

ANNUAL RESULTS 2013

February 27, 2014

Executive Board Heijmans N.V.

“Heijmans records modest result in 2013 despite tough year ”

Bert van der Els- chairman Heijmans Executive Board

FY 2013 – Highlights

- Another challenging year;
- Residential: Recessional turnover, slightly positive outlook;
- Non-residential: Organisation improved. Black figures for 2013;
- Infra: Decrease in market volumes, good performance on quality.

FY 2013 – Highlights

- Good results Infra in Belgium and Germany, declining results in The Netherlands;
- Non-residential improved, Residential small loss and Property development stable;
- Turnover down, mainly for Residential;
- Number of houses sold: 1.082, percentage sold to private buyers increased;
- Solvency ratio further improved to 29%.
- Order book down, increase of service-related contracts;
- Strengthening of the company by acquisition of Brinck Group;
- Positive net results;
- Dividend proposed over 2013: € 0.15 per (certificate of) share.

FY 2013 – Improvement and Revitalisation

- Uniformity of processes;
- Tender management, Project management, Procurement & Commerce;
- Strong position for PPP with Heijmans Capital joint-venture;
- Smart technological concepts -> Applicable sustainable solutions:
 - Hydrea Thermpipe
 - Greenway LE
 - 3D printed canalhouse
 - Energy generating noise barrier
- Spark (*network for creativity and knowledge*)
- Smart Highway

FY 2013 - Progress

- Technology campus DSM (Delft)
- Integrated variable maintenance contracts RWS (*Public Works and Water mgt*)
- 'Laurentius' Hospital Roermond
- Holiday parc 'Duynhille'
- 'Wilhelmina' lock Zaandam
- Technical installations Schiphol Airport
- A1 motorway Bocklemünd-Köln North
- 'Wijnhaven' area The Hague
- 'Fenix' barracks Rotterdam
- Longterm O&M contract for two of the ministries in The Hague.

Outlook

- First signs of recovery in the Dutch housing market;
- Stable perspective Non-residential, market for Infra remains challenging;
- 2014 promising for PPP;
- Heijmans focus continuous on:
 - Improve the core
 - Risk- and cost control
 - Integrated approach
 - Innovative power
- Solid capital base;
- Outlook 2014: Transition year towards potential market recovery;
- Distinctive power with the combination of Improvement and Revitalisation .

“Heijmans records modest result in 2013 despite tough year ”

Capital position remains strong, solvency ratio at 29%

Mark van den Biggelaar - CFO and member of Heijmans Executive Board

x € 1 million	2013	2012
Revenues	163	257
Underlying operating result	1	1
Underlying operating margin	0,6%	0,4%
Order book	190	139

DEVELOPMENTS PER SECTOR

PROPERTY DEVELOPMENT

- Material decrease of revenues, underlying operational result stable;
- 1.082 houses sold (2012: 1.081), of which 542 in Q4;
- Approximately 40% of houses sold to private buyers (2012: 33%);
- Number of unsold homes at 36 as per year-end 2013 (lowest level in years);
- First signs of market improvement, order book increased versus 2012;
- 2014 expected to be a year of transition towards recovery;

GEOGRAPHICAL
SPREAD OF
LAND POSITIONS



Strategic positions e.g.:

- Nieuwerkerk a/d IJssel
- Leek/Roden
- Almere

Positions 'In development' e.g.:

- Berkel-Enschot 'Koningsoord'
- Gouda 'Westergouwe'
- Zutphen 'Reesink'

x € 1 million	2013	2012
Revenues	223	360
Underlying operating result	-3	1
Underlying operating margin	-1,3%	0,3%
Order book	173	182

DEVELOPMENTS PER SECTOR

RESIDENTIAL BUILDING

- Strong decline in turnover and result versus 2012;
- Restructuring completed, more than 250 jobs fell due;
- Heijmans anticipates on the new reality:
 - “Huismerk” houses
 - 3D printed canalhouse
 - Energy neutral construction
- Decrease of order book stopped. Order intake increased towards the end of 2013;
- Opportunities from the joint development of concepts with Property Development.

x € 1 million	2013	2012
Revenues	466	470
Underlying operating result	2	-13
Underlying operating margin	0,4%	-2,8%
Order book	511	606

