

Annual General Meeting of Shareholders

Bert van der Els, chairman Executive Board Heijmans N.V.

13 April 2016

Verkadefabriek, 's-Hertogenbosch



A4 Delft- Schiedam



2015: negative result, improvements visible in second half of the year

Residential: recovery and growth, Heijmans benefits

Non-residential: poor market, opportunities for service and maintenance

Infra: result below standard but also good progress

Key figures 2015

Key figures

(x € 1 million)

	H2 2015	2015	2014
Revenues	1.057	1.979	1.868
Underlying operating result*	6	-5	-12
Operating result	-13	-29	-64
Result after tax	-12	-27	-47
Order book	2.094	2.094	2.287
Net debt	10	10	31
Number of FTE	6.582	6.582	7.034

* Underlying operating result is operating result corrected for operating result joint ventures, fair value adjustments land bank, restructuring costs and other extraordinary items

Key figures 2015

- Revenues + 6% to € 2.0 bln;
- Number of houses sold + 33% to 1.791;
- Result Property Development and Residential improved to € 15 mln;
- Solid profit contribution Belgium and Germany of € 15 mln;
- Order book slightly decreased to € 2.1 bln;
- Result Infra Netherlands -/- € 26 mln.

2015 – Result per sector

Underlying operating result x € 1 million	H2 2015	2015	2014
Property development	5	9	4
<i>Residential - Netherlands</i>	<u>2</u>	<u>5</u>	<u>0</u>
<i>Residential - Belgium</i>	<u>1</u>	<u>1</u>	<u>2</u>
Residential - Total	3	6	2
Non-residential	2	0	0
<i>Infra - Netherlands</i>	-11	-26	-22
<i>Infra - Belgium</i>	4	7	11
<i>Infra - Germany</i>	<u>6</u>	<u>7</u>	<u>2</u>
Infra - Total	-1	-12	-9
Corporate/other	-3	-8	-9
Underlying operating result	6	-5	-12

Key issues 2015

- Completed projects: timely commissioning of A4 and Timmerhuis;
- Safety: clear improvement due to internal GO! programme:
 - > Decrease number of accidents and IF figure NL to 3.9 in 2015 (2014: 5.6);
- 'Sub 10' equity issue, € 21 mln proceeds;
 - > Cumulative preference shares reduced to € 45 mln;
- Revolving credit facility extended until 30 June 2018;
- Net debt slightly improved vs FY 2014, strong focus on working capital;
- Restructurings completed, improvement measures on schedule;
- Intended nomination new board member with specific focus on infrastructure;
- Annual report: next steps in integrated reporting;
- No dividends proposed due to negative result.



Timmerhuis,
Rotterdam



Markets: Property Development & Residential Building

- Strong recovery of Property Development & Residential Building markets, especially in 'Randstad' area;
- Further margin improvements due to tightened, uniform production processes and improved sales prices;
- 'Heijmans Huismerk' and 'Heijmans Wenswonen' concepts well received;
- Contract to build first 30 Heijmans ONE homes;
- Strong growth of sustainable developments, networks of companies and governments to accelerate initiatives in order to zero the energy bill of housing consumers ('Stroomversnelling' and 'Nul-op-de-meter' initiatives)
- Decentralised energy production with solar panels.

Markets: Non-residential

- Market for non-residential building remains poor;
- Perspective in several niches and within asset management and service & maintenance;
- Strong price pressure due to relentless competition;
- Growing demand for data centers and laboratories, several projects acquired;
- Renovations and small scale new build schemes for hospitals;
- Several PPP tenders, no projects rewarded, 2nd place, margin over volume approach;
- Asset management contract (5 – 10 years) for a.o. Dutch Tax Authorities.

