

# Full-year figures for 2008

Executive Board

Section 1

# Introduction

## Developments at Heijmans in 2008

- Net result € 34 million negative, mostly due to impairments
- Depreciation goodwill € 34 million
- Losses in Building and Road building in the Netherlands and Belgium
- Good results in Technical Services (NL), Germany and United Kingdom
- Results for Property Development (NL) fell in second half year

# Overview strategic restructuring

## Clear strategic choice for downsizing

- Focus on three strong core activities in the Netherlands
- Disposal of foreign operations, except for Infrastructure Belgium
- Further streamlining and flexibilisation of core activities
- Improvement contract, risk- and projectmanagement
- Establishing adequate riskmanagement- and control systems
- More compact organisation and further reduction of overhead costs
- Reduction in the size of land bank positions
- Improvements in margin to prevail over revenues

# Overview financial restructuring

Strengthen capital position and new agreements with financiers

- Fully underwritten €100 million rights issue
- New arrangements with banks and providers of guarantees
- Asset disposals to be used to reduce debt
- Repurchase of US private placement (USPP notes)
- Adjusted conditions for €66 million in preference share capital

## Section 2

# Full-year figures 2008

# Key figures 2008

In €millions	2008	2007
Revenues	3,631	3,732
Operating profit	-14	88
Results after tax	-34	56
Operating cash flow	80	259
Order book	3,004	3,248
Net debt position (year end)	331	366

# Composition of operating profit

## Development per sector

(amounts in € millions)	2008	2007
Netherlands		
Property development	52	82
Construction	-54	-53
Infra	-1	22
Engineering	9	7
	6	58
Foreign countries		
Belgium	-29	8
UK	13	13
Germany	14	8
	-2	29
Gain on sale of subsidiaries	21	2
Release of profit elimination	0	9
Other	-5	-6
<b>EBITA</b>	<b>20</b>	<b>92</b>
Amortisation of intangible assets	-34	-4
<b>Operational result</b>	<b>-14</b>	<b>88</b>

# Streamlining of activities 2008

- Focus on three core activities in which Heijmans has strong positions in the Netherlands:
  - 1) Property Development and Residential Construction: Property development (area development / project development / housing-plus);
  - 2) Non-residential Construction and Technical Services: High grade non-residential construction and Installation engineering technology
  - 3) Infrastructure: roads / concrete construction and hydraulic engineering / various specialist activities
- Streamlining overhead: shorter lines, more cost effective and decisive. Further efforts in the course of 2009;
- In the activities, jobs were eliminated in Property Development, Residential and Non-residential Construction and Road Building;
- Restructuring expected to be completed in the first half of 2009; in total reduction of 650 FTEs.

# Property Development NL: key figures 2008

In € millions	2008	2007
Revenues	875	1,015*
EBITA	52	82
Operating profit	37	82
Operating margin	4.2%	8.1%
Order book	746	786

\* 2007 including € 137 million in revenues from the sale of commercial property from stock with no margin.

## Property Development NL: results down

- Number of homes sold fell by more than 35% to 2,159 (2007: 3,421);
- Margin fell to 4.2% due to rising building costs and erosion of margin due to declining demand in home sales;
- Impairment in the amount of € 15 million
- Policy aimed at reducing land positions
- Order book fell to € 746 million (year-end 2007 € 786 million);
- Restucturing in full swing.

# Building NL: key figures 2008

In €millions	2008	2007
Revenues	797	806
EBITA	-54	-53
Operating profit	-55	-53
Operating margin	-6.9%	-6.6%
Order book	723	882

## Building NL: heavy losses in 2008 as well

- Losses due to inadequate risk, contract- and projectmanagement;
- From Q4 onwards, some easing in the costs of materials and hiring subcontractors;
- Order book fell to € 723 million as result of selective acceptance policy;
- Reduction jobs and locations Residential and Non-residential Building;
- Tightening risk management Non-residential Building;
- A more market focussed approach (four market segments)

# Infrastructure NL: key figures 2008

In € millions	2008	2007
Revenues	926	911
EBITA	-1	22
Operating profit	-3	22
Operating margin	-0.3%	2.4%
Order book	765	855

# Infrastructure NL: Measures taken in Road building

- Poor performance by Infrastructure due to losses on large(r) projects, extra depreciation on asphalt plants and cost levels too high;
- Measures taken in Road building: jobs eliminated - from six to four plants and reduction in number of locations;
- Results of specialist activities satisfactory;
- Prospects for 2010 and 2011 positive as result of accelerated execution of projects by the government;
- Order book decreased to € 765 million, partly due to medium-sized projects secured.

# Technical services NL: key figures 2008

In € millions	2008	2007
Revenues	285	229
EBITA	9	7
Operating profit	7	5
Operating margin	2.5%	2.2%
Order book	257	292

## Technical services NL: positive development

- Higher revenues and improved profitability of installation engineering activities;
- Increase in projects and synergy benefits due to cooperation with other parts of Heijmans;
- Order book has declined (€ 257 million).

