cash and cash equivalents, beginning of year	290,405	169,717	114,282
Cash and cash equivalents, end of year	208,266	290,405	169,717
Supplemental disclosures:			
Cash paid for interest	3,994	4,708	7,793
Cash paid for income taxes	$ 113,426	$ 43,714	$ 50,910

Income Taxes (Details) (USD $)	12 Months Ended Dec. 31, 2011 Y	Dec. 31, 2010	Dec. 31, 2009
Income before provision for income taxes			
U.S. income	$ 146,721,000	$ 135,915,000	$ 143,190,000
Foreign income	22,506,000	11,584,000	6,972,000
Income before taxes	169,227,000	147,499,000	150,162,000
Current income tax expense:			
Federal	55,576,000	55,835,000	49,035,000
Foreign	13,016,000	11,729,000	14,138,000
State and local	7,839,000	10,939,000	12,653,000
Total current income tax expense	76,431,000	78,503,000	75,826,000
Deferred income tax benefit:			
Federal	(17,619,000)	(17,280,000)	(23,291,000)
Foreign	(806,000)	(4,771,000)	(2,646,000)
State	(2,076,000)	(2,648,000)	(3,469,000)
Total deferred income tax benefit	(20,501,000)	(24,699,000)	(29,406,000)
Total income tax expense	55,930,000	53,804,000	46,420,000
Reconciliations of income tax computed at the U.S. federal statutory tax rate to effective income tax rate			
Pretax income	169,227,000	147,499,000	150,162,000
Federal statutory rate (as a percent)	35.00%	35.00%	35.00%
Expected tax expense	59,229,000	51,625,000	52,556,000
Reconciling items:			
State income taxes, net of federal benefit	6,402,000	5,640,000	7,763,000
Nondeductible meals and entertainment	2,466,000	3,082,000	3,035,000
Section 199-Domestic manufacturer deduction	(5,472,000)	(3,686,000)	(4,515,000)
Compensation	286,000	(1,804,000)	(6,114,000)
Subsidiary earnings	(6,126,000)	(5,358,000)	(7,520,000)
Permanent expenses, exclusions and credits	(3,462,000)	2,108,000	(6,660,000)
Foreign permanent expenses, taxes, credits and other	3,283,000	2,835,000	8,442,000
Other	(676,000)	(638,000)	(567,000)
Total income tax expense	55,930,000	53,804,000	46,420,000
Deferred tax assets:			
Net foreign operating loss carryforwards	45,690,000	23,050,000	
Deferred gain, insurance and other	32,878,000	24,758,000	
Accrued employee benefits	264,516,000	180,055,000	
Total deferred tax assets	343,084,000	227,863,000	
Valuation allowance	(97,695,000)	(27,712,000)	
Net deferred tax assets	245,389,000	200,151,000	
Deferred tax liabilities:			
Investments in affiliates	13,685,000	2,871,000	

Depreciation and amortization	33,591,000	22,354,000	
Net deferred tax liabilities	47,276,000	25,225,000	
Net deferred tax assets	198,113,000	174,926,000	
Operating carryforwards from foreign operations and employee benefits	460,000,000	86,900,000	
Minimum period operating losses carry forwards in foreign jurisdiction (in years)	3		
Net deferred tax assets related to Halcrow acquisition	77,500,000		
Undistributed earnings of foreign subsidiaries	94,700,000		
Cash held in international accounts	142,300,000	129,700,000	
Approximate income tax expense if foreign earnings were repatriated	20,200,000		
Tax benefit from stock-based compensation awards reflected as additional paid-in capital	13,100,000	15,000,000	6,400,000
Liability for uncertain tax positions	27,400,000	18,300,000	
Accrued interest and penalties related to uncertain tax positions	2,600,000	3,000,000	
Reconciliation of the beginning and ending amount of uncertain tax positions			
Beginning balance	15,338,000	23,752,000	
Additions for current year tax positions	9,325,000	2,591,000	
Additions for prior year tax positions	1,862,000	3,882,000	
Reductions for prior year tax positions	(1,129,000)	(7,725,000)	
Settlement with taxing authorities		(777,000)	
Reductions as a result of lapse of applicable statue of expirations	(564,000)	(6,385,000)	
Ending balance	24,832,000	15,338,000	23,752,000
Uncertain tax positions that if recognized would affect the effective tax rate	27,400,000	18,300,000	
Estimated range of unrecognized change, minimum	0		
Estimated range of unrecognized change, maximum	$ 800,000		

Income Taxes (Tables)

12 Months Ended Dec. 31, 2011

Income Taxes

Schedule of income before provision for income taxes

($ in thousands)	2011	2010	2009
U.S. income	$146,721	$135,915	$143,190
Foreign income	22,506	11,584	6,972
Income before taxes	$169,227	$147,499	$150,162

Schedule of provision for income taxes

($ in thousands)	2011	2010	2009
Current income tax expense:			
Federal	$55,576	$55,835	$49,035
Foreign	13,016	11,729	14,138
State and local	7,839	10,939	12,653
Total current income tax expense	76,431	78,503	75,826
Deferred income tax benefit:			
Federal	(17,619)	(17,280)	(23,291)
Foreign	(806)	(4,771)	(2,646)
State	(2,076)	(2,648)	(3,469)
Total deferred income tax benefit	(20,501)	(24,699)	(29,406)
Total income tax expense	$55,930	$53,804	$46,420

Schedule of reconciliations of income tax computed at the U.S. federal statutory tax rate to effective income tax rate

($ in thousands)	2011	2010	2009
Pretax income	$169,227	$147,499	$150,162
Federal statutory rate	35 %	35 %	35 %
Expected tax expense	59,229	51,625	52,556
Reconciling items:			
State income taxes, net of federal benefit	6,402	5,640	7,763
Nondeductible meals and entertainment	2,466	3,082	3,035
Section 199—Domestic manufacturer deduction	(5,472)	(3,686)	(4,515)
Compensation	286	(1,804)	(6,114)
Subsidiary earnings	(6,126)	(5,358)	(7,520)
Permanent expenses, exclusions and credits	(3,462)	2,108	(6,660)
Foreign permanent expenses, taxes, credits and other	3,283	2,835	8,442
Other	(676)	(638)	(567)
[illegible]	[illegible]	[illegible]	46,420

Schedule of tax effects of temporary differences rise to significant portions of the deferred tax assets and liabilities

($ in thousands)	2011	2010
Deferred tax assets:		
Net foreign operating loss carryforwards	$45,690	$23,050
Deferred gain, insurance and other	32,878	24,758
Accrued employee benefits	264,516	180,055
Total deferred tax assets	343,084	227,863
Valuation allowance	(97,695)	(27,712)
Net deferred tax assets	245,389	200,151
Deferred tax liabilities:		
Investments in affiliates	13,685	2,871
Depreciation and amortization	33,591	22,354
Net deferred tax liabilities	47,276	25,225
Net deferred tax assets	$198,113	$174,926

Schedule of reconciliation of the beginning and ending amount of uncertain tax positions

Balance at December 31, 2009	$23,752
Additions for current year tax positions	2,591
Additions for prior year tax positions	3,882
Reductions for prior year tax positions	(7,725)
Settlement with taxing authorities	(777)
Reductions as a result of lapse of applicable statue of expirations	(6,385)
Balance at December 31, 2010	$15,338

Balance at December 31, 2010	$15,338
Additions for current year tax positions	9,325
Additions for prior year tax positions	1,862
Reductions for prior year tax positions	(1,129)
Settlement with taxing authorities	—
Reductions as a result of lapse of applicable statue of expirations	(564)
Balance at December 31, 2011	$24,832

Employee Retirement Plans (Details 3) (USD $) In Thousands, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	$ 141,491	$ 138,692	$ 122,588
U.S. Pension Plans | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	117		
U.S. Pension Plans | Level 2			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	141,374	138,692	
U.S. Pension Plans | Cash and cash equivalents			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	117		
U.S. Pension Plans | Cash and cash equivalents | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	117		
U.S. Pension Plans | Equity funds			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	74,448	75,562	
U.S. Pension Plans | Equity funds | Level 2			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	74,448	75,562	
U.S. Pension Plans | Fixed income securities			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	66,926	63,130	
U.S. Pension Plans | Fixed income securities | Level 2			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	66,926	63,130	
Non-U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	623,972		
Non-U.S. Pension Plans | Level 1			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	155,458		
Non-U.S. Pension Plans | Level 2			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	468,514		
Non-U.S. Pension Plans | Cash and cash equivalents			
Pension and Other Postretirement Benefits			
Total investment assets at fair value	26,204		
Non-U.S. Pension Plans | Cash and cash equivalents | Level 1			

Pension and Other Postretirement Benefits

Total investment assets at fair value	26,204
Non-U.S. Pension Plans | Equity funds	

Pension and Other Postretirement Benefits

Total investment assets at fair value	297,655
Non-U.S. Pension Plans | Equity funds | Level 1	

Pension and Other Postretirement Benefits

Total investment assets at fair value	7,058
Non-U.S. Pension Plans | Equity funds | Level 2	

Pension and Other Postretirement Benefits

Total investment assets at fair value	290,597
Non-U.S. Pension Plans | Fixed income securities	

Pension and Other Postretirement Benefits

Total investment assets at fair value	268,862
Non-U.S. Pension Plans | Fixed income securities | Level 1	

Pension and Other Postretirement Benefits

Total investment assets at fair value	122,196
Non-U.S. Pension Plans | Fixed income securities | Level 2	

Pension and Other Postretirement Benefits

Total investment assets at fair value	146,666
Non-U.S. Pension Plans | International property fund	

Pension and Other Postretirement Benefits

Total investment assets at fair value	31,251
Non-U.S. Pension Plans | International property fund | Level 2	

Pension and Other Postretirement Benefits

Total investment assets at fair value	$ 31,251

Segment Information

[Segment Information](#)

[Segment Information](#)

12 Months Ended
Dec. 31, 2011

(16) Segment Information

Effective January 1, 2011, we reorganized our reporting structure under which our chief operating decision maker makes strategic and operating decisions with regard to assessing performance and allocating resources. As a result, our Industrial Systems business was divided based upon its operations and absorbed within our Environmental Services business and Water business. Our Water business operations were then grouped with the Energy business creating the Energy and Water ("E&W") segment. Our Environmental Services business was then combined with our Nuclear business and our Government Facilities and Infrastructure business and reflected in the new Government, Environment and Nuclear ("GEN") segment. Lastly, our Transportation business, Operations and Maintenance business and Industrial and Advanced Technology business were grouped together to form the Facilities and Infrastructure ("F&I") segment.

Within our E&W segment, our Energy business primarily focuses on providing services to a comprehensive range of private sector clients and utilities, while our Water business primarily provides services to state and local governments. Our GEN segment primarily provides a comprehensive range of services to various U.S. federal government agencies and foreign governments as well as some private industries. Our F&I segment primarily provides a comprehensive range of services to various state, local and provincial governments and also a select group of private industry clients.

We evaluate performance based on several factors, of which the primary financial measure is operating income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. We use operating income as our measurement of segment profit. Corporate expenses, including costs for centralized management activities, are not allocable to individual operating segments and are included in "Other" below. These costs primarily include expenses associated with administrative functions such as executive management, legal, and general business development efforts.

Certain financial information for each segment is provided below (in thousands):

2011	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$2,191,243	$1,372,125	$1,991,865	$—	$5,555,233
Equity in earnings of joint ventures and affiliated companies	$35,809	$20,905	$7,763	$—	$64,477
Depreciation and amortization	$6,161	$6,868	$35,186	$—	$48,215
Operating income (loss)	$78,970	$65,523	$62,119	$(21,459)	$185,153
Segment assets	$1,664,084	$504,205	$526,566	$—	$2,694,855
Goodwill	$—	$384,766	$118,523	$—	$503,289

2010	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances

Revenue from external customers	$2,218,368	$1,224,579	$1,979,854	$—	$5,422,801
Equity in earnings of joint ventures and affiliated companies	$35,116	$22,861	$10,536	$—	$68,513
Depreciation and amortization	$5,414	$5,247	$51,650	$—	$62,311
Operating income (loss)	$94,840	$34,137	$58,818	$(13,032)	$174,763
Segment assets	$936,526	$358,477	$672,077	$—	$1,967,080
Goodwill	$—	$11,831	$118,523	$—	$130,354

2009	Government, Environment and Nuclear	Facilities and Infrastructure	Energy and Water	Other	Financial Statement Balances
Revenue from external customers	$1,931,093	$1,243,516	$2,324,709	$—	$5,499,318
Equity in earnings of joint ventures and affiliated companies	$30,635	$21,367	$13,537	$—	$65,539
Depreciation and amortization	$6,105	$6,211	$68,573	$—	$80,889
Operating income (loss)	$93,985	$28,576	$65,264	$(13,294)	$174,531
Segment assets	$804,885	$427,355	$715,782	$—	$1,948,022
Goodwill	$—	$11,831	$118,523	$—	$130,354

We derived approximately 35%, 37% and 35% of our total revenues from contracts with the U.S. federal government in the years ended December 31, 2011, 2010 and 2009, respectively.

