

## Press Release

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in €million	First half of 2008	First half of 2007	2007
Revenues	1.722	1.689	3.732
Order book	3.263	3.605	3.248
Operational profit	13	31	88
Profit after tax	2	19	56
Operating cash flow	7	11	258
Profit per share (x€)	0,09	0,77	2,34

### Heijmans result poor in first half 2008

While revenues increased by 2%, Heijmans' profit after tax for the first six months of 2008 dropped to €2 million (1<sup>st</sup> half 2007: €19 million).

Losses incurred by the Building and Infrastructure divisions in the Netherlands and by building and property development activities in Belgium depressed the result. The Property Development and Technical Services divisions in the Netherlands, the United Kingdom and Franki Grundbau in Germany posted good results. In spite of the poor results, Heijmans amply met its financing ratios at the end of June 2008.

In view of uncertainties surrounding the developments during the 2<sup>nd</sup> half of the year, Heijmans does not make any forecasts on the results for the full year 2008.

#### Rob van Gelder, Chairman of the Executive Board:

"The results are quite frankly disappointing. We will have to chart a new course over the coming months to get Heijmans back on track. This will however require outlays before benefits can be reaped."

#### Highlights for the first half of 2008

- Good results reported by the Property Development Division Netherlands: the market is stagnating;
- Building activities in the Netherlands still reporting losses;
- Losses in road construction in the Netherlands due to excess capacity of asphalt production plants, slim margins and project losses on certain large construction works;
- Losses on building and property development activities in Belgium;
- Financing ratios were amply met by managing capital requirements;
- The order book remains at a satisfactory level: but margins are under pressure;
- No statements on expectations for full year 2008 result.

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Revenues during the first half of 2008 rose by 2% to €1,722 million (first half of 2007: €1,689 million). This increase is entirely autonomous. The operating profit achieved on these revenues is €13 million. The composition of this operating profit is as follows:

in € million	First half of 2008	First half of 2007	2007
<b>Netherlands</b>			
Property Development	32	26	82
Building	-10	-12	-53
Technical Services	3	1	5
Infrastructure	-12	1	22
	<b>13</b>	<b>16</b>	<b>56</b>
<b>International</b>			
Belgium	-10	5	10
United Kingdom	7	4	12
Germany	1	-3	7
	<b>-2</b>	<b>6</b>	<b>29</b>
<b>Other</b>	<b>2</b>	<b>9</b>	<b>3</b>
<b>Operating profit</b>	<b>13</b>	<b>31</b>	<b>88</b>

## Developments by Division

### Property Development (Netherlands)

in € million	First half of 2008	First half of 2007	2007
Revenues	434	480	1.015
Operating profit	32	26	82
Operating margin	7,4%	5,5%	8,1%
Order book	664	924	786

The new homes market continued to stagnate during the first half of 2008. The sales by Heijmans are also lagging behind last year. The division sold 1,187 homes during the first six months compared to 1,238 during the same period in 2007. Heijmans thereby exceeded market performance for which there were expectations of a decline by approximately 14% during the first half of 2008 compared to the first half of 2007 according to projections published by the NVB and others.

The division achieved good results. The operating margin is 7.4% on revenues of €434 million. Revenues during the same period last year amounted to €480 million with a 5.5% operating margin. This however included revenues derived from the sale of commercial property from inventory at a

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zero margin. Excluding these revenues of in excess of € 105 million, the operating margin during the first half of 2007 was 7.1%.

A land fund was created with a strategic partner and some of the division's land holdings were contributed to this fund. This had a slight positive impact on revenues and the operating profit. The carrying value of the strategic land holdings at 30 June was €290 million and is consequently virtually unchanged compared to year end 2007 (€294 million).

The developments in the order book reflect the fact that selling requires increasingly more effort. The margins are also under pressure as a consequence of increased building costs that are increasingly more difficult to pass on fully to clients. The order book at 30 June 2008 stood at €664 million (year-end 2007: €786 million).

A joint venture agreement to develop the Westergouwe Project in Gouda (approx 1,000 homes) and a contract to develop a housing district in Aalsmeer (300 homes) were signed during the first half of 2008.

## Building (Netherlands)

in € million	First half of 2008	First half of 2007	2007
Revenues	413	391	806
Operating profit	-10	-12	-53
Operating margin	-2,5%	-3,2%	-6,6%
Order book	818	1.025	882

The operating result continues to be negative due to the increased losses incurred in relation to a number of old problematic projects and the relatively limited contribution made by other building projects.