Markets: Infrastructure

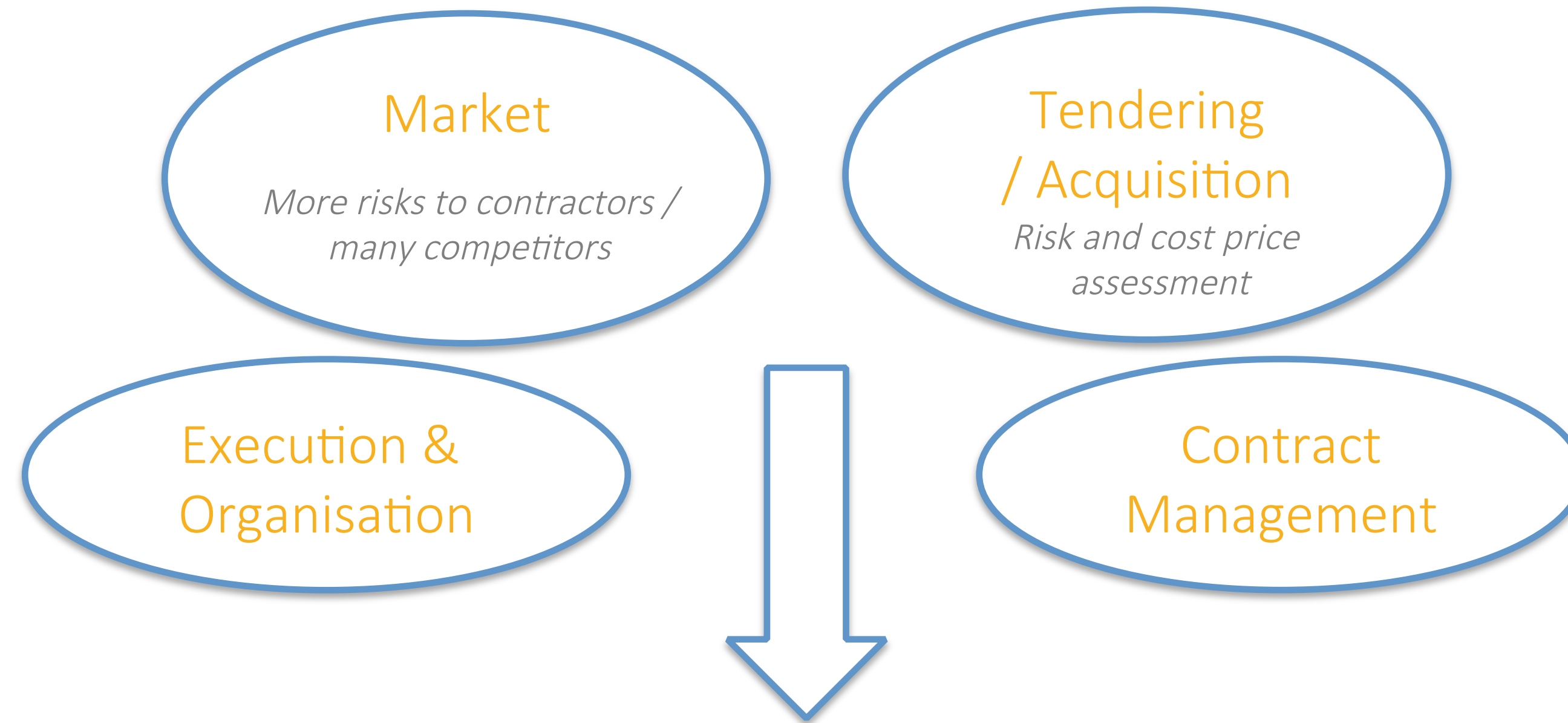
- Market remains very challenging, risk distribution not yet in balance;
- Strong competition, limited competitive edge, too much capacity;
- Higher level of market concentration required;
- Market vision determined in cooperation with a.o. RWS: room for innovation and sustainability, improved risk distribution;
- Stable flow of national projects, several projects in execution;
- Increased focus on maintenance within regional projects;
- 1st Bike Scout project completed for municipality of Eindhoven.

Infra Netherlands

- Turnover appr. € 700 mln, divided into:
 - Regional projects & Asset management ~40%
 - Specialties ~20%
 - Big Projects ~40%
- Big Projects:
 - Integrated
 - Roads
 - Civil
- Loss making are 5-10 projects, acquired in 2012 – 2013;
- To be completed mainly throughout 2016;
- Several improvement measures implemented.

Improving control of big projects

Background of issues



Improvement measures

<p>Focus</p> <ul style="list-style-type: none"> Suitable Partnerships Market vision 	<p>Tender management</p> <ul style="list-style-type: none"> Design costs Start margins incl. pricing of risks
<ul style="list-style-type: none"> Stick-to-the-plan approach Start Up reviews 	<ul style="list-style-type: none"> Go / No go Use new ERP

Markets – Germany & Belgium

- Germany
 - Improvement of turnover and results, especially Oevermann;
 - Effects of completed restructurings visible in margin development;
 - 2015 strong year for Non-residential with strong focus on selected customers.
- Belgium
 - 2015 good year with decent development of activities in Non-residential and Infra;
 - In line with budget slightly lower turnover and result than 2014;
 - Well-filled order book.

2015 – To improve

Tightening and implementation of processes and procedures

- Continuing GO! programme: the target remains zero accidents!
- Implementation of new ERP platform (SAP) on schedule, most subsidiaries currently connected;
- Process tender management incl. 'Go / No Go' decisions company wide implemented;
- Process improvements for project management, procurement and commerce;
- Focus on working capital (Fit for Cash) and invested capital;
- Intended nomination of new board member with specific focus on margin improvement within Infrastructure.

2015 – To renew

Focus to renew - Heijmans Technology:

Together with selected partners (a.o. ABB, CISCO, ENECO)

- Heijmans ONE's to house singles on temporary inner-city locations;
- Development of sustainable homes with Wifi, home control and low EPC score;
- Heijmans BrainJoint (expansion joint for roads and bridges) successfully applied and launched in the market, strong noise reduction of road traffic;
- Sustainable asphalt Heijmans Greenway LE validated by RWS for use in projects;
- Pilot started with Solar Noise Barriers, noise reduction and energy production next to motorways;
- Smart Cleaning: clever maintenance and cleaning of buildings based on data and sensor technology.

Financing

- Compliant with all financial covenants throughout the year;
- Impact by sector wide events;
- As of April 1, committed facility of € 256 mln with expiry date of June 30, 2018;
- Refinancing currently effectuated, as per earlier announcement Van Lanschot has exited the banking syndicate as of April 1, 2016;
- ICR from now on to be tested quarterly, end of 2016 at a level of 4;
- Goal: to structurally improve debt / ebitda ratio.

Outlook

- Continuing positive trend residential market, Heijmans well positioned;
- Gradual improvements Non-residential and Infra, markets remain challenging;
- Solid performance Germany and Belgium;
- Heijmans will continue strategy 'To improve and renew';
 - Improve the Core
 - Integrated approach (uniform processes / centralised steering)
 - Innovative skills
- Clear steps forward with positive underlying operating result in 2016.

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