Although we provide services in numerous countries, no single country outside of the U.S. accounted for 10% or greater of the total consolidated revenue. Total U.S. and international revenue for the years ended December 31 were as follows:

($ in thousands)	2011	2010	2009
U.S.	$4,185,501	$4,274,155	$4,525,613
International	1,369,732	1,148,646	973,705
Total	$5,555,233	$5,422,801	$5,499,318

Earnings Per Share (Tables)

Earnings Per Share

Reconciliation of basic and diluted EPS

12 Months Ended Dec. 31, 2011

($ in thousands)	2011	2010	2009
Numerator:			
Net income attributable to CH2M HILL	$113,297	$93,695	$103,742
Denominator:			
Basic weighted-average common shares outstanding	30,824	31,458	31,908
Dilutive effect of common stock equivalents	604	705	691
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	31,428	32,163	32,599
Basic net income per common share	$3.68	$2.98	$3.25
Diluted net income per common share	$3.60	$2.91	$3.18

Quarterly Financial Information (unaudited)	12 Months Ended Dec. 31, 2011

Quarterly Financial Information (unaudited)

Quarterly Financial Information (unaudited)

(18) Quarterly Financial Information (unaudited)

Our quarterly financial information for the years ended December 31, 2011 and 2010 is as follows:

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2011					
Revenue	$1,268,095	$1,360,571	$1,504,294	$1,422,273	$5,555,233
Operating income	42,289	62,044	40,457	40,363	185,153
Net income attributable to CH2M HILL	23,558	40,367	26,328	23,044	113,297
Net income per common share					
Basic	$0.77	$1.31	$0.85	$0.74	$3.68
Diluted	$0.75	$1.29	$0.84	$0.73	$3.60
2010					
Revenue	$1,235,579	$1,341,088	$1,399,063	$1,447,071	$5,422,801
Operating income	26,859	62,016	46,362	39,526	174,763
Net income attributable to CH2M HILL	14,332	31,732	25,293	22,338	93,695
Net income per common share					
Basic	$0.45	$1.00	$0.81	$0.71	$2.98
Diluted	$0.44	$0.98	$0.79	$0.69	$2.91

Segment Information (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Segment information											
Revenue from external customers	$ 1,422,273	$ 1,504,294	$ 1,360,571	$ 1,268,095	$ 1,447,071	$ 1,399,063	$ 1,341,088	$ 1,235,579	$ 5,555,233	$ 5,422,801	$ 5,499,318
Equity in earnings of joint ventures and affiliated companies									64,477	68,513	65,539
Depreciation and amortization									48,215	62,311	80,889
Operating income (loss)	40,363	40,457	62,044	42,289	39,526	46,362	62,016	26,859	185,153	174,763	174,531
Segment assets	2,694,855				1,967,080				2,694,855	1,967,080	1,948,022
Goodwill	503,289				130,354				503,289	130,354	130,354
Government, Environment and Nuclear											
Segment information											
Revenue from external customers									2,191,243	2,218,368	1,931,093
Equity in earnings of joint ventures and affiliated companies									35,809	35,116	30,635
Depreciation and amortization									6,161	5,414	6,105
Operating income (loss)									78,970	94,840	93,985
Segment assets	1,664,084				936,526				1,664,084	936,526	804,885
Facilities and Infrastructure											
Segment information											
Revenue from external customers									1,372,125	1,224,579	1,243,516
Equity in earnings of joint ventures and affiliated companies									20,905	22,861	21,367
Depreciation and amortization									6,868	5,247	6,211
Operating income (loss)									65,523	34,137	28,576
Segment assets	504,205				358,477				504,205	358,477	427,355
Goodwill	384,766				11,831				384,766	11,831	11,831
Energy and Water											
Segment information											
Revenue from external customers									1,991,865	1,979,854	2,324,709
Equity in earnings of joint ventures and affiliated companies									7,763	10,536	13,537
Depreciation and amortization									35,186	51,650	68,573
Operating income (loss)									62,119	58,818	65,264
Segment assets	526,566				672,077				526,566	672,077	715,782
Goodwill	118,523				118,523				118,523	118,523	118,523
Other											
Segment information											
Operating income (loss)									$ (21,459)	$ (13,032)	$ (13,294)

Summary of Business and Significant Accounting Policies	12 Months Ended Dec. 31, 2011
Summary of Business and Significant Accounting Policies	
Summary of Business and Significant Accounting Policies	

(1) Summary of Business and Significant Accounting Policies

Summary of Business

CH2M HILL Companies, Ltd. and subsidiaries ("We", "CH2M HILL" or the "Company") is a project delivery firm founded in 1946. We are a large employee-controlled professional engineering services firm providing engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction ("EPC"), operations and maintenance, program management and technical services to U.S. federal, state, municipal and local government agencies, national governments, as well as private industry and utilities, around the world. A substantial portion of our professional fees are derived from projects that are funded directly or indirectly by government entities.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow"). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure and buildings. Halcrow's 6,000 employees provide services to its clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. See Note 6 for further details.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of CH2M HILL and all of its wholly owned subsidiaries after elimination of all intercompany accounts and transactions. Partially owned affiliates and joint ventures are evaluated for consolidation. The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates.

Capital Structure

Our Company has authorized 100,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of Class A preferred stock, par value $0.01 per share. The bylaws and articles of incorporation provide for the imposition of certain restrictions on the stock including, but not limited to, the right but not the obligation to repurchase shares upon termination of employment or affiliation, the right of first refusal and ownership limits.

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars as of each balance sheet date. Translation gains and losses related to permanent investments in foreign subsidiaries are reflected in stockholders' equity as part of accumulated other comprehensive loss. Revenues and expenses are translated at the average exchange rate for the period and included in the consolidated statements of income. Foreign currency transaction gains and losses are recognized as incurred in the consolidated statements of income.

Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the day the financial statements were issued.

Revenue Recognition

We earn revenue from different types of contracts, including cost-plus, fixed-price and time-and-materials. We evaluate contractual arrangements to determine how to recognize revenue. We primarily perform engineering and construction related services and recognize revenue for these contracts on the percentage-of-completion method where progress towards completion is measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. In making such estimates, judgments are required to evaluate potential variances in schedule, the cost of materials and labor, productivity, liability claims, contract disputes, and achievement of contract performance standards.

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable. Losses on construction and engineering contracts in process are recognized in their entirety when the loss becomes evident and the amount of loss can be reasonably estimated.

Performance incentive and award fee arrangements are included in total estimated contract revenue upon the achievement of some measure of contract performance in relation to agreed-upon targets. We adjust our project revenue estimate by the probable amounts of these performance incentives and award fee arrangements we expect to earn if we achieve the agreed-upon criteria.

We also perform operations and maintenance services. Revenue is recognized on operations and maintenance contracts on a straight-line basis over the life of the contract once we have an arrangement, service has begun, the price is fixed or determinable and collectability is reasonably assured.

Unbilled Revenue and Billings in Excess of Revenue

Unbilled revenue represents the excess of contract revenue recognized over billings to date on contracts in process. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of revenue represent the excess of billings to date, per the contract terms, over revenue recognized on contracts in process.

Allowance for Uncollectible Accounts Receivable

We reduce accounts receivable by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance for uncollectible amounts based on their judgments in evaluating the aging of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We use a three-tier valuation hierarchy based upon observable and non-observable inputs to value our assets and liabilities. The three levels are as follows: Level 1, unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date; Level 2, significant other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly; and Level 3, significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. There were no significant transfers between levels during the year ended December 31, 2011.

Income Taxes

We account for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax effects of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, we generally consider all expected future events other than enactment of changes in the tax laws or rates. Deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized. Annually, we determine the amount of undistributed foreign earnings invested indefinitely in our foreign operations. Deferred taxes are not provided on those earnings. In addition, the calculation of tax assets and liabilities involves uncertainties in the application of complex tax regulations. For income tax benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. We record reserves for uncertain tax positions that do not meet this criteria.

Cash and Cash Equivalents

We maintain a cash management system which provides for cash sufficient to pay checks as they are submitted for payment and we invest cash in excess of this amount in interest-bearing short-term investments such as certificates of deposit and commercial paper. Investments with original short-term maturities of less than three months are considered cash equivalents in the consolidated balance sheets and statements of cash flows. In addition, cash and cash equivalents on our consolidated balance sheets include cash held within our consolidated joint venture entities which is used for operating activities of those joint ventures. As of December 31, 2011 and 2010, cash and cash equivalents held in our consolidated joint ventures and reflected on the consolidated balance sheets totaled $32.3 million and $60.3 million, respectively.

Available-for-Sale Securities

Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in accumulated other comprehensive loss, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. The fair value of available-for-sale securities is estimated using Level 1 inputs.

Property, Plant and Equipment

All additions, including betterments to existing facilities, are recorded at cost. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in operating income in the year of disposition.

Depreciation for owned property is based on the estimated useful lives of the assets using the straight-line method for financial statement purposes. Useful lives for buildings range from 12 to 20 years. Furniture, fixtures, computers, software and other equipment are depreciated over their useful lives from 3 to 10 years. Leasehold improvements are depreciated over the shorter of their estimated useful life or the remaining term of the associated lease up to 12 years.

Other Long-Lived Assets

We may acquire goodwill or other intangible assets in business combinations. Intangible assets are stated at fair value as of the date acquired in a business combination. We amortize intangible assets with finite lives on a straight-line basis over their expected useful lives, currently up to seven years. For those intangible assets with no legal, regulatory, contractual or other factors that would reasonably limit the useful life of the intangible asset, such as goodwill or certain tradenames, management has determined that the life is indefinite and therefore, they are not amortized.

We review our finite-lived intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Assets which are held and used in operations are considered impaired if the undiscounted future cash flows from the asset do not exceed the net book value. If impaired, the assets are written down to their estimated fair value. We generally measure fair value by considering sale prices for similar assets or by discounting estimated future cash flows from the asset group using an appropriate discount rate.

Goodwill and intangible assets with indefinite lives are tested for impairment on an annual basis, or on an interim basis if events or circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment charge is recognized for any amount by which the carrying amount of goodwill or intangible assets with indefinite lives exceeds their fair value. Management performs its impairment tests of goodwill at the reporting unit level, which is one level below the operating segments. Management's review of goodwill and the tradename indicated there was no impairment during the years ended December 31, 2011, 2010 and 2009.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments, benefit plan adjustments, and unrealized gains/losses on equity investments. These components are included in the consolidated statements of stockholders' equity and comprehensive income. Taxes are not provided on the foreign currency translation gains and losses as deferred taxes are not provided on the unremitted earnings of the foreign subsidiaries to which they relate.

The composition of accumulated other comprehensive loss consists of the following at December 31:

($ in thousands)	**2011**	**2010**

Foreign currency translation adjustments	$(1,736)	$13,449
Benefit plan adjustments, net of tax	(60,107)	(33,239)
Unrealized gain on equity investments, net of tax	988	1,022
	$(60,855)	$(18,768)

Derivative instruments

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. We are primarily subject to this risk on long term projects whereby the currency being paid by our client differs from the currency in which we incurred our costs, as well as, intercompany trade balances among entities with differing currencies. We do not enter into derivative transactions for speculative or trading purposes. All derivatives are carried at fair value on the consolidated balance sheets in other receivables or other accrued liabilities as applicable. The periodic change in the fair value of the derivative instruments is recognized in earnings.

Concentrations of Credit Risk

Financial instruments which potentially subject our company to concentrations of credit risk consist principally of cash and cash equivalents, short term investments and trade receivables. Our cash is primarily held with major banks and financial institutions throughout the world and typically is insured up to a set amount. Accordingly, we believe the risk of any potential loss on deposits held in these institutions is minimal. Concentrations of credit risk relative to trade receivables are limited due to our diverse client base, which includes the U.S. federal government, various states and municipalities, foreign government agencies, and a variety of U.S. and foreign corporations operating in a broad range of industries and geographic areas.

Contracts with the U.S. federal government and its prime contractors usually contain standard provisions for permitting the government to modify, curtail or terminate the contract for convenience of the government or such prime contractors if program requirements or budgetary constraints change. Upon such a termination, we are generally entitled to recover costs incurred, settlement expenses and profit on work completed prior to termination.

Recently Adopted Accounting Standards

In June 2009, the FASB issued Accounting Standards Update (ASU) 2009-17, *Consolidations (Topic 810)—Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,* revising the existing guidance on the consolidation and disclosures of variable interest entities ("VIEs") which was codified in Accounting Standards Codification ("ASC") 810-10. Specifically, it changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting rights should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. The guidance also requires additional disclosures about a company's involvement with VIEs and requires an entity to continually assess any significant changes in risk exposure as well as an entity's assessment of the primary beneficiary of the entity. ASC 810-10 became effective for us beginning January 1, 2010. For further discussion of the effect of the adoption, see Note 3.

In January 2011, the FASB issued ASU 2011-06, *Fair Value Measurements and Disclosures (Topic 820)—Improving Disclosures about Fair Value Measurements*. ASU 2011-06 requires expanded fair value disclosures about transfers into and out of Levels 1 and 2 fair value measurements and clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. ASU 2011-06 was effective for us beginning January 1, 2011. The adoption of this accounting standard update did not have a material impact on our financial position, results of operations, cash flows and disclosures.