During the first half of 2008, approx 50% of revenues were derived from residential housing development, 38% from non-residential development and 12% from the development of service facilities (including minor construction) and maintenance. 37% of the revenues during the first half of 2008 were due to orders received from the Property Development Division.

At the end of June 2008, the order book stood at €818 million compared to €882 million at the end of 2007. This decrease is in part due to the adoption of a selective contracting policy. The proportion of tendered works in the order book further decreased to approx 20% in favour of contracts acquired by building teams.

The projects acquired during the first half of the year include a project representing a €27 million contract value for the Efteling amusement park consisting of the construction of recreational homes and apartments.

## Infrastructure (Netherlands)

in € million	First half of 2008	First half of 2007	2007
Revenues	416	354	911
Operating profit	-12	1	22
Operating margin	-2,8%	0,2%	2,4%
Order book	980	971	855

In spite of an increase in revenues, the Infrastructure Division incurred a €12 million operating loss. The margins are under pressure in the road construction segment. Price remains the most important criterion for national as well as regional principals.

Revenues on large projects are below expectations due to the fact that projects are being deferred, in particular due to issues concerning fine particles. The results on certain large projects were below expectations during the first half of the year.

As a result of excess capacity in asphalt plants, under-utilization losses were incurred. Satisfactory results were achieved on a number of specialist activities such as Technology and Mobility (integral mobility solutions).

At the end of June 2008, the order book stood at €980 million compared to €855 million at the end of 2007. New projects acquired this year include the Ommen Project (traffic rerouting; €19 million contract value), the widening of the N302 near Harderwijk (€55 million contract value) and the realization of civil works related to the new Flevocentrale power plant (€30 million contract value).

## Technical Services (Netherlands)

in € million	First half of 2008	First half of 2007	2007
Revenues	131	99	229
Operating profit	3	1	5
Operating margin	2,2%	1,1%	2,2%
Order book	295	273	292

Revenues during the first half of the year rose significantly compared to the same period last year. The higher revenues, combined with the improved profitability of engineering-related activities, contributed to a much improved operating profit.

Collaboration with other divisions within Heijmans has resulted in an increase in projects and synergy benefits. Lack of well-trained personnel is considered by the Technical Services Division to be its greatest cause for concern.

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The order book is well-stocked and at the end of June 2008 stood at €295 million (year-end 2007: 292 million).

### Belgium

in € million	First half of 2008	First half of 2007	2007
Revenues	139	170	348
Operating profit	-10	5	10
Operating margin	-7,2%	2,8%	2,9%
Order book	208	236	223

The development in Heijmans Belgium's operating result is highly unsatisfactory. Building activities performed well below expectations. The expected results on a number of building projects required downward adjustment. This led to significant losses on building activities during the first half of 2008. Property development activities also experienced significant losses during the first half of 2008. These losses were primarily due to high building and development costs relative to the revenues on a few commercial real estate projects. Infrastructure activities (Road Construction and Cables and Pipelines) are performing in line with expectations and making a positive contribution to the result.

### United Kingdom

in € million	First half of 2008	First half of 2007	2007
Revenues	188	175	378
Operating profit	7	4	12
Operating margin	3,5%	2,4%	3,3%
Order book	477	411	440

Heijmans operates in the United Kingdom through Leadbitter. This company specializes in the construction of subsidized and affordable homes, and in public construction projects in the care, education and leisure sectors. In contrast to the market for private homes which is clearly suffering from the consequences of the credit crisis, Leadbitter continues to benefit from a strong demand for subsidized housing. Revenues as well as the operating profit rose during the first six months of the year. It was consequently possible to maintain the operating margin at a respectable level. In relation to the end of 2007, the order book experienced a further increase to €477 million and is of good quality.

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## Germany

in € million	First half of 2008	First half of 2007	2007
Revenues	201	187	412
Operating profit	1	-3	7
Operating margin	0,3%	-1,4%	1,7%
Order book	166	242	171

In Germany Heijmans operates in the foundation construction sector through Franki Grundbau, in the railway construction sector with Heitkamp Rail, and in the road construction sector and, to a lesser extent, in the non-residential sector, via Oevermann. The contribution during the first six months of the year was positive. In part due to a significant increase in revenues, Franki experienced a good first six months of the year. Slim margins and a lagging demand for railway construction in Germany caused Heitkamp to report a negative result for the first six months of the year. During the first half of the year, Oevermann benefited from improved market conditions in the road construction sector.