# International: key figures 2008

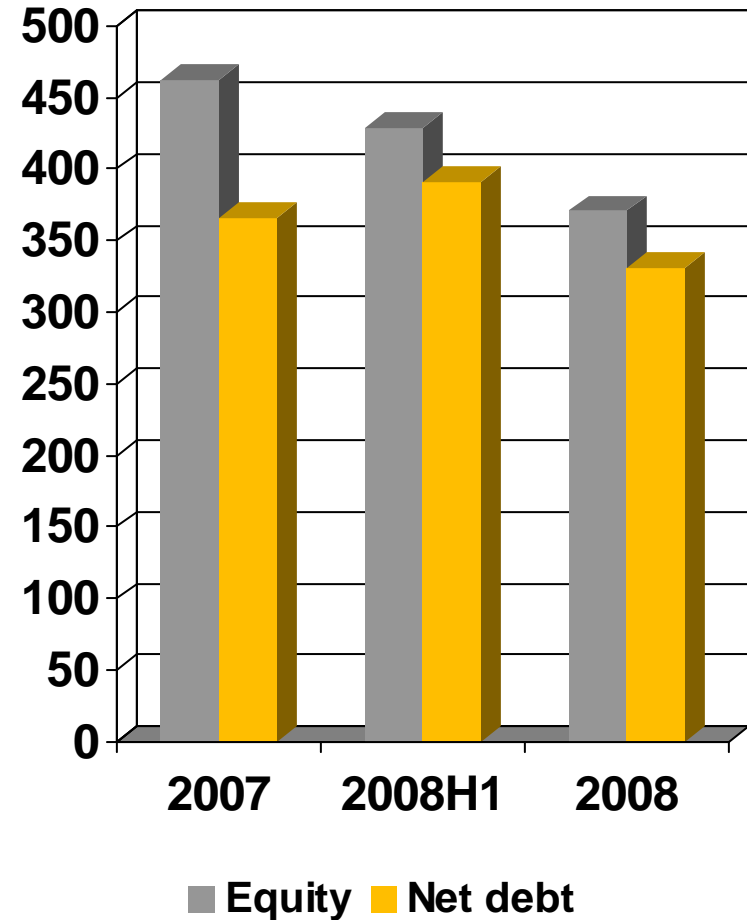
In € millions	2008	2007
Belgium	265	348
United Kingdom	406	378
Germany	453	412
<b>Revenues</b>	<b>1.124</b>	<b>1.138</b>
Belgium	-38	10
United Kingdom	12	12
Germany	10	7
<b>Operating profit</b>	<b>-16</b>	<b>29</b>

# Key points International

- Belgium: heavy losses in building and property development due to depreciation on property positions and construction projects. Good results from infrastructure activities. Order book declined to € 159 million.
- United Kingdom: Leadbitter continues to benefit from strong demand for social housing. Revenues and operating profit once again up. Decline in order book to € 343 million can be fully attributed to devaluation of GBP;
- Germany: better performance by Oevermann and Franki due to improving German market. Order book Germany rose strongly to € 273 million.

# Development in equity

- Decrease in equity to € 371 million due to negative net results and payment of dividend (€ 35 million);
- Net debt decreased to € 331 million;
- Debt and interest cover ratios achieved.



## Section 3

# Strategic focus and restructuring

# Clear strategic choice for downsizing

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# Focus on three strong Dutch activities

Focus on the Dutch market via three strong activities:

- Property Development & Residential Building – scale down activities
- Non-residential Building & Technical Services – focus on selective high grade projects
- Infrastructure – improvement on returns from road building

Foreign operations will be disposed of:

- Germany
- United Kingdom
- Belgium, except infrastructure activities

Consolidation and scale back Property Development and Residential Building activities will lead to:

- Cost savings due to closure of locations and reduction in number of jobs
- New projects postponed or redeveloped
- Increase synergy effects
- Reduced leadtime
- Increased innovation strength by combining market knowledge and technology
- Better operational efficiency and enhanced contract, risk- and project management

## Further streamlining and flexibilisation core activities (2/2)

### Central management Non-residential Building and Technical Services:

- Ensures efficiency
- Limits project risks
- Focus on high-grade projects
  - With demand for Non-residential building and Technical Services
- Distinctive in health sector

### Improvement returns Infrastructure:

- Focused on risk- and contract management in road building
- Flexibilisation of the production capacity
- Proper use of strong position with expected public sector projects
- Opportunities cooperation infrastructure Belgium

## Section 4

# Financial restructuring

## Underwritten claim emission of €100m

- Rights issue of €100m underwritten by banks;
- Shareholder approval will be requested during the General Meeting of Shareholders on 27 May 2009;
- The holders of preference shares have all indicated to vote in favour of the necessary shareholders' resolutions. In addition, a number of major shareholders have indicated their intention to do the same.

## Repurchase US private placement

- Heijmans has reached agreement with the US institutional investors on the repurchase of \$125 million private placement.
- Banks will provide bridge financing to enable Heijmans to repurchase the USPP notes in the short term. The bridge financing will be repaid using the proceeds from the rights issue.

- Existing bank facility will be continued by all banks with adjustments to a number of conditions:
  - Interest rate: EURIBOR + 350bps
  - Term until 24 March 2012
  - Reduction in two steps of €50 million to €300 million by 24 March 2011
  - Adjusted and expanded covenants
  - Conditions to distribution dividend
  - Granting of securities
- The banks and other key providers of guarantee facilities support the financial restructuring

- Heijmans has reached agreement with the holders of preference shares on the dividend revision as of 1 January 2009;
- The dividend has been set at 7.25%;
- The dividend revision period has been reduced to 5 years;
- The anti-dilution mechanism with regard to the intended rights issue.

Section 5

# Conclusion

- Transformation into a Dutch building company with a:
  - Strong position as developer and builder in residential building,
  - High quality niche market position in non-residential building and technical services
  - Leading position in infrastructure
  - Solid (deleveraged) capital structure

*More responsive, compacter and resilient*

# Questions and answers

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