In September 2011, the FASB issued ASU 2011-09, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80)—Disclosures about an Employer's Participation in a Multiemployer Plan*. ASU 2011-09 creates greater transparency in financial reporting by requiring additional disclosures of an employer's participation in a multiemployer pension plans. ASU 2011-09 became effective for us on December 31, 2011. For further discussion, see Note 15.

In September 2011, the FASB issued ASU 2011-08, an amendment to Topic 350, *Intangibles—Goodwill and Other*, which simplifies how entities test goodwill for impairment. Previous guidance under Topic 350 required an entity to test goodwill for impairment using a two-step process on at least an annual basis. First, the fair value of a reporting unit was calculated and compared to its carrying amount, including goodwill. Second, if the fair value of a reporting unit was less than its carrying amount, the amount of impairment loss, if any, was required to be measured. Under the amendment, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads the entity to determine that it is more likely than not that its fair value is less than its carrying amount. If after assessing the totality of events or circumstances, an entity determines that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, then the two-step impairment test is unnecessary. If the entity concludes otherwise, then it is required to test goodwill for impairment under the two-step process as described under Topic 350. We adopted this standard in 2011.

Recently Issued Accounting Standards

In September 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, which changes the financial reporting of items reported in other comprehensive income ("OCI") by eliminating the option to present components of OCI as part of the statement of changes in stockholders' equity. The amendments in this standard require that all nonowner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments in this standard do not change the items that must be reported in OCI, when an item of OCI must be reclassified to net income, or change the option for an entity to present components of OCI gross or net of the effect of income taxes. The amendments in ASU 2011-05 are effective for our interim and annual periods beginning January 1, 2012 and are to be applied retrospectively.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*, which amends current guidance to result in common fair value measurement and disclosures between accounting principles generally accepted in the United States and International Financial Reporting Standards. The amendments explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuations standards or affect valuation practices outside of financial reporting. The amendments in ASU 2011-04 are effective for our interim and annual periods beginning January 1, 2012. The adoption of the provisions of ASU 2011-04 is not expected to have a material impact on our consolidated financial position or results of operations.

Consolidated Balance Sheets (Parenthetical) (USD $)	Dec. 31, 2011	Dec. 31, 2010
Consolidated Balance Sheets		
Preferred stock, par value (in dollars per share)	$ 0.01	$ 0.01
Preferred stock, shares authorized	50,000,000	50,000,000
Preferred stock, shares issued	0	0
Common stock, par value (in dollars per share)	$ 0.01	$ 0.01
Common stock, shares authorized	100,000,000	100,000,000
Common stock, shares issued	31,050,654	30,527,473
Common stock, shares outstanding	31,050,654	30,527,473

Operating Lease Obligations	12 Months Ended Dec. 31, 2011

Operating Lease Obligations

Operating Lease Obligations

(11) Operating Lease Obligations

We have entered into certain noncancellable leases, which are being accounted for as operating leases. At December 31, 2011, future minimum lease payments are as follows (in thousands):

Year Ending:	
2012	$117,106
2013	100,909
2014	81,809
2015	67,301
2016	54,065
Thereafter	96,620
	$517,810

Rental expense charged to operations, net of sublease income, was $121.5 million, $126.7 million and $138.9 million during the years ended December 31, 2011, 2010 and 2009, respectively, including amortization of a deferred gain of $4.3 million in the years ended December 31, 2011 and 2010, and 2009 related to the sale-leaseback of our corporate offices. Certain of our operating leases contain provisions for a specific rent-free period. We accrue rental expense during the rent-free period based on total expected rent payments to be made over the life of the related lease.

Document and Entity Information (USD $) In Billions, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Feb. 17, 2012	Jun. 30, 2011
Document and Entity Information			
Entity Registrant Name	CH2M HILL COMPANIES LTD		
Entity Central Index Key	0000777491		
Document Type	10-K		
Document Period End Date	Dec. 31, 2011		
Amendment Flag	false		
Current Fiscal Year End Date	--12-31		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Filer Category	Large Accelerated Filer		
Entity Public Float			$ 1.5
Entity Common Stock, Shares Outstanding		31,324,438	
Document Fiscal Year Focus	2011		
Document Fiscal Period Focus	FY		

Income Taxes

12 Months Ended Dec. 31, 2011

Income Taxes

Income Taxes

(12) Income Taxes

Income before provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2011	2010	2009
U.S. income	$146,721	$135,915	$143,190
Foreign income	22,506	11,584	6,972
Income before taxes	$169,227	$147,499	$150,162

The provision for income taxes for the years ended December 31 consists of the following:

($ in thousands)	2011	2010	2009
Current income tax expense:			
Federal	$55,576	$55,835	$49,035
Foreign	13,016	11,729	14,138
State and local	7,839	10,939	12,653
Total current income tax expense	76,431	78,503	75,826
Deferred income tax benefit:			
Federal	(17,619)	(17,280)	(23,291)
Foreign	(806)	(4,771)	(2,646)
State	(2,076)	(2,648)	(3,469)
Total deferred income tax benefit	(20,501)	(24,699)	(29,406)
Total income tax expense	$55,930	$53,804	$46,420

The reconciliations of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate for the years ended December 31 are as follows:

($ in thousands)	2011	2010	2009
Pretax income	$169,227	$147,499	$150,162
Federal statutory rate	35%	35%	35%
Expected tax expense	59,229	51,625	52,556
Reconciling items:			
State income taxes, net of federal benefit	6,402	5,640	7,763
Nondeductible meals and entertainment	2,466	3,082	3,035
Section 199—Domestic manufacturer deduction	(5,472)	(3,686)	(4,515)
Compensation	286	(1,804)	(6,114)
Subsidiary earnings	(6,126)	(5,358)	(7,520)
Permanent expenses, exclusions and credits	(3,462)	2,108	(6,660)
Foreign permanent expenses, taxes, credits and other	3,283	2,835	8,442
Other	(676)	(638)	(567)
Provision for income taxes	$55,930	$53,804	$46,420

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31 are as follows:

($ in thousands)	2011	2010
Deferred tax assets:		
Net foreign operating loss carryforwards	$45,690	$23,050
Deferred gain, insurance and other	32,878	24,758
Accrued employee benefits	264,516	180,055

Total deferred tax assets	343,084	227,863
Valuation allowance	(97,695)	(27,712)
Net deferred tax assets	245,389	200,151
Deferred tax liabilities:		
Investments in affiliates	13,685	2,871
Depreciation and amortization	33,591	22,354
Net deferred tax liabilities	47,276	25,225
Net deferred tax assets	$198,113	$174,926

A valuation allowance is required to be established for those deferred tax assets where it is more likely than not that they will not be realized. The above valuation allowances relate primarily to operating loss carryforwards from foreign operations and employee benefits of $460.0 million and $86.9 million for the years ended December 31, 2011 and 2010, respectively. The foreign net operating losses can be carried forward for varying terms depending on the foreign jurisdiction between three years and an unlimited carry forward period. As a result of the Halcrow acquisition, we recorded net deferred tax assets of $77.5 million, which have a full valuation allowance, as we believe it is not more likely than not that the tax benefit related to these assets will be realized in the foreseeable future.

Undistributed earnings of our foreign subsidiaries amounted to approximately $94.7 million at December 31, 2011. These earnings are considered to be permanently reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made. If these earnings were repatriated as of December 31, 2011, approximately $20.2 million of income tax expense would be incurred. Cash held in international accounts at December 31, 2011 and 2010 was $142.3 million and $129.7 million, respectively.

The tax benefit from stock-based compensation awards for the years ended December 31, 2011, 2010 and 2009 was $13.1 million, $15.0 million and $6.4 million, respectively. These amounts are reflected as additional paid-in capital in the consolidated statements of stockholders' equity and comprehensive income and are reported as financing activities in the consolidated statements of cash flows.

As of December 31, 2011 and 2010, we had $27.4 million and $18.3 million, respectively, recorded as a liability for uncertain tax positions and accrued interest. We recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2011 and 2010, we had approximately $2.6 million and $3.0 million, respectively, of accrued interest and penalties related to uncertain tax positions. A reconciliation of the beginning and ending amount of uncertain tax positions as of December 31, 2010 and December 31, 2011 is as follows (in thousands):

Balance at December 31, 2009	$23,752
Additions for current year tax positions	2,591
Additions for prior year tax positions	3,882
Reductions for prior year tax positions	(7,725)
Settlement with taxing authorities	(777)
Reductions as a result of lapse of applicable statue of expirations	(6,385)
Balance at December 31, 2010	$15,338
Balance at December 31, 2010	$15,338
Additions for current year tax positions	9,325
Additions for prior year tax positions	1,862
Reductions for prior year tax positions	(1,129)
Settlement with taxing authorities	—
Reductions as a result of lapse of applicable statue of expirations	(564)
Balance at December 31, 2011	$24,832

If recognized, the $24.8 million in uncertain tax positions would affect the effective tax rate. It is also possible that the reserve could change within twelve months of the reporting date related to the state research and experimentation credit as a result of tax authority settlement. The estimated range of unrecognized change is zero to $0.8 million at December 31, 2011.

We file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S. and Canada. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities in major tax jurisdictions for years before 2004.

Consolidated Statements of Income (USD $) In Thousands, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Gross revenue	$ 5,555,233	$ 5,422,801	$ 5,499,318
Equity in earnings of joint ventures and affiliated companies	64,477	68,513	65,539
Operating expenses:			
Direct cost of services and overhead	(4,487,584)	(4,426,352)	(4,478,884)
General and administrative	(946,973)	(890,199)	(969,677)
Gain on sale of operating assets			58,235
Operating income	185,153	174,763	174,531
Other income (expense):			
Interest income	534	1,372	1,474
Interest expense	(4,328)	(4,616)	(7,487)
Income before provision for income taxes	181,359	171,519	168,518
Provision for income taxes	(55,930)	(53,804)	(46,420)
Net income	125,429	117,715	122,098
Less: Income attributable to noncontrolling interests	(12,132)	(24,020)	(18,356)
Net income attributable to CH2M HILL	$ 113,297	$ 93,695	$ 103,742
Net income per common share:			
Basic (in dollars per share)	$ 3.68	$ 2.98	$ 3.25
Diluted (in dollars per share)	$ 3.60	$ 2.91	$ 3.18
Weighted average number of common shares:			
Basic (in shares)	30,823,954	31,458,126	31,907,861
Diluted (in shares)	31,427,823	32,163,093	32,598,509

Acquisitions	12 Months Ended Dec. 31, 2011
Acquisitions	
Acquisitions	

(6) Acquisitions

On July 29, 2011, we acquired Booz Allen Hamilton's State and Local Government Transportation and Consulting ("BAH") business. The purchase price was $28.5 million adjusted for working capital and other purchase price adjustments and was paid in cash. We have performed an analysis of the fair market value of the tangible assets and liabilities we assumed as well as any identifiable intangible assets purchased. Included in the intangible assets acquired is the estimated fair value of customer relationships of $8.8 million and contracted backlog of $1.2 million, with useful lives of seven and three years, respectively. In addition, we recorded $10.5 million in goodwill related to the acquisition. The results of operations for this acquisition are reported in the Facilities and Infrastructure (F&I) operating segment. These results are not considered material to our consolidated financial results in 2011.

On November 10, 2011, we purchased all the share capital of Halcrow Holdings Limited ("Halcrow") for approximately £124.0 million ($197.3 million). Halcrow is a United Kingdom-headquartered engineering, planning, design and management services firm specializing in developing infrastructure and buildings. Halcrow has 6,000 employees who provide services to its clients in the United Kingdom, Middle East, Canada, the United States, China, India, Australia, South America, and Europe. Halcrow's clients include public and private-sector clients around the world, including contractors, developers, operators, regulators, financial institutions, international funding agencies, local, regional and national governments, project consortia and asset owners. Approximately $114.3 million of revenue and $3.8 million of operating loss generated from Halcrow's operations have been reported in the consolidated financial statements since the date of acquisition and are reported in the F&I operating segment.

The purchase price was paid to the selling shareholders of Halcrow in the form of $41.7 million of cash, $18.8 million of common stock of CH2M HILL, based on the stock price on the closing date, and $136.8 million of notes payable ("Loan Notes"). The Loan Notes required that we place into escrow an amount equal to the face value of the notes at the date the notes were issued. In December 2011, the Loan Notes and the related restricted cash were transferred and assigned to an unrelated third party as full satisfaction of all liabilities and guarantees under the terms of the Loan Notes. As a result, the Loan Notes are no longer a liability of CH2M HILL as of December 31, 2011.

We performed an initial purchase price allocation for these acquisitions based on our current assessment and estimates of fair values; however, we are currently in the process of evaluating the fair values of certain assets acquired and liabilities assumed. We are completing the estimations of fair values of assets and liabilities assumed including valuations of intangible assets, work in progress and billings in excess of revenue, assessments of tax assets and liabilities, valuations of pension-related assets and liabilities, determinations of fair value of financial guarantees and other items that may affect the allocation of the purchase price. As such, the purchase price allocations below are preliminary and are subject to change as the procedures are completed.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed from Halcrow as of the purchase date:

($ in thousands)	
Current assets	$249,117
Property, plant and equipment	27,294
Intangible assets	114,100
Goodwill	375,807
Other long-term assets	8,493
Total assets acquired	774,811
Current liabilities	(180,124)
Debt	(80,874)
Pension liabilities	(293,819)
Other long-term liabilities	(22,736)

Total liabilities assumed	(577,553)
Net assets acquired	$197,258

Included in the intangible assets acquired is the preliminary calculation of fair value for customer relationships, contracted backlog and the tradename valued at $85.7 million, $17.3 million and $11.1 million, respectively. Customer relationships, contracted backlog and the tradename will be amortized over their useful lives of six, four and seven years, respectively.