## Other

The item Other includes €11 million in book profits realized during the first half of 2008 on the sale of real estate used for own business purposes (offices, workshops and properties). The gain in the comparative period 2007 amounted to € 10 million and primarily related to the sale of the commercial real estate out of inventory.

## Profit per share

The profit per ordinary share is €0.09 for the first half of the year (2007: €0.77).

## Equity and cash flows

The equity at 30 June 2008 amounted to €429 million compared to €462 million at the end of 2007. The decrease is almost entirely due to the €35 million dividend paid for the 2007 financial year.

The net debt position rose slightly compared to 2007 to €391 million at 30 June 2008. A continuous focus on managing working capital and limiting capital requirements ensured that Heijmans complied at 30 June 2008 with the financial ratios agreed with the financial institutions. The net debt/EBITDA ratio equals approx. 2.1 (year-end 2007: 1.9; requirement: less than 3.5). The interest coverage ratio is approx. 5.4 (year-end 2007: 5.4; requirement: greater than 3.5).

The operating cash flow for the first half year 2008 was €7 million (first half year 2007: €11 million).

## Prospects

In view of the uncertainties surrounding developments during the second half of the year, Heijmans does not make any forecasts of the results for the full year 2008. Heijmans does, however, express the expectation that with continuing focus on working capital management and on limiting the capital requirements, it will fully comply with the agreed financing ratios at year end 2008.

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### **Extraordinary General Meeting of Shareholders (EGM)**

An EGM will be held on 26 September 2008 on 26 September at 10.00 a.m. at the offices of Heijmans in Rosmalen. The purpose of this meeting will be to provide information concerning the appointment of Mr. Rob van Gelder as Chairman of the Executive Board of Heijmans N.V. The state of affairs at Heijmans will be also be on the agenda.

### **Heijmans Share Administration Trust**

A meeting of holders of depositary receipts for shares will be held on 7 October 2008 at 10.30 a.m. at the offices of Heijmans in Rosmalen.

### **Briefings on the 2008 Interim Report**

The results for the first half of 2008 will be discussed by the Executive Board on 21 August 2008 during a meeting with analysts and at a press conference.

The meeting with analysts can be followed via a live audio webcast at [www.heijmans.nl](http://www.heijmans.nl). The transmission starts at 11:30 a.m.

Heijmans will issue a trading update on **13 November 2008**.

### **For additional information:**

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Heijmans N.V.: 2008 Interim report

This press release includes the following appendices:

1. Consolidated Income Statement
2. Consolidated statement of recognised Income and expense, and movement in shareholders' equity
3. Consolidated Balance Sheet
4. Consolidated Cash Flow Statement
5. Segmented Information
6. Selected Notes; and
7. Auditor's Review Statement

Note:

Publication date 21 August 2008

This press release including the appendices 1-7 are also published in Dutch. In case of textual contradictions between the Dutch and English version, the first shall prevail.

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## 1. Consolidated income statement

x € 1 million

	Six months to 30 June 2008	Six months to 30 June 2007	Year 2007
Revenues	1.722	1.689	3.732
Cost of sales	-1.625	-1.570	-3.484
<b>Gross profit</b>	<b>97</b>	119	248
Other operating income	18	5	15
Selling expenses	-19	-19	-37
Administrative expenses	-81	-72	-134
Other operating expenses	-2	-2	-4
<b>Operating profit</b>	<b>13</b>	31	88
Financial income	5	6	11
Financial expenses	-10	-10	-22
Share of profit of associates	0	0	1
<b>Profit before tax</b>	<b>8</b>	27	78
Income tax expense	-6	-8	-22
<b>Profit after tax</b>	<b>2</b>	19	56
The profit after tax is entirely attributable to shareholders			
<i>Earnings per share (in €):</i>			
Basic earnings per share	0,09	0,77	2,34
Diluted earnings per share	0,09	0,77	2,34

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## 2. Consolidated statement of recognised income and expense, and movement in shareholders' equity

x € 1 million

### Consolidated statement of recognised income and expense

	Six months to 30 June 2008	Year 2007	Six months to 30 June 2007
Foreign currency translation differences on foreign operations	-4	-4	0
Effective portion of changes in fair value of cash flow hedges excluding associates	5	5	1
Effective portion of changes in fair value of cash flow hedges of associates	0	-1	0
Income tax on income and expense directly recognised in equity	-1	-1	0
<b>Net income and expense recognised directly in equity</b>	<b>0</b>	<b>-1</b>	<b>1</b>
Profit after tax	2	56	19
<b>Total recognised income and expense</b>	<b>2</b>	<b>55</b>	<b>20</b>

