

## Press release trading update date 08-05-2013

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### **Heijmans: modest start of the year due to extended period of frost, order portfolio stable**

#### **Update key developments**

- Turnover in the first quarter of 2013 was down compared with the same period of 2012 due to an extended period of frost and low activity in infra and housing market;
- Housing market continues to decline; 60 houses sold to private individuals through April of this year, no transactions with investors;
- Order portfolio stable at € 2 billion at the end of March 2013;
- Underlying operating result around breakeven in first half of the year, second half positive according to annual seasonal pattern.

#### **Bert van der Els, Chairman of the Executive Board of Heijmans:**

'We have yet to reach rock bottom in the building sector; the market is still declining, especially in the housing market. This combined with the extended period of frost in the first quarter of the year resulted in reduced turnover and a lower profit compared to the first months of 2012. We are fully alert to opportunities and ready to change gear rapidly, both in a negative sense if there is a further decline in the market and in a positive sense to make the most of opportunities that may arise in this market. The inner-city redevelopment of Vlaardingen, the Wilhemina locks in Zaandam and the Drachtsterweg road in Leeuwarden are perfect examples of this ability to respond quickly and effectively.'

#### **Key operating developments in the first quarter of 2013**

The extended period of frost, a reduced level of activities in the Infra (Roads and Civil Engineering) segment in the Netherlands and the poor turnover development in the Residential segment led to a lower operating result than in the same period of 2012. While the order book at Property Development and Residential Building continued to decline, the order portfolio for the group as a whole remained stable at around € 2 billion.

The housing market continues to drop and we therefore saw a decline in turnover at Property Development and Residential Building. There were no transactions with investors in these past few months. Heijmans continues to focus on its strength as an inner-city area developer. One example is the contract Heijmans signed with the Vlaardingen municipality for the development of Buizengat-Oost.

Non-residential recorded a small drop in turnover compared to the same period of last year. The focus remains on improving the quality of the management of the organisation and project execution. In the early part of this year, Non-residential acquired a contract for the new construction of premises for Solliance (a collaboration between six parties, including applied science research centre TNO and the Technical University Eindhoven), and the renovation of Gebouw 48, both of which are on the Hightech Campus in Eindhoven. The work on the National Military Museum in Soesterberg and the Timmerhuis in Rotterdam began as scheduled in January and April respectively. The construction of new premises for the Royal Marechaussee at Schiphol Airport and the Orion education building at Wageningen University have been completed.

Turnover and profit at Infra (Roads and Civil Engineering) were down compared to the same period of 2012. Heijmans acquired contracts for the renovation of the Wilhelmina locks in

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Zaandam and the reconstruction of the Drachtsterweg in Leeuwarden in the first quarter of the year. Major projects such as the A4 Delft-Schiedam motorway, the Den Bosch railway project and the Bilthoven rail underpass reached important milestones on the road to completion in the period under review.

In Belgium and Germany, turnover fell in the first quarter of the year. In Belgium, we acquired a contract for the construction of the tunnel-related installations for the Liefkenshoek rail junction near Antwerp.

The organisational changes we are implementing at Residential Building and the more modest changes at Non-Residential and Infra are progressing as planned. In the first quarter, the number of FTEs dropped by around 100 compared with year-end 2012. In view of the situation in the Dutch market, Heijmans will continue to respond to developments, in the housing market in particular.

The average net debt was higher at the end of March 2013 compared to a year earlier. It is normal for the net debt to rise in the course of the year. Heijmans is experiencing increasing pressure on its working capital from the construction chain.

#### **Results first half 2013**

Heijmans will publish its first-half 2013 results on 21 August 2013 prior to the start of trading.

#### **About Heijmans**

Heijmans is a listed company that combines activities related to property development, residential building, non-residential and infrastructure. Heijmans operates in the Netherlands, Belgium and Germany. Our focus on quality improvements, integrated projects, sustainability and profitability allows Heijmans to provide added value for our customers.

Heijmans realises integrated projects for residential consumers, companies and government bodies. With around 8,000 employees and € 2.3 billion in turnover in 2012, we are building the spatial skylines of tomorrow. For more information, visit [www.heijmans.nl](http://www.heijmans.nl).

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