The following unaudited pro forma combined financial information is presented as if CH2M HILL and Halcrow had been combined as of the beginning of the periods presented. This information is presented for illustrative purposes only and is not necessarily indicative of the results that would have been realized had the entities operated as a combined entity during the periods presented.

The proforma results of operations as if the acquisition occurred on January 1 for the years ended December 31 are as follows:

($ in thousands)	2011	2010
	(unaudited)	(unaudited)
Revenue	$6,084,034	$6,150,342
Net income	$30,417	$87,777
Basic earnings per share	$0.99	$2.79
Diluted earnings per share	$0.97	$2.73

Employee Benefit Plan Assets	12 Months Ended Dec. 31, 2011
Employee Benefit Plan Assets	
Employee Benefit Plan Assets	**(5) Employee Benefit Plan Assets** We have investments that support deferred compensation arrangements and other employee benefit plans. These assets are recorded at fair market value primarily using Level 2 inputs. As of December 31, 2011 and 2010, the fair market value of these assets was $53.0 million and $47.0 million, respectively, and are included in employee benefit plan assets and other on the consolidated balance sheets.

Commitments and Contingencies	12 Months Ended Dec. 31, 2011

Commitments and Contingencies

Commitments and Contingencies

(17) Commitments and Contingencies

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in our engineering and construction contracts. Letters of credit are provided to clients in the ordinary course of the contracting business in lieu of retention or for performance and completion guarantees on engineering and construction contracts. We also post surety bonds, which are contractual agreements issued by a surety, for the purpose of guaranteeing our performance on contracts. Bid bonds are also issued by a surety to protect owners and are subject to full or partial forfeiture for failure to perform obligations arising from a successful bid.

Commercial commitments outstanding as of December 31, 2011 are summarized below:

	Amount of Commitment Expiration Per Period				
($ in thousands)	Less than 1 Year	1-3 Years	4-5 Years	Over 5 Years	Total Amount Committed
Letters of credit	$71.6	$18.3	$0.7	$—	$90.6
Bank guarantees	15.7	9.0	6.0	17.0	47.7
Surety and bid bonds	894.5	628.0	34.4	—	1,556.9
Total	$981.8	$655.3	$41.1	$17.0	$1,695.2

In connection with the acquisition of VECO, the purchase agreement established a holdback contingency of $70.0 million for tax indemnifications and the potential future payment of certain contingencies that may arise after the date of acquisition. Since the date of acquisition, we have made distributions to the sellers of VECO and paid expenses on their behalf which were deemed distributions of the holdback contingency. Upon resolution of the remaining outstanding items, we will likely incur costs which will be paid out of the holdback funds with any remaining amount being remitted to the sellers of VECO. Additionally, under the terms of the BAH acquisition agreement, we held back $2.9 million of the purchase price, for the payment and discharge of any indemnification claims payable as a result of inaccuracies or breach of representations or warrants made by BAH as defined under the terms of the purchase agreement. The holdback contingency is payable to BAH, 50% on the one year anniversary of the closing and the remainder at the eighteen month anniversary. Interest accrues on the outstanding balance at the rate stated in the purchase agreement. At December 31, 2011 and 2010, the outstanding balance payable under the holdback contingencies was $41.3 million and $46.7 million, respectively.

We are party to various contractual guarantees and legal actions arising in the normal course of business. Because a large portion of our business comes from the U.S. federal government and various federal agencies, state and municipal sources, the company's procurement and certain other practices at times are subject to review and investigation by U.S. and state attorneys offices. Such state and U.S. federal government investigations, whether relating to government contracts or conducted for other reasons, could result in administrative, civil or criminal liabilities, including repayments, fines or penalties or could lead to suspension or debarment from future U.S. federal government contracting. These investigations often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending any such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, our management believes that proceedings and legal actions currently pending would not result in a material adverse effect on the company's results of operations or financial condition even if the final outcome is adverse to us.

Many claims that are currently pending against us are covered by our professional liability insurance. Management estimates that the levels of insurance coverage (after retentions and deductibles) are generally adequate to cover CH2M HILL's liabilities, if any, with regard to such claims. Any amounts that are probable of payment by the company are accrued when such amounts are estimable. As of December 31, 2011 and 2010, accruals for potential estimated claim liabilities were $34.1 million and $28.9 million, respectively.

In April of 2010, we were notified that the U.S. Attorney's Office for the Eastern District of Washington is investigating overtime practices in connection with the U.S. Department of Energy Hanford tank farms management contract which we transitioned to another contractor in 2008. As part of its investigation, the U.S. Attorney's Office raised the possibility of civil and/or criminal charges for possible violations arising from our overtime practices on this project. We are fully cooperating with the investigation and will continue to work to resolve this matter. In addition, two former CH2M HILL Hanford employees pleaded guilty in United States District Court on a felony charge related to time card falsification. We have reasons to believe that these pleas are related to the investigation. At this time we do not believe that a loss in excess of the amount accrued would have a material impact on our consolidated financial statements.

In connection with the Halcrow acquisition, we assumed a lease obligation for office space which was entered into by a Halcrow subsidiary in 1981 and was previously occupied and used as one of their primary office locations. However, Halcrow subsequently vacated the space and, at the date of acquisition, had no involvement with the property and was not using any portion of the building. The lease requires Halcrow to continue to make lease payments until 2080 with clauses that require the rent to escalate with market conditions. We are currently attempting to obtain a third party determination of the fair value of this lease obligation in order to complete the purchase accounting for the Halcrow acquisition.

Earnings Per Share	12 Months Ended Dec. 31, 2011

Earnings Per Share

Earnings Per Share

(13) Earnings Per Share

Basic earnings per share ("EPS") excludes the dilutive effect of common stock equivalents and is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted EPS includes the dilutive effect of common stock equivalents, which consists of stock options, and is computed using the weighted-average number of common shares and common stock equivalents outstanding during the period.

Reconciliations of basic and diluted EPS for the years ended December 31 are as follows:

($ in thousands)	2011	2010	2009
Numerator:			
Net income attributable to CH2M HILL	$113,297	$93,695	$103,742
Denominator:			
Basic weighted-average common shares outstanding	30,824	31,458	31,908
Dilutive effect of common stock equivalents	604	705	691
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents	31,428	32,163	32,599
Basic net income per common share	$3.68	$2.98	$3.25
Diluted net income per common share	$3.60	$2.91	$3.18

Fair Value of Financial Instruments	12 Months Ended Dec. 31, 2011
Fair Value of Financial Instruments	
Fair Value of Financial Instruments	

(9) Fair Value of Financial Instruments

Cash and cash equivalents, receivables, unbilled revenue, accounts payable and billings in excess of revenue are carried at cost, which approximates fair value due to their short maturities. Fair value of long-term debt, including the current portion, is estimated based on Level 2 inputs, except the amount outstanding on the revolving credit facility for which the carrying value approximates fair value. Fair value is determined by discounting future cash flows using interest rates available for issues with similar terms and average maturities.

The estimated fair values of our financial instruments where carrying values do not approximate fair value are as follows:

	2011		2010	
($ in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage notes payable	$13,750	$12,207	$15,253	$12,403
Equipment financing	13,764	12,923	22,227	21,439
Stockholder notes payable	294	272	141	98

The fair value of marketable securities classified as available-for-sale, which totaled $2.4 million at both December 31, 2011 and December 31, 2010, were valued based on Level 1 inputs whereby a readily determinable market value exists for the specific asset.

We primarily enter into derivative financial instruments to mitigate exposures to changing foreign currency exchange rates. These currency derivative instruments are carried on the balance sheet at fair value and are based upon Level 2 inputs including third party quotes. As of December 31, 2011, we had forward foreign exchange contracts on major world currencies with varying durations, none of which extend beyond five years. At December 31, 2011, we recorded derivative assets and liabilities of $6.7 million and $6.6 million, respectively.

Earnings Per Share (Details) (USD $) In Thousands, except Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2010	Jun. 30, 2010	Mar. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Numerator:											
Net income attributable to CH2M HILL (in dollars)	$ 23,044	$ 26,328	$ 40,367	$ 23,558	$ 22,338	$ 25,293	$ 31,732	$ 14,332	$ 113,297	$ 93,695	$ 103,742
Denominator:											
Basic weighted-average common shares outstanding									30,823,954	31,458,126	31,907,861
Dilutive effect of common stock equivalents (in shares)									604,000	705,000	691,000
Diluted adjusted weighted-average common shares outstanding, assuming conversion of common stock equivalents									31,427,823	32,163,093	32,598,509
Basic net income per common share (in dollars per share)	$ 0.74	$ 0.85	$ 1.31	$ 0.77	$ 0.71	$ 0.81	$ 1.00	$ 0.45	$ 3.68	$ 2.98	$ 3.25
Diluted net income per common share (in dollars per share)	$ 0.73	$ 0.84	$ 1.29	$ 0.75	$ 0.69	$ 0.79	$ 0.98	$ 0.44	$ 3.60	$ 2.91	$ 3.18

Sale of Operating Assets	12 Months Ended Dec. 31, 2011
Sale of Operating Assets	
Sale of Operating Assets	**(7) Sale of Operating Assets** In September 2009, we completed the sale of certain assets and liabilities of our Enterprise Management Solutions ("EMS") business. The selling price was $86.6 million, net of amounts due for estimated working capital adjustments of $13.5 million. We recorded a pre-tax gain of $58.2 million during 2009. The results of operations for EMS prior to disposition were recorded in the F&I operating segment. As part of the EMS sale, our company and the purchasers entered into a preferred provider agreement whereby we guaranteed an annual volume of revenues of $42.5 million to be provided to the purchasers for each of the five years through September 2014. To the extent we do not reach this volume of revenues, we must compensate the purchasers. During the year ended December 31, 2011, we did not meet our minimum revenue targets outlined under the agreement and, as a result, we accrued $2.6 million as compensation to the purchasers. The agreement allows for us to recoup this amount if we exceed the revenue targets in future years.

Goodwill and Intangible Assets	12 Months Ended Dec. 31, 2011

Goodwill and Intangible Assets

Goodwill and Intangible Assets

(8) Goodwill and Intangible Assets

The following table presents the changes in goodwill during the years ended December 31:

($ in thousands)	2011	2010
Balance at beginning of year	$130,354	$130,354
Acquisitions	386,267	—
Foreign currency translation	(13,332)	—
Balance at end of year	$503,289	$130,354

We also own a tradename valued at $20.3 million at December 31, 2011 and 2010, which is not subject to amortization.

Intangible assets with finite lives consist of the following:

($ in thousands)	Cost	Accumulated Amortization	Net finite-lived intangible assets
December 31, 2011			
Contracted backlog	$78,071	$(59,737)	$18,334
Customer relationships	147,450	(37,433)	110,017
Tradename	11,145	(45)	11,100
Non-compete agreements and other	902	(902)	—
Total finite-lived intangible assets	$237,568	$(98,117)	$139,451
December 31, 2010			
Contracted backlog	$58,871	$(58,871)	$—
Customer relationships	57,922	(27,200)	30,722
Non-compete agreements and other	902	(902)	—
Total finite-lived intangible assets	$117,695	$(86,973)	$30,722

All intangible assets are being amortized over their expected lives up to seven years. The amortization expense reflected in the consolidated statements of income totaled $11.1 million, $10.2 million and $27.4 million for the years ended December 31, 2011, 2010 and 2009, respectively. These intangible assets are expected to be fully amortized in 2018. At December 31, 2011, the future estimated amortization expense related to these intangible assets is (in thousands):

Year Ending:	
2012	$29,478
2013	29,478
2014	26,935
2015	20,104
2016	16,304
Thereafter	17,152
	$139,451

Line of Credit and Long-term Debt	12 Months Ended Dec. 31, 2011

Line of Credit and Long-term Debt

Line of Credit and Long-term Debt

(10) Line of Credit and Long-Term Debt

On December 6, 2010, we entered into a Credit Agreement providing for an unsecured revolving Credit Facility (the "Credit Facility") in an amount up to $600.0 million. Subject to certain conditions, at any time prior to the date that is thirty days before the maturity date of the Credit Agreement, we will be able to invite existing and new lenders to increase the size of the revolving credit facility by up to $100.0 million, for a maximum aggregate revolving credit facility of $700.0 million. The revolving credit facility has a subfacility for the issuance of standby letters of credit in a face amount up to $300.0 million and a subfacility up to $300.0 million for multicurrency borrowings. Revolving loans under the Credit Facility bear interest, at our option, at a rate equal to either (i) the base rate plus a margin based on our consolidated leverage ratio or (ii) the LIBOR rate, based on interest periods of one, two, three or six months, plus a margin based on our consolidated leverage ratio. The base rate is equal to the greater of (i) the Federal Funds Rate, as published from time to time by the Federal Reserve Bank of New York, plus 0.5%, (ii) the lender's prime rate in effect from time to time, or (iii) the one-month LIBOR rate in effect from time to time, plus 1.0%. Our consolidated leverage ratio on any date is the ratio of our consolidated total funded debt to our consolidated earnings before interest, taxes, depreciation and amortization for the preceding four fiscal quarters. At December 31, 2011, we had $65.0 million in outstanding borrowings on the Credit Facility. The rate of interest charged on that balance was 1.81% as of December 31, 2011. Issued and outstanding letters of credit of $90.6 million were reserved against the borrowing base of the Credit Facility at December 31, 2011. This credit facility will expire on December 6, 2015. The remaining available borrowing capacity under this Credit Facility is $444.4 million at December 31, 2011.