The total recognised income and expense is entirely attributable to shareholders

### Movement in shareholders' equity

	30 June 2008	31 December 2007	30 June 2007
<b>Balance at 1 January</b>	<b>462</b>	<b>442</b>	<b>442</b>
Add: Total recognised income and expense	2	55	20
Deduct: Dividend paid on ordinary shares	-35	-35	-35
<b>Balance at end of period</b>	<b>429</b>	<b>462</b>	<b>427</b>

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### 3. Consolidated balance sheet

x € 1 million

Assets	30 June 2008	31 December 2007	30 June 2007
<b>Non-current assets</b>			
Property, plant and equipment	191	194	188
Intangible assets	262	268	266
Real estate investments	6	6	10
Investments in associates	4	3	3
Other investments	69	67	74
Deferred tax assets	6	5	7
	538	543	548
<b>Current assets</b>			
Inventories	542	535	596
Construction work in progress	222	204	294
Income tax receivable	29	19	20
Trade and other receivables	633	670	667
Cash and cash equivalents	231	234	182
Assets classified as held for sale	31	0	0
	1.688	1.662	1.759
<b>Total assets</b>	<b>2.226</b>	<b>2.205</b>	<b>2.307</b>
Equity and liabilities	30 June 2008	31 December 2007	30 June 2007
<b>Equity</b>			
Issued capital	1	1	1
Share premium	122	122	122
Reserves	3	3	5
Retained earnings previous years	301	280	280
Profit after tax for the year	2	56	19
	429	462	427
<b>Non-current liabilities</b>			
Interest-bearing loans and non-current financing	497	504	525
Employee benefits	11	17	18
Other provisions	17	20	22
Deferred tax liabilities	33	28	24
	558	569	589
<b>Current liabilities</b>			
Interest-bearing loans and other current financing	125	96	264
Trade and other payables	801	841	771
Construction work in progress	214	165	161
Income tax payable	38	39	60
Employee benefits	16	16	15
Other provisions	18	17	20
Liabilities classified as held for sale	27	0	0
	1.239	1.174	1.291
<b>Total equity and liabilities</b>	<b>2.226</b>	<b>2.205</b>	<b>2.307</b>

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#### 4. Consolidated cash flow statement

In order to provide better insight into the actual cashflows, the presentation of the cashflow statement has been changed in comparison to the annual report of 2007. Operating cashflow is taken as starting point for the cash flows from operating activities in stead of profit after tax. The paid and received interest and income taxes paid have been presented in stead of the income and expenses that are recognised in the income statement. Furthermore the foreign currency translation differences on cash and cash equivalents are presented separately. The changes in working capital have been adjusted for these changes. The amounts relating to the acquisition of subsidiaries are now presented net of the acquired cash and cash equivalents. The 2007 figures have been adjusted for comparison purposes; the interest paid and received represents an estimation.

x € 1 million

	Six months to 30 June 2008	Six months to 30 June 2007	Year 2007
Operating profit	13	31	88
Share of profit of associates	0	0	1
<i>Adjustments for:</i>			
Gain on sale of subsidiaries	0	0	-2
Gain on sale of non-current assets	-15	-4	-9
Depreciation on property, plant, equipment, and real estate investments	16	16	32
Amortisation of intangible assets	2	2	4
Changes in working capital	20	-23	199
Changes in non-current provisions	-9	3	-7
Interest paid	-16	-17	-32
Interest received	11	3	10
Income taxes paid	-15	0	-26
<b>Cash flows from operating activities</b>	<b>7</b>	<b>11</b>	<b>258</b>
Acquisition of subsidiaries	0	-72	-70
Proceeds from sale of subsidiaries	0	0	4
Investment in property, plant and equipment	-28	-22	-48
Proceeds from sale of property, plant and equipment and real estate	31	8	18
Granted/ redeemed loans to joint ventures	-3	0	8
<b>Cash flows from investment activities</b>	<b>0</b>	<b>-86</b>	<b>-88</b>
Borrowed interest-bearing loans	86	126	120
Repayed interest-bearing loans	-55	-27	-211
Dividends paid	-35	-35	-35
<b>Cash flow from financing activities</b>	<b>-4</b>	<b>64</b>	<b>-126</b>
<b>Net cash flow in the period</b>	<b>3</b>	<b>-11</b>	<b>44</b>
Cash and cash equivalents at 1 January	234	193	193
Changes in cash related to assets and liabilities classified as held for sale	-4	0	0
Foreign currency translation differences on cash and cash equivalents	-2	0	-3
<b>Cash and cash equivalents at end of period</b>	<b>231</b>	<b>182</b>	<b>234</b>