DEVELOPMENTS PER SECTOR

NON-RESIDENTIAL

- Positive operational result;
- Turnover in line with previous year;
- Continuous focus on process improvements;
- Niche profile with Margin-over-volume;
- Delivery of complex integrated projects like Musicpalace 'Vredenburg' and Meander Medical Centre;
- Order intake based on added value proposition. E.g.:
 - Technology Campus DSM
 - Laurentius Hospital
 - Security zone Schiphol Airport

x € 1 million	2013	2012
Revenues	751	812
Underlying operating result	16	35
Underlying operating margin	2,1%	4,3%
Order book	576	771

DEVELOPMENTS PER SECTOR

ROADS & CIVIL

- Market volumes recedes, especially in second half of 2013;
- Positive operational results, lower than exceptional good performance 2012;
- Further shift of focus towards short cyclical activities and service provider ship;
- Brinck Groep: strengthening capabilities for 'smart meters';
- Market for infrastructure projects will remain challenging for 2014.

x € 1 million	2013	2012
Revenues	251	252
Underlying operating result	13	13
Underlying operating margin	5,2%	5,2%
Order book	203	224

DEVELOPMENTS PER SECTOR

INTERNATIONAL: BELGIUM

- Stable turnover with good operating results;
- Good results for both Heijmans Infra (Roads) as for Van den Berg (Civil engineering);
- Positive contribution from larger projects, e.g. R4 (PPP);
- Belgian activities offer added value in performance and expertise.

x € 1 million	2013	2012
Revenues	344	356
Underlying operating result	6	6
Underlying operating margin	1,7%	1,7%
Order book	165	182

DEVELOPMENTS PER SECTOR

INTERNATIONAL: GERMANY

- Results Germany at same level as 2012;
- Oevermann wins larger infra projects like A1 motorway (Bocklemünd-Köln) and A4 motorway (Düren-Kerpen);
- Franki realises foundations for several wind energy turbines (onshore).

KEY FIGURES FY 2013

x € 1 million	2013	2012
Revenues	2.054	2.318
Underlying operating result	23	27
Write down on property assets	-7	-35
Impairment of goodwill		-60
Restructuring costs	-7	-29
Exceptional release pension provision	4	15
Result of disposals		-5
Operating result	13	-87

- Restructuring costs mainly for Residential building (complete reorganisation) and Non-residential (to strengthen and improve the organisation);
- Some value adjustments property assets Netherlands and Belgium;
- One-off income from release of liability, due to harmonisation of Heijmans pension scheme.

BALANCE SHEET, CASH FLOW AND FUNDING

Condensed Balance Sheet

x € 1 million	31 december 2013	31 december 2012
Fixed assets	329	349
Working capital (excl. cash and cash equivalents)	168	158
Capital invested	497	507
Equity	315	315
Provisions (non-current)	41	43
Net debt	141	149
Financing	497	507

- Small decrease invested capital;
- Net interest bearing debt decreased, as well as the Net recourse debt (2013: € 13 million);
- Solvency ratio at 29% ultimo 2013 (2012: 28%);
- Implementation of IFRS 11 (as per 1/1/2014): Number of joint-ventures will be consolidated in a different manner. Expected limited positive effect on the balance sheet and solvency;
- Committed credit facility extended maturity to Mach 31, 2016;
- Agreement on major terms for next 5 years for cumulative financing preference shares.

SUMMARY

- 2013 was a tough year;
- 2014 is expected to be a year of transition towards recovery;
- Solid financial position;
- Distinctive proposition with combination of Improvement and Revitalisation .

**we are building the spatial
contours of tomorrow**





Project in focus
#3D printed canal house
Amsterdam

ANNEX: Land positions

Total landbank as per end of 2013:

Strategic land	95
Land in development*	<u>218</u>
Totaal	313 M €

- Individual valuation per position
- All positions evaluated periodically
- Impairment in case of lower net cash value (NCW) of the position
 - Positive sales results (buildings) are not factored into the valuation amount
 - Positive construction results are not factored into the valuation amount.

Future liabilities (property development):

- Unconditional liabilities € 90 million (2012: € 85 million)
- Conditional liabilities € 211 million (2012: € 224 million), for larger part (€ 164 mio) limited cash impact.

Total residential construction potential appr. 21,000 homes (2014 and beyond)

** So-called 'GEM/GREX' co-operations.*

Project in focus
#Wijnhavenkwartier-The Hague



Project in focus
#Railroads 's-Hertogenbosch



Project in focus
#Music Palace Utrecht



Project in focus
#St. Pauli Ländungsbrücken,
Hamburg



Project in focus
#Citadel Assen



Project in focus
#Assetmanagement - Schiphol

DYNAMIC PAINT



-5°



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20°

Project in focus
#Smart Highway

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