The Credit Agreement contains customary representations and warranties and conditions to borrowing. It also includes customary affirmative and negative covenants, including covenants that limit or restrict our company and its subsidiaries' ability to incur indebtedness and other obligations, grant liens to secure their obligations, make investments, merge or consolidate, dispose of assets, enter into transactions with affiliates, and make certain kinds of payments, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to comply with a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. We entered into an amendment to the Credit Agreement on September 27, 2011 which provides for modifications to certain covenants and other provisions of the Credit Agreement to take into account the acquisition of Halcrow. As of December 31, 2011, we were in compliance with the covenants required by the Credit Agreement. There can be no assurance that the capacity under this facility will be adequate to fund future operations or acquisitions we may pursue from time to time.

Our nonrecourse and other long-term debt, as of December 31 consist of the following:

($ in thousands)	2011	2010
Nonrecourse:		
Mortgage payable in monthly installments to July 2020, secured by real estate, rents and leases. The note bears interest at 5.35%	$11,429	$12,430
Mortgage payable in monthly installments to December 2015, secured by real estate. The note bears interest at 6.59%	2,321	2,823
	13,750	15,253
Other:		
Revolving credit facility	$65,000	$—

Equipment financing, due in monthly installments to December 2015, secured by equipment. These notes bear interest ranging from 4.00% to 8.00%	13,764	22,227
Stockholder notes payable	294	141
Total debt	92,808	37,621
Less current portion of debt	11,334	13,934
Total long-term portion of debt	$81,474	$23,687

At December 31, 2011, future principal payments on long-term debt are as follows (in thousands):

Year Ending:	
2012	$11,334
2013	3,413
2014	3,266
2015	67,957
2016	1,311
Thereafter	5,527
	$92,808

Employee Retirement Plans (Details 2) (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
U.S. Pension Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.30%	5.80%	
Rate of compensation increase (as a percent)	3.00%	3.00%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	$ 187,595	$ 184,716	
Service costs	3,666	5,579	4,691
Interest costs	10,585	10,692	9,870
Actuarial loss	12,313	2,613	
Plan amendments		(9,610)	
Benefits paid	(8,409)	(6,395)	
Benefit obligation at end of year	205,750	187,595	184,716
Change in plan assets for the pension plans			
Plan assets at beginning of year	138,692	122,588	
Actual return on plan assets	(1,172)	14,426	
Company contributions	12,380	8,073	
Benefits paid	(8,409)	(6,395)	
Fair value of plan assets at end of year	141,491	138,692	122,588
Target Allocation			
Equity securities (as a percent)	60.00%		
Debt securities (as a percent)	40.00%		
Total (as a percent)	100.00%		
Weighted average asset actual allocations for the benefit plans			
Equity securities (as a percent)	52.00%	54.00%	
Debt securities (as a percent)	47.00%	45.00%	
Other (as a percent)	1.00%	1.00%	
Total (as a percent)	100.00%	100.00%	
Non-U.S. Pension Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	4.94%		
Rate of compensation increase (as a percent)	4.10%		
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Service costs	320		
Interest costs	5,969		
Actuarial loss	21,060		
Currency translation	(34,494)		
Benefits paid	(3,262)		

Liabilities assumed from the Halcrow acquisition and other	936,760		
Benefit obligation at end of year	926,353		
Change in plan assets for the pension plans			
Actual return on plan assets	10,371		
Company contributions	2,279		
Currency translation	(23,745)		
Benefits paid	(3,262)		
Assets obtained from the Halcrow acquisition and other	638,329		
Fair value of plan assets at end of year	623,972		
Weighted average asset actual allocations for the benefit plans			
Equity securities (as a percent)	45.00%		
Debt securities (as a percent)	45.00%		
Other (as a percent)	10.00%		
Total (as a percent)	100.00%		
Non-U.S. Pension Plans | Minimum			
Target Allocation			
Target allocation period (in years)	5		
Non-U.S. Pension Plans | Maximum			
Target Allocation			
Target allocation period (in years)	10		
Non-Qualified Pension Plan			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.30%	5.80%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	628	651	
Interest costs	34	36	38
Actuarial loss	214	32	
Benefits paid	(106)	(91)	
Benefit obligation at end of year	770	628	651
Postretirement Benefit Plans			
Actuarial assumptions used to compute the benefit obligations			
Discount rate (as a percent)	5.30%	5.80%	
Summarizes the change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans			
Benefit obligation at beginning of year	44,980	40,281	
Service costs	1,971	2,878	3,327
Interest costs	2,519	2,340	2,181
Plan contributions	1,404	1,272	
Actuarial loss	(680)	1,388	
Benefits paid	(3,373)	(3,179)	
Benefit obligation at end of year	$ 46,821	$ 44,980	$ 40,281

Employee Retirement Plans (Details 4) (USD $) In Thousands, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Pension Plans			
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Number of fixed income funds	2		
U.S. Pension Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	$ 205,750	$ 187,595	$ 184,716
Accumulated benefit obligation	200,735	182,065	
Fair value of employee benefit plan assets	141,491	138,692	122,588
Underfunded status	(64,259)	(48,903)	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	74,245	53,848	
Net prior service cost (credits)	(8,662)	(9,446)	
Total	65,583	44,402	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)	5,546	3,550	
Net prior service cost	(781)	(783)	
Total	4,765	2,767	
Additional information:			
Accumulated benefit obligation	200,735	182,065	
Non-U.S. Pension Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	926,353		
Accumulated benefit obligation	922,497		
Fair value of employee benefit plan assets	623,972		
Underfunded status	(302,381)		
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	14,837		
Total	14,837		
Additional information:			
Accumulated benefit obligation	922,497		
Non-Qualified Pension Plan			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	770	628	651

Underfunded status	(770)	(628)	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	365	163	
Total	365	163	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)	36	13	
Total	36	13	
Postretirement Benefit Plans			
Funded status of the pension, non-qualified pension and post-retirement benefit plans			
Projected benefit obligation	46,821	44,980	40,281
Accumulated benefit obligation	46,821	44,980	
Underfunded status	(46,821)	(44,980)	
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	4,213	4,943	
Net prior service cost (credits)	285	638	
Transition obligation	100	449	
Total	4,598	6,030	
Amounts to be recognized in next fiscal year as a component of net periodic cost:			
Net actuarial loss (gain)		50	
Transition obligation	100	349	
Net prior service cost	341	353	
Total	441	752	
Additional information:			
Accumulated benefit obligation	$ 46,821	$ 44,980	

Employee Retirement Plans (Details) (USD $)	12 Months Ended		
	Dec. 31, 2011 Y M hour	Dec. 31, 2010	Dec. 31, 2009
Employee Retirement Plans			
Completion period of service by an employee to be eligible to participate in 401 (k) Plan (in months)	12		
Minimum hours of completion of service by an employee to be eligible to participate in 401 (k) Plan	1,000		
Employer contribution limit per calendar quarter to 401 (k) plan (as a percent of base compensation)	4.00%		
Percentage vested in the employee contribution account of 401 (k) Plan	100.00%		
Period of completed service over which employer contributions to participant's account of 401 (k) Plan vested (in years)	6		
Expense related to matching contribution for 401 (k) Plan	$ 24,800,000	$ 20,600,000	$ 25,400,000
Expenses related to defined contributions made in common stock for 401(k) Plan	20,000,000	16,600,000	12,700,000
Pension Plans | Minimum			
Pension and Other Postretirement Benefits			
Expected contribution to the benefit plan in next fiscal year	35,000,000		
Pension Plans | Maximum			
Pension and Other Postretirement Benefits			
Expected contribution to the benefit plan in next fiscal year	40,000,000		
U.S. Pension Plans			
Pension and Other Postretirement Benefits			
Number of noncontributory defined benefit pension plans	3		
Number of noncontributory defined benefit pension plans discontinued	2		
Number of noncontributory defined benefit pension plans remains active	1		
Expected future services paid from plan assets and operating cash flows			
2012	11,808,000		
2013	12,325,000		
2014	13,367,000		
2015	14,448,000		
2016	15,476,000		
2017-2021	85,135,000		
Total expected future benefit payments	152,559,000		
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	5.80%	5.90%	6.25%
Expected long-term rate of return on plan assets (as a percent)	7.50%	7.50%	8.00%
Rate of compensation increase (as a percent)	3.00%	4.00%	4.00%

Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	3,666,000	5,579,000	4,691,000
Interest costs	10,585,000	10,692,000	9,870,000
Expected return on plan assets	(10,462,000)	(9,149,000)	(8,262,000)
Amortization of prior service cost (credits)	(783,000)	92,000	87,000
Recognized net actuarial loss	3,549,000	4,058,000	4,382,000
Net expense included in current income	6,555,000	11,272,000	10,768,000
Non-U.S. Pension Plans			
Expected future services paid from plan assets and operating cash flows			
2012	39,967,000		
2013	38,707,000		
2014	39,503,000		
2015	39,984,000		
2016	41,274,000		
2017-2021	225,117,000		
Total expected future benefit payments	424,552,000		
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	320,000		
Interest costs	5,969,000		
Expected return on plan assets	(5,674,000)		
Net expense included in current income	615,000		
Non-Qualified Pension Plans			
Expected future services paid from plan assets and operating cash flows			
2012	100,000		
2013	93,000		
2014	87,000		
2015	81,000		
2016	75,000		
2017-2021	301,000		
Total expected future benefit payments	737,000		
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	5.80%	5.90%	6.25%
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Interest costs	34,000	36,000	38,000
Recognized net actuarial loss	12,000	9,000	3,000
Net expense included in current income	46,000	45,000	41,000
Postretirement Benefit Plans			
Pension and Other Postretirement Benefits			
Employee age required to participate in the plan (in years)	65		

Expected future services paid from plan assets and operating cash flows			
2012	2,467,000		
2013	2,707,000		
2014	3,019,000		
2015	3,322,000		
2016	3,637,000		
2017-2021	21,888,000		
Total expected future benefit payments	37,040,000		
Actuarial assumptions used to compute the net benefit expense			
Discount rate (as a percent)	5.80%	5.90%	6.25%
Initial healthcare costs trend rate (as a percent)			5.99%
Ultimate healthcare cost trend rate (as a percent)			4.50%
Year ultimate trend rate is reached			2011
Components of the pension benefit expense, non-qualified pension benefit expense and post-retirement benefit expense			
Service costs	1,971,000	2,878,000	3,327,000
Interest costs	2,519,000	2,340,000	2,181,000
Amortization of transition obligation	349,000	349,000	349,000
Amortization of prior service cost (credits)	354,000	354,000	387,000
Recognized gain due to curtailment			(1,052,000)
Recognized net actuarial loss	50,000	(3,000)	(1,000)
Net expense included in current income	5,243,000	5,918,000	5,191,000
Decrease in the accrued benefit obligation			2,800,000
Accelerated recognition of previously unrecognized loss			200,000
Accelerated recognition of previously unrecognized prior service cost			$ 1,500,000

Operating Lease Obligations (Tables)	12 Months Ended Dec. 31, 2011
Operating Lease Obligations	
Schedule of future minimum lease payments of noncancellable operating leases	

Year Ending:	
2012	$117,106
2013	100,909
2014	81,809
2015	67,301
2016	54,065
Thereafter	96,620
	$517,810

Sale of Operating Assets (Details) (USD $)	12 Months Ended Dec. 31, 2011 Y	Dec. 31, 2009	Sep. 30, 2009
Sale of Operating Assets			
Pre-tax gain		$ 58,235,000	
EMS			
Sale of Operating Assets			
Selling price of certain assets and liabilities			86,600,000
Estimated working capital adjustment			13,500,000
Pre-tax gain		58,200,000	
Guarantee to provide annual volume of revenue to purchasers each year	42,500,000		
Number of year guarantee to provide annual volume of revenue to purchasers	5		
Accrued compensation to the purchasers	$ 2,600,000		

Employee Retirement Plans	12 Months Ended Dec. 31, 2011

Employee Retirement Plans

Employee Retirement Plans

(15) Employee Retirement Plans

Retirement and Tax-Deferred Savings Plan

The Retirement and Tax-Deferred Savings Plan ("401(k) Plan") is a profit sharing plan that includes a cash or deferred arrangement that is intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. Employees are eligible to participate in the 401(k) Plan on the first date of hire with respect to employee contributions and matching contributions. Each eligible employee begins to participate in the 401(k) Plan with respect to defined contributions as of the first day of the first month that begins on or after the eligible employee completes a twelve-month period of service during which the employee is credited with at least 1,000 hours of service.