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## 5. Segment reporting

x € 1 million	Property Development		Building		Technical Services		Infrastructure		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
1st half-year												
Revenues	457	502	656	649	131	99	689	616	-211	-177	1.722	1.689
Operating profit	25	27	-10	-7	3	1	-7	1	2	9	13	31
Net financing costs											-5	-4
Profit before tax											8	27
Income tax expense											-6	-8
Profit after tax											2	19
Operating profit as percentage of revenues	5,5%	5,4%	-1,5%	-1,1%	2,2%	1,0%	-1,0%	0,2%	-	-	0,8%	1,8%

### Geographical segments

#### Revenues

1st half-year

	Netherlands		Belgium		United Kingdom		Germany		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<u>Business segments</u>										
Property Development	434	480	23	22	0	0	0	0	457	502
Building	413	391	55	83	188	175	0	0	656	649
Technical Services	131	99	0	0	0	0	0	0	131	99
Infrastructure	416	354	72	75	0	0	201	187	689	616
Other	-200	-167	-11	-10	0	0	0	0	-211	-177
<b>Consolidated</b>	<b>1.194</b>	<b>1.157</b>	<b>139</b>	<b>170</b>	<b>188</b>	<b>175</b>	<b>201</b>	<b>187</b>	<b>1.722</b>	<b>1.689</b>

### Geographical segments

#### Operating profit

1st half-year

	Netherlands		Belgium		United Kingdom		Germany		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<u>Business segments</u>										
Property Development	32	26	-7	1	0	0	0	0	25	27
Building	-10	-12	-7	1	7	4	0	0	-10	-7
Technical Services	3	1	0	0	0	0	0	0	3	1
Infrastructure	-12	1	4	3	0	0	1	-3	-7	1
Other	2	9	0	0	0	0	0	0	2	9
<b>Consolidated</b>	<b>15</b>	<b>25</b>	<b>-10</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>-3</b>	<b>13</b>	<b>31</b>

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## **6. Selected notes**

### **Reporting Entity**

Heijmans N.V. (the Company) is vested in the Netherlands. The condensed consolidated interim financial information of the Company for the first half of 2008 include the Company and its subsidiaries and the interests in associates and jointly controlled entities.

### **Declaration of Compliance**

The condensed consolidated interim financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) for Interim Financial Reporting (IAS 34). The condensed consolidated interim information does not contain all information that is required for a full annual statement of accounts and must be read in combination with the Heijmans 2007 Consolidated Annual Accounts. The Executive Board prepared the condensed consolidated interim financial information on 20 August 2008.

### **Significant Accounting Principles**

The financial reporting accounting principles applied in the condensed consolidated interim financial information are the same as the accounting principles applied for the 2007 Consolidated Financial Statements.

### **Assets and liabilities classified as held for sale**

This represents assets and liabilities of the entities Bestcon (production company specialised in prefab concrete elements) and Heijmans Industrial Services (maintenance company for industry). Both entities are currently for sale.

### **Dividends paid**

The dividends paid in 2008 on ordinary shares in respect of the year 2007 amounted to € 34,9 million. In addition a dividend of € 4,5 million was paid on cumulative preference shares. The latter is classified as an interest expense on the Income Statement.

### **Other operating income**

The other operating income over the first half of 2008 rose by € 13 million in comparison to the first half of 2007. This rise is due to profits on the sale of real estate for own use (offices, workshops and sites).

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## **7. Auditor's Review Statement**

To: The Board of Directors and the Supervisory Board of Heijmans N.V.

### **Review report**

#### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial information as set out on page 9 to 14 for the 6 month period ended 30 June 2008, of Heijmans N.V., 's-Hertogenbosch, which comprises the balance sheet as at 30 June 2008, the profit and loss account, statement of recognised income and expense, statement of changes in equity and cash flow statement for the 6 month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### **Scope of Review**

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

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

's-Hertogenbosch, 20 August 2008

KPMG ACCOUNTANTS N.V.

D. Luthra RA