Press release interim results 2013

Datum 21-8-2013
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Heijmans posts modest result in difficult market, increases share capital by near 10%

Highlights

- Underlying operating result positive at € 2 million;
- Turnover drops to € 929 million in first half, from €1,064 million in first half of 2012;
- Number of homes sold at 386, compared to 400 in the first half of 2012; number of homes sold to private buyers has increased;
- Turnover and result Roads, Civil, Belgium and Germany stable – result Non-Residential positive, turnover of Property and Residential Building continue to decline;
- Net loss of € 5 million amongst others due to reorganization costs;
- Order book: € 1.9 billion as of 30 June 2013, from € 2 billion at year-end 2012;
- Net debt € 214 million at end-June 2013, versus € 234 million at end end-June 2012, solvency at 27%;
- Heijmans to increase share capital by almost 10%; the offering is supported by major shareholders of Heijmans, of which a major shareholder, as well as the executive board, has committed to acquire shares in the offering.

Key figures

x 1 € million	H1 