The 401(k) Plan allows for matching contributions to be made in both cash and stock. Matching contributions may be made in an amount that is based on a percentage of the employee's contributions for the calendar quarter up to 4% of the employee's base compensation. Participants of the 401(k) Plan are, at all times, 100% vested in the employee contribution account. Employer contributions allocated to a participant's account generally vest over six years of completed service. Expenses related to matching contributions for the 401(k) Plan for 2011, 2010 and 2009 were $24.8 million, $20.6 million and $25.4 million, respectively. In addition, expenses related to defined contributions made in common stock for the 401(k) Plan for 2011, 2010 and 2009 were $20.0 million, $16.6 million and $12.7 million, respectively.

Defined Benefit Plans

We sponsor several defined benefit pension plans primarily in the United States and the United Kingdom.

In the U.S., we have three noncontributory defined benefit pension plans. Plan benefits in two of the plans are frozen while one plan remains active. Effective December 31, 2010, the active plan was amended to change the calculation of future benefits. Benefits are generally based on years of service and compensation during the span of employment.

In the U.K., we assumed several defined benefit plans as part of our acquisition of Halcrow on November 10, 2011, including the Halcrow Pension Scheme, the Pension & Life Assurance Plan of Halcrow Fox & Associates Limited and a few smaller plans. These defined benefit plans have been closed to new entrants for many years. The information related to these plans is presented in the Non-U.S. Pension Plans columns of the tables below. We have completed preliminary actuarial valuations for these plans, however, our analysis is based on preliminary data received about the plans including plan participants. These estimates are subject to change during 2012.

Benefit Expense

The weighted average actuarial assumptions used to compute the net periodic pension expense are based upon information available as of the beginning of the year, as presented in the following table.

	U.S. Pension Plans		
	2011	2010	2009
Discount rate	5.80 %	5.90 %	6.25 %
Expected long-term rate of return on plan assets	7.50 %	7.50 %	8.00 %
Rate of compensation increase	3.00 %	4.00 %	4.00 %

The components of the net periodic pension expense for the years ended December 31 are detailed below:

	U.S. Pension Plans			Non-U.S. Pension Plans
($ in thousands)	2011	2010	2009	2011
Service cost	$3,666	$5,579	$4,691	$320
Interest cost	10,585	10,692	9,870	5,969

Expected return on plan assets	(10,462)	(9,149)	(8,262)	(5,674)
Amortization of prior service cost (credits)	(783)	92	87	—
Recognized net actuarial loss	3,549	4,058	4,382	—
Net expense included in current income	$6,555	$11,272	$10,768	$615

Benefit Obligations

The measurement date used for the U.S. and non-U.S. defined benefit pension plans is December 31. The significant actuarial weighted average assumptions used to compute the projected benefit obligations for the defined benefit pension plans at December 31, are as follows:

	U.S. Pension Plans		Non-U.S. Pension Plans
	2011	2010	2011
Discount rate	5.30 %	5.80 %	4.94 %
Rate of compensation increase	3.00 %	3.00 %	4.10 %

The discount rate assumption for the U.S. and U.K. defined benefit pension plans was determined using an actuarial bond model. The model assumes we purchase high quality, Aa-rated or better, corporate bonds such that the expected cash flow from the selected bond portfolio generally matches the timing of our projected benefit payments. The model develops the average yield on this portfolio of bonds as of the measurement date. This average yield is used as the discount rate.

The following table summarizes the change in the projected benefit obligation and plan assets for the defined benefit pension plans for the years ended December 31:

	U.S. Pension Plans		Non-U.S. Pension Plans
($ in thousands)	**2011**	**2010**	**2011**
Benefit obligation at beginning of year	$187,595	$184,716	$—
Service cost	3,666	5,579	320
Interest cost	10,585	10,692	5,969
Actuarial loss	12,313	2,613	21,060
Plan amendments	—	(9,610)	—
Currency translation	—	—	(34,494)
Benefits paid	(8,409)	(6,395)	(3,262)
Liabilities assumed from the Halcrow acquisition and other	—	—	936,760
Benefit obligation at end of year	$205,750	$187,595	$926,353
Plan assets at beginning of year	$138,692	$122,588	—
Actual return on plan assets	(1,172)	14,426	10,371
Company contributions	12,380	8,073	2,279
Currency translation	—	—	(23,745)
Benefits paid	(8,409)	(6,395)	(3,262)

Assets obtained from the Halcrow acquisition and other	—	—	638,329
Fair value of plan assets at end of year	$141,491	$138,692	$623,972

We expect to make contributions of approximately $35.0 million to $40.0 million to the defined benefit pension plans in 2012.

The expected benefit payments for the U.S. and non-U.S. defined benefit pension plans are as follows:

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2012	$11,808	$39,967
2013	12,325	38,707
2014	13,367	39,503
2015	14,448	39,984
2016	15,476	41,274
2017-2021	85,135	225,117
	$152,559	$424,552

Benefit Plan Assets

The target allocation for the U.S. pension plans and the weighted-average asset allocations for the defined benefit pension plans at December 31, 2011 and 2010 by asset category are set out below. For the non-U.S. pension plans, the targeted allocation of assets is generally related to the expected benefit payments over the next five to ten years. The target is to hold sufficient assets in fixed income securities to meet these cash flows. So as the benefit plan matures, an increasing proportion of plan assets will be held in fixed income securities.

	U.S. Pension Plans			Non-U.S. Pension Plans
	Target Allocation	2011	2010	2011
Equity securities	60 %	52 %	54 %	45 %
Debt securities	40 %	47 %	45 %	45 %
Other	—	1 %	1 %	10 %
Total	100 %	100 %	100 %	100 %

The investment philosophy for the defined benefit pension plans is primarily to have the asset values and long-term rates of return exceed those of the relative benchmarks in order to protect and pay the expected future benefit payments to participants. Asset allocation decisions are made in an attempt to construct a total portfolio that achieves the desired expected risk and return needed to meet long term liabilities of the plans. For non-U.S. plans, the asset allocation decisions are often made by an independent board of trustees. In order to accomplish the investment philosophy and strategy, the benefit plan trustees monitor the asset classes allowed for investment, the strategic mix targets, and allowable ranges of such.

Investments in domestic and international equity securities are utilized with the expectation that they will provide a higher rate of return than debt securities for periods in excess of five to ten years, albeit with greater risk. Investments in debt securities, such as government and corporate bonds of domestic and international entities, are utilized with the expectation that they are generally low in risk and can meet the shorter term cash flow needs of the plans.

We use long-term historical actual return experience with consideration of the expected investment mix of the plan assets, as well as future estimates of long-term investment returns to develop the expected rate of return assumptions used in calculating the net periodic pension cost.

The following tables summarize the fair values of our defined benefit pension plan assets by major asset category:

Non-U.S. Pension Plans

	Fair Value Measurement at December 31, 2011			
($ in thousands)	Total	Quoted Prices in	Significant Other	Significant Unobservable

		Active Markets (Level 1)	Observable Inputs (Level 2)	Inputs (Level 3)
Cash and cash equivalents	$26,204	$26,204	$—	$—
Equity funds	297,655	7,058	290,597	—
Fixed income securities	268,862	122,196	146,666	—
International property fund	31,251	—	31,251	—
Total	$623,972	$155,458	$468,514	$—

U.S. Pension Plans

	Fair Value Measurement at December 31, 2011			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$117	$117	$—	$—
Equity funds	74,448	—	74,448	—
Fixed income securities	66,926	—	66,926	—
Total	$141,491	$117	$141,374	$—

	Fair Value Measurement at December 31, 2010			
($ in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity funds	$75,562	$—	$75,562	$—
Fixed income securities	63,130		63,130	—
Total	$138,692	$—	$138,692	$—

Funded Status

The following table presents the underfunded status of the defined benefit pension plans at December 31:

	U.S. Pension Plans		Non-U.S. Pension Plans
($ in thousands)	2011	2010	2011
Projected benefit obligation	$205,750	$187,595	$926,353
Fair value of plan assets	141,491	138,692	623,972
Underfunded status	$(64,259)	$(48,903)	$(302,381)
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	$74,245	$53,848	$14,837
Net prior service cost (credits)	(8,662)	(9,446)	—
Total	$65,583	$44,402	$14,837

Amounts to be recognized in the following year as a component of net periodic pension expense:			
Net actuarial loss	$5,546	$3,550	—
Net prior service cost	(781)	(783)	—
Total	$4,765	$2,767	—
Additional information:			
Accumulated benefit obligation	$200,735	$182,065	$922,497

The liability for the underfunded status is included in long-term employee related liabilities on the consolidated balance sheets.

Other Postretirement Benefits

We sponsor a medical benefit plan for retired employees of certain subsidiaries. The plan is contributory, and retiree premiums are based on years of service at retirement. The benefits contain limitations and a cap on future cost increases. We fund postretirement medical benefits on a pay-as-you-go basis. Effective December 31, 2009, the plan was modified impacting the eligibility criteria, the cost, and the events of termination regarding the retiree medical coverage. Additionally, we have a frozen non-qualified pension plan that provides additional retirement benefits to certain senior executives that remained employed and retired from CH2M HILL on or after age 65.

The non-qualified pension and postretirement healthcare benefit payments, including expected future services, are expected to be paid from plan assets and operating cash flows as follows:

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2012	$100	$2,467
2013	93	2,707
2014	87	3,019
2015	81	3,322
2016	75	3,637
2017-2021	301	21,888
	$737	$37,040

Benefit Expense

The measurement date used for non-qualified pension and other postretirement benefit plans is December 31. The actuarial assumptions used to compute the non-qualified pension benefit expense and postretirement benefit expense are based upon information available as of the beginning of the year, as presented in the following table.

	Non-Qualified Pension Plan			Postretirement Benefit Plans		
	2011	2010	2009	2011	2010	2009
Actuarial assumptions at beginning of year:						
Discount rate	5.80 %	5.90 %	6.25 %	5.80 %	5.90 %	6.25 %
Initial healthcare costs trend rate	na	na	na	na	na	5.99 %
Ultimate healthcare cost trend rate	na	na	na	na	na	4.50 %
Year ultimate trend rate is reached	na	na	na	na	na	2011

na—not applicable

The components of the non-qualified pension benefit expense and postretirement benefit expense for the years ended December 31 are detailed below:

($ in thousands)	Non-Qualified Pension Plan 2011	2010	2009	Postretirement Benefit Plans 2011	2010	2009
Service cost	$—	$—	$—	$1,971	$2,878	$3,327
Interest cost	34	36	38	2,519	2,340	2,181
Amortization of transition obligation	—	—	—	349	349	349
Amortization of prior service costs	—	—	—	354	354	387
Recognized gain due to curtailment	—	—	—	—	—	(1,052)
Recognized net actuarial loss (gain)	12	9	3	50	(3)	(1)
Net expense included in current income	$46	$45	$41	$5,243	$5,918	$5,191

The gain recognized in 2009 due to the curtailment in the postretirement benefit plans represents a decrease in the accrued benefit obligation of $2.8 million, accelerated recognition of previously unrecognized loss of $0.2 million, and accelerated recognition of previously unrecognized prior service cost of $1.5 million.

The discount rate used to compute the benefit obligations for the non-qualified pension plan and postretirement benefit plans at December 31, 2011 and 2010 were 5.30% and 5.80%, respectively.

The discount rate assumptions are set annually based on several factors such as: a) the rates of return on high quality fixed income investments available and expected to be available during the period to maturity of the benefits and b) the duration of the plan liabilities is also compared to a portfolio of high quality corporate bonds appropriate to provide for the projected benefit payments of the plan.

The following table summarizes the change in benefit obligation and change in plan assets for the non-qualified pension and postretirement benefit plans for the years ended December 31:

($ in thousands)	Non-Qualified Pension Plan 2011	2010	Postretirement Benefit Plans 2011	2010
Benefit obligation at beginning of year	$628	$651	$44,980	$40,281
Service cost	—	—	1,971	2,878
Interest cost	34	36	2,519	2,340
Plan contributions	—	—	1,404	1,272
Actuarial loss (gain)	214	32	(680)	1,388
Benefits paid	(106)	(91)	(3,373)	(3,179)
Benefit obligation at end of year	$770	$628	$46,821	$44,980

We have instituted caps on the potential growth of our retiree healthcare costs. Based on expected costs for 2012, the retiree healthcare cost caps are expected to be reached in 2012 and apply in all future years. As healthcare costs continue to increase, these caps are intended to remain in force at current levels. As a result, a 1% change in the health care cost trends has no impact on the postretirement benefit obligation or costs.

Funded Status

The following table presents the underfunded status of the non-qualified pension and postretirement benefit plans at December 31:

($ in thousands)	Non-Qualified Pension Plan 2011	2010	Postretirement Benefit Plans 2011	2010
Projected benefit obligation	$770	$628	$—	$—
Accumulated benefit obligation	—	—	46,821	44,980
Underfunded status	$(770)	$(628)	$(46,821)	$(44,980)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$365	$163	$4,213	$4,943
Net prior service cost	—	—	285	638
Transition obligation	—	—	100	449
Total	$365	$163	$4,598	$6,030
Amounts to be recognized in the following year as a component of net periodic cost:				
Net actuarial loss	$36	$13	$—	$50
Transition obligation	—	—	100	349
Net prior service cost	—	—	341	353
Total	$36	$13	$441	$752

Multiemployer Plans

We participate in various multiemployer pension plans for certain employees represented by labor unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements, generally based on the number of hours worked. We made contributions to the various plans totaling approximately $4.3 million, $6.5 million and $11.8 million for the years ended December 31, 2011, 2010 and 2009, respectively.

We have employees who participate in benefit plans with the U.S. Department of Energy for which information is not provided because we are not responsible for the current or future funded status of those plans.

Summary of Business and Significant Accounting Policies (Tables)	12 Months Ended Dec. 31, 2011
Summary of Business and Significant Accounting Policies	
Schedule of accumulated other comprehensive loss	

($ in thousands)	2011	2010
Foreign currency translation adjustments	$(1,736)	$13,449
Benefit plan adjustments, net of tax	(60,107)	(33,239)
Unrealized gain on equity investments, net of tax	988	1,022
	$(60,855)	$(18,768)

Employee Benefit Plan Assets (Details) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Employee Benefit Plan Assets		
Fair value of employee benefit plan assets	$ 53.0	$ 47.0

Quarterly Financial Information (unaudited) (Tables)	**12 Months Ended**
	Dec. 31, 2011
Quarterly Financial Information (unaudited)	
Schedule of quarterly financial information	

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year Ended
2011					
Revenue	$1,268,095	$1,360,571	$1,504,294	$1,422,273	$5,555,233
Operating income	42,289	62,044	40,457	40,363	185,153
Net income attributable to CH2M HILL	23,558	40,367	26,328	23,044	113,297
Net income per common share					
Basic	$0.77	$1.31	$0.85	$0.74	$3.68
Diluted	$0.75	$1.29	$0.84	$0.73	$3.60
2010					
Revenue	$1,235,579	$1,341,088	$1,399,063	$1,447,071	$5,422,801
Operating income	26,859	62,016	46,362	39,526	174,763
Net income attributable to CH2M HILL	14,332	31,732	25,293	22,338	93,695
Net income per common share					
Basic	$0.45	$1.00	$0.81	$0.71	$2.98
Diluted	$0.44	$0.98	$0.79	$0.69	$2.91

Consolidated Statements of Stockholders' Equity and Comprehensive Income (USD $)	Total	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Comprehensive Income
Balance at Dec. 31, 2008	$ 386,749,000	$ 316,000	$ 9,947,000	$ 428,054,000	$ (54,086,000)	$ 2,518,000	
Balance (in shares) at Dec. 31, 2008		31,604,336					
Increase (Decrease) in Stockholders' Equity							
Net income	122,098,000			103,742,000		18,356,000	122,098,000
Other comprehensive income:							
Foreign currency translation adjustments	17,571,000				16,426,000	1,145,000	17,571,000
Benefit plan adjustments	3,925,000				3,925,000		3,925,000
Unrealized gain on equity investments	992,000				992,000		992,000
Comprehensive income	144,586,000						144,586,000
Distributions to affiliates, net	(9,380,000)					(9,380,000)	
Shares issued in connection with stock based compensation and employee benefit plans	81,584,000	20,000	81,564,000				
Shares issued in connection with stock based compensation and employee benefit plans (in shares)		1,973,413					
Shares purchased and retired	(78,730,000)	(22,000)	(78,708,000)				
Shares purchased and retired (in shares)		(2,203,794)					
Balance at Dec. 31, 2009	524,809,000	314,000	12,803,000	531,796,000	(32,743,000)	12,639,000	
Balance (in shares) at Dec. 31, 2009		31,373,955					
Increase (Decrease) in Stockholders' Equity							
Net income	117,715,000			93,695,000		24,020,000	117,715,000
Other comprehensive income:							
Foreign currency translation adjustments	4,178,000				3,831,000	347,000	4,178,000
Benefit plan adjustments	9,869,000				9,869,000		9,869,000
Unrealized gain on equity investments	275,000				275,000		275,000
Comprehensive income	132,037,000						132,037,000
Distributions to affiliates, net	(31,806,000)					(31,806,000)	
Impact of adoption of ASC 810, consolidation of previously unconsolidated VIEs	4,088,000					4,088,000	
Shares issued in connection with stock based compensation and employee benefit plans	43,794,000	18,000	43,776,000				
Shares issued in connection with stock based compensation		1,857,418					

and employee benefit plans (in shares)							
Shares purchased and retired	(118,754,000)	(27,000)	(56,579,000)	(62,148,000)			
Shares purchased and retired (in shares)		(2,703,900)					
Balance at Dec. 31, 2010	554,168,000	305,000		563,343,000	(18,768,000)	9,288,000	
Balance (in shares) at Dec. 31, 2010	30,527,473	30,527,473					
Increase (Decrease) in Stockholders' Equity							
Net income	125,429,000			113,297,000		12,132,000	125,429,000
Other comprehensive income:							
Foreign currency translation adjustments	(15,052,000)				(15,185,000)	133,000	(15,052,000)
Benefit plan adjustments	(26,868,000)				(26,868,000)		(26,868,000)
Unrealized gain on equity investments	(34,000)				(34,000)		(34,000)
Comprehensive income	83,475,000						83,475,000
Distributions to affiliates, net	(11,799,000)					(11,799,000)	
Shares issued in connection with stock based compensation and employee benefit plans	115,255,000	16,000	115,239,000				
Shares issued in connection with stock based compensation and employee benefit plans (in shares)		1,535,357					
Shares issued in connection with purchase of Halcrow Holdings, Ltd.	18,841,000	3,000	18,838,000				
Shares issued in connection with purchase of Halcrow Holdings, Ltd. (in shares)		342,379					
Shares purchased and retired	(93,627,000)	(13,000)	(134,077,000)	40,463,000			
Shares purchased and retired (in shares)		(1,354,555)					
Balance at Dec. 31, 2011	$ 666,313,000	$ 311,000		$ 717,103,000	$ (60,855,000)	$ 9,754,000	
Balance (in shares) at Dec. 31, 2011	31,050,654	31,050,654					

Property, Plant and Equipment	12 Months Ended Dec. 31, 2011

Property, Plant and Equipment

Property, Plant and Equipment

(4) Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31:

($ in thousands)	2011	2010
Land	$22,615	$27,337
Building and land improvements	82,786	80,183
Furniture and fixtures	20,679	16,902
Computer and office equipment	89,345	81,270
Field Equipment	110,885	101,027
Leasehold improvements	78,874	67,690
	405,184	374,409
Less: Accumulated depreciation	(225,462)	(205,148)
Net property, plant and equipment	$179,722	$169,261

Depreciation expense is reflected in the consolidated statements of income in direct costs and general and administrative costs depending on the intended use of the asset and totaled $37.1 million, $52.1 million and $53.5 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Operating Lease Obligations (Details) (USD $)	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Future minimum lease payments of noncancellable operating leases			
2012	$ 117,106,000		
2013	100,909,000		
2014	81,809,000		
2015	67,301,000		
2016	54,065,000		
Thereafter	96,620,000		
Total future minimum lease payments of noncancellable operating leases	517,810,000		
Rental expense	121,500,000	126,700,000	138,900,000
Amortization of a deferred gain related to sale-leaseback of corporate offices	$ 4,300,000	$ 4,300,000	$ 4,300,000

Segment Information (Details 2) (Government contracts concentration risk, Revenue)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Receivables, net			
Threshold not reached for reporting any single country outside U.S. (as a percent)	10.00%		
U.S. federal government			
Receivables, net			
Percentage of benchmark derived from specified source	35.00%	37.00%	35.00%

Receivables, net (Tables)

	12 Months Ended Dec. 31, 2011

Receivables, net

Schedule of allowance for uncollectible accounts

($ in thousands)	2011	2010	2009
Balance at beginning of year	$12,076	$13,190	$4,183
Provision charged to expense	5,846	3,521	11,115
Accounts written off	(9,576)	(3,614)	(2,049)
Other	(826)	(1,021)	(59)
Balance at end of year	$7,520	$12,076	$13,190

Employee Retirement Plans (Tables)	12 Months Ended Dec. 31, 2011

Pension Plans

Pension and Other Postretirement Benefits

Schedule of actuarial assumptions used to compute the net periodic expense

	U.S. Pension Plans 2011	U.S. Pension Plans 2010	U.S. Pension Plans 2009
Discount rate	5.80 %	5.90 %	6.25 %
Expected long-term rate of return on plan assets	7.50 %	7.50 %	8.00 %
Rate of compensation increase	3.00 %	4.00 %	4.00 %

Schedule of components of the net periodic pension expense, non-qualified pension benefit expense and post-retirement benefit expense

($ in thousands)	U.S. Pension Plans 2011	U.S. Pension Plans 2010	U.S. Pension Plans 2009	Non-U.S. Pension Plans 2011
Service cost	$3,666	$5,579	$4,691	$320
Interest cost	10,585	10,692	9,870	5,969
Expected return on plan assets	(10,462)	(9,149)	(8,262)	(5,674)
Amortization of prior service cost (credits)	(783)	92	87	—
Recognized net actuarial loss	3,549	4,058	4,382	—
Net expense included in current income	$6,555	$11,272	$10,768	$615

Schedule of significant actuarial weighted average assumptions used to compute the benefit obligations for the plans

	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Discount rate	5.30 %	5.80 %	4.94 %
Rate of compensation increase	3.00 %	3.00 %	4.10 %

Schedule of change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans and change in plan assets for the pension plans

($ in thousands)	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Benefit obligation at beginning of year	$187,595	$184,716	$—
Service cost	3,666	5,579	320
Interest cost	10,585	10,692	5,969
Actuarial loss	12,313	2,613	21,060
Plan amendments	—	(9,610)	—
Currency translation	—	—	(34,494)
Benefits paid	(8,409)	(6,395)	(3,262)
Liabilities assumed from the Halcrow acquisition and other	—	—	936,760
Benefit obligation at end of year	$205,750	$187,595	$926,353
Plan assets at beginning of year	$138,692	$122,588	—
Actual return on plan assets	(1,172)	14,426	10,371
Company contributions	12,380	8,073	2,279
Currency translation	—	—	(23,745)
Benefits paid	(8,409)	(6,395)	(3,262)
Assets obtained from the Halcrow acquisition and other	—	—	638,329
Fair value of plan assets at end of year	$141,491	$138,692	$623,972

Schedule of expected benefit payments

($ in thousands)	U.S. Pension Plans	Non-U.S. Pension Plans
2012	$11,808	$39,967
2013	12,325	38,707
2014	13,367	39,503
2015	14,448	39,984
2016	15,476	41,274
2017-2021	85,135	225,117

Schedule of target allocation and weighted-average asset allocations for the defined benefit pension plans by asset category

	Target Allocation	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Equity securities	60 %	52 %	54 %	45 %
Debt securities	40 %	47 %	45 %	45 %
Other	—	1 %	1 %	10 %
Total	100 %	100 %	100 %	100 %

Summary of the fair values of defined benefit pension plan assets by major asset category

Non-U.S. Pension Plans

($ in thousands)	Total	Fair Value Measurement at December 31, 2011 — Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$26,204	$26,204	$—	$—
Equity funds	297,655	7,058	290,597	—
Fixed income securities	268,862	122,196	146,666	—
International property fund	31,251	—	31,251	—
Total	$623,972	$155,458	$468,514	$—

U.S. Pension Plans

($ in thousands)	Total	Fair Value Measurement at December 31, 2011 — Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$117	$117	$—	$—
Equity funds	74,448	—	74,448	—
Fixed income securities	66,926	—	66,926	—
Total	$141,491	$117	$141,374	$—

($ in thousands)	Total	Fair Value Measurement at December 31, 2010 — Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity funds	$75,562	$—	$75,562	$—
Fixed income securities	63,130		63,130	—
Total	$138,692	$—	$138,692	$—

Schedule of underfunded status of the pension, non-qualified pension and post-retirement benefit plans

($ in thousands)	U.S. Pension Plans 2011	U.S. Pension Plans 2010	Non-U.S. Pension Plans 2011
Projected benefit obligation	$205,750	$187,595	$926,353
Fair value of plan assets	141,491	138,692	623,972
Underfunded status	$(64,259)	$(48,903)	$(302,381)
Amounts recognized in accumulated other comprehensive income consist of:			
Net actuarial loss	$74,245	$53,848	$14,837
Net prior service cost (credits)	(8,662)	(9,446)	—
Total	$65,583	$44,402	$14,837
Amounts to be recognized in the following year as a component of net periodic pension expense:			
Net actuarial loss	$5,546	$3,550	—
Net prior service cost	(781)	(783)	—
Total	$4,765	$2,767	—
Additional information:			
Accumulated benefit obligation	$200,735	$182,065	$922,497

na—not applicable

Postretirement Benefit Plans

Pension and Other Postretirement Benefits

Schedule of actuarial assumptions used to compute the net periodic expense

	Non-Qualified Pension Plan 2011	2010	2009	Postretirement Benefit Plans 2011	2010	2009
Actuarial assumptions at beginning of year:						
Discount rate	5.80 %	5.90 %	6.25 %	5.80 %	5.90 %	6.25 %
Initial healthcare costs trend rate	na	na	na	na	na	5.99 %
Ultimate healthcare cost trend rate	na	na	na	na	na	4.50 %
Year ultimate trend rate is reached	na	na	na	na	na	2011

Schedule of components of the net periodic pension expense, non-qualified pension benefit expense and post-retirement benefit expense

($ in thousands)	Non-Qualified Pension Plan 2011	2010	2009	Postretirement Benefit Plans 2011	2010	2009
Service cost	$—	$—	$—	$1,971	$2,878	$3,327
Interest cost	34	36	38	2,519	2,340	2,181
Amortization of transition obligation	—	—	—	349	349	349
Amortization of prior service costs	—	—	—	354	354	387
Recognized gain due to curtailment	—	—	—	—	—	(1,052)
Recognized net actuarial loss (gain)	[illegible]	[illegible]	[illegible]	[illegible]	(3 [illegible])	(1 [illegible])
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]8	$5,191

Schedule of change in benefit obligation for the pension, non-qualified pension and post-retirement benefit plans and change in plan assets for the pension plans

($ in thousands)	Non-Qualified Pension Plan 2011	2010	Postretirement Benefit Plans 2011	2010
Benefit obligation at beginning of year	$628	$651	$44,980	$40,281
Service cost	—	—	1,971	2,878
Interest cost	34	36	2,519	2,340
Plan contributions	—	—	1,404	1,272
Actuarial loss (gain)	214	32	(680)	1,388
Benefits paid	[illegible]	[illegible]	[illegible]	(3,179)
Benefit obligation at end of year	[illegible]	[illegible]	[illegible]	$44,980

Schedule of expected benefit payments

($ in thousands)	Non-Qualified Pension Plan	Postretirement Benefit Plans
2012	$100	$2,467
2013	93	2,707
2014	87	3,019
2015	81	3,322
2016	75	3,637
2017-2021	301	21,888
	$737	$37,040

Schedule of underfunded status of the pension, non-qualified pension and post-retirement benefit plans

($ in thousands)	Non-Qualified Pension Plan 2011	2010	Postretirement Benefit Plans 2011	2010
Projected benefit obligation	$770	$628	$—	$—
Accumulated benefit obligation	—	—	46,821	44,980
Underfunded status	$(770)	$(628)	$(46,821)	$(44,980)
Amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$365	$163	$4,213	$4,943
Net prior service cost	—	—	285	638
Transition obligation	—	—	100	449
Total	$365	$163	$4,598	$6,030

Employee Benefit Plans	12 Months Ended Dec. 31, 2011

Employee Benefit Plans

Employee Benefit Plans

(14) Employee Benefit Plans

Deferred Compensation Plans

Effective February 11, 2010, we amended and restated the CH2M HILL Companies, Ltd. Deferred Compensation Retirement Plan ("DCRP") to form the CH2M HILL Supplemental Executive Retirement and Retention Plan ("SERRP"). The Plan is intended to be unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA"). Under this plan, each participant's account consists of various contributions made to the account by our Company on behalf of the participant. We select the investment vehicles available under the plan. Compensation expense was $3.9 million and $0.6 million for the years ended December 31, 2011 and 2010, respectively.

In addition to the SERRP, we have a nonqualified deferred compensation plan that provides benefits payable to officers and certain highly compensated employees at specified future dates, or upon retirement, disability or death. Effective January 1, 2011, we amended and restated the Deferred Compensation Plan and Executive Deferred Compensation Plan to combine both plans into a single plan. The plan allows eligible participants to defer up to a certain amount of base compensation and incentive compensation received, in cash or common stock. It also allows a more select group of eligible participants, whose 401(k) Plan contributions are limited by the ERISA, to defer additional base compensation to which we may make a matching contribution. The plan is also used to provide additional retirement benefits for certain of our senior executives at levels to be determined from time-to-time by the Board of Directors.

The Deferred Compensation Plans are unfunded; therefore, benefits are paid from the general assets of our company. The participant's cash deferrals earn a return based on the participant's selection of investments in several hypothetical investment options. All deferrals of common stock must remain invested in common stock and are distributed in common stock.

Compensation expense for the two nonqualified plans was $4.1 million, $2.8 million and $8.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Stock Option Plans

Effective January 1, 2009, the Board of Directors and stockholders approved the CH2M HILL Companies, Ltd. 2009 Stock Option Plan ("2009 Stock Option Plan"). The 2009 Stock Option Plan reserves 3,000,000 shares of our common stock for issuance upon exercise of stock options granted under the plan. All options outstanding under the previously cancelled plans ("1999 and 2004 Stock Option Plans"), expired or for any other reason cease to be exercisable, were rolled into the 2009 Stock Option Plan and are available for grant in addition to the 3,000,000 options reserved.

Stock options are granted at an exercise price equal to the fair market value of our common stock at the date of grant. Stock options granted generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of grant. The following table summarizes the activity relating to the 2009 Stock Option Plan during 2011:

Stock Options:	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	2,971,845	$29.52
Granted	892,687	$49.69
Exercised	(812,748)	$22.76
Forfeited	(104,610)	$41.54
Expired	(33,516)	$26.44
Outstanding at December 31, 2011	2,913,658	$37.18
Exercisable at December 31, 2011	1,426,031	$29.19
Available for future grants	1,410,033	

The weighted-average remaining contractual term for all options outstanding at December 31, 2011 and 2010 was 2.6 years and 2.4 years, respectively. The aggregate intrinsic value of all options outstanding was $54.0 million and $50.4 million, respectively. The weighted-average remaining contractual term for options vested and exercisable at December 31, 2011 and 2010 was 1.4 years and 1.6 years, respectively. The aggregate intrinsic value for the vested and exercisable options was $37.8 million and $35.9 million, respectively. The remaining unrecognized compensation expense related to nonvested awards as of December 31, 2011 is $6.3 million. We expect to recognize this compensation expense over the weighted average remaining recognition period of 1.7 years, subject to forfeitures that may occur during that period.

We received $4.6 million, $3.7 million and $3.9 million from options exercised during the years ended December 31, 2011, 2010 and 2009, respectively. Our stock option plans also allow participants to satisfy the exercise price and participant tax withholding obligation by tendering shares of company stock that have been owned by the participants for at least six months. The intrinsic value associated with exercises was $16.4 million, $16.3 million and $11.8 million during the years ended December 31, 2011, 2010 and 2009, respectively.

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant date fair value of options granted during the years ended December 31, 2011 and 2010 was $7.40 and $6.30, respectively. The following assumptions were used in determining the fair value of options granted during 2011 and 2010:

	2011	2010
Risk-free interest rate	1.15%	1.56%
Expected dividend yield	0.00%	0.00%
Expected option life	4.19 Years	4.21 Years
Expected stock price volatility	15.63%	15.06%

We estimate the expected term of options granted based on historical experience of employee exercise behavior. We estimate the volatility of our common stock by using the weighted-average of historical volatility over the same period as the option term. We use the Treasury Yield Curve rates for the risk-free interest rate in the option valuation model with maturities similar to the expected term of the options. We do not anticipate paying any cash dividends on our common stock in the foreseeable future and therefore use an expected dividend yield of zero in the option valuation model. We are required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. All stock-based payment awards are amortized on a straight-line basis over the requisite service periods of the awards.

The total compensation expense recognized for stock options granted for the years ended December 31, 2011, 2010 and 2009 was $4.8 million, $4.8 million and $4.7 million, respectively.

Payroll Deduction Stock Purchase Plan

In November 1999, we established the Payroll Deduction Stock Purchase Plan ("PDSPP") which provides for the purchase of common stock at 90% of the market value as of the date of purchase through payroll deductions by participating employees. Eligible employees may purchase common stock totaling up to 15% of an employee's compensation through payroll deductions. An employee cannot purchase more than $25,000 of common stock under the PDSPP in any calendar year. The PDSPP is intended to qualify under Section 423 of the Internal Revenue Code ("IRC"). The PDSPP is not intended to qualify under Section 401(a) of the IRC and is not subject to ERISA. The PDSPP is non-compensatory since the plan is available to all stockholders and incorporates no option features such as a look-back period. Accordingly, no compensation expense is recognized in the financial statements for the PDSPP. During the years ended December 31, 2011, 2010 and 2009, a total of 527,503 shares, 569,788 shares and 688,776 shares, respectively, were issued under the PDSPP, for total proceeds of $24.4 million, $22.2 million and $21.5 million, respectively.

Phantom Stock Plan

In January 2000, we established the Phantom Stock Plan, which provides eligible individuals with added incentives to continue in the long-term service of our company. Eligible individuals are generally individuals who are not residents of the U.S. Phantom stock grants are

100% vested on the grant date and may be redeemed after six months from the grant date. The value of phantom stock is equal to the market value of our common stock. All amounts granted under the Phantom Stock Plan are payable in cash only and are generally granted in connection with the short and long term incentive plans. Compensation expense under this plan is based on the value of the units on the date of grant.

During the years ended December 31, 2011, 2010 and 2009, a total of 731 units, 6,136 units and 1,504 units, respectively, were granted under the Phantom Stock Plan. The fair values of the units granted under the Phantom Stock Plan during 2011, 2010 and 2009 were $49.90, $40.52 and $31.10, respectively. Compensation expense related to the Phantom Stock Plan during 2011, 2010 and 2009 was $0.6 million, $0.5 million, and $0.4 million, respectively.

The following table summarizes the activity relating to the Phantom Stock Plan during 2011:

	Number of Units
Balance at December 31, 2010	36,467
Granted	731
Exercised	(4,306)
Cancelled	(405)
Balance at December 31, 2011	32,487

Stock Appreciation Rights Plan

In February 1999, we established the Stock Appreciation Rights ("SARs") Plan. Eligible individuals are generally individuals who are not residents of the U.S. SARs are granted at an exercise price equal to the market value of our common stock and generally become exercisable 25%, 25% and 50% after one, two and three years, respectively, and have a term of five years from the date of the grant. All amounts granted under the SARs Plan are payable in cash only. Compensation expense under this plan is based on the vesting provisions and the market value of our common stock.

Compensation expense related to the SARs Plan amounted to $0.1 million, $0.2 million and $0.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The following table summarizes the activity relating to the SARs Plan during 2011:

	Number of Rights	Weighted Average Exercise Price
Balance at December 31, 2010	30,675	$27.28
Granted	8,773	$50.51
Exercised	(15,016)	$20.73
Cancelled	(3,287)	$38.29
Balance at December 31, 2011	21,145	$39.90

Incentive Plans

The Annual Incentive Plan ("AIP") aids in the recruitment, motivation, and retention of employees. Management determines which employees participate in the AIP. During the years ended December 31, 2011, 2010 and 2009, a total of 58,045 shares, 369,566 shares and 432,093 shares, respectively, were issued under the AIP. The fair values of the shares issued under the AIP were $46.75, $40.52 and $31.10, for the years ended December 31, 2011, 2010, and 2009, respectively. We accrued compensation expense related to common stock awards under the AIP in the amount of $2.7 million and $14.4 million for the years ended December 31, 2011 and 2009, respectively. We accrued compensation expense in 2009 for the shares issued in 2010 and all of the 2010 AIP awards were paid in cash in 2011. Therefore no stock-based compensation was recognized in 2010.

The Long Term Incentive Plan ("LTIP") rewards certain executives and senior leaders for the creation of value in the organization through the achievement of specific long-term (3 year) goals of earnings growth and strategic initiatives. The Compensation Committee of the Board reviews and endorses participation in the LTIP in any program year and a new plan is established each year. During the years ended December 31, 2011, 2010 and 2009, a total of 219,087 shares, 279,447 shares and 323,474 shares, respectively, were issued under the LTIP at a fair value of $46.75, $40.52 and $31.10 per share, respectively. Compensation expense related to common stock awards under the LTIP amounted to $11.8 million, $15.0 million and $13.3 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Restricted Stock Plan

In January 2000, we established the Restricted Stock Policy and Administration Plan (amended and restated effective February 22, 2011) which provides eligible individuals with added incentives to continue in the long-term service of our company. The awards are made for no consideration, vest over various periods, and may include performance requirements, but are considered outstanding at the time of grant. During the years ended December 31, 2011, 2010 and 2009, a total of 136,696 shares, 186,396 shares and 111,246 shares, respectively, were granted under the Restricted Stock Policy and Administration Plan.

We recognize compensation costs, net of forfeitures, over the vesting term based on the fair value of the restricted stock at the date of grant. The amount of compensation expense recognized under the Restricted Stock Policy and Administration Plan was $5.5 million, $4.8 million and $2.9 million for the years ended December 31, 2011, 2010 and 2009, respectively. As of December 31, 2011, there was $8.2 million of unrecognized compensation expense related to non-vested restricted stock grants. The expense is expected to be recognized over a weighted average period of 2.83 years.

The following table summarizes the activity relating to the Restricted Stock Policy and Administration Plan during 2011:

	Non-vested Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2010	448,053	$30.91
Granted	136,696	$50.37
Vested	(172,376)	$26.91
Cancelled and expired	(18,086)	$39.61
Balance at December 31, 2011	394,287	$39.04

The weighted-average fair values of the shares granted under the Restricted Stock Plan during 2011, 2010 and 2009 were $50.37, $42.32 and $33.76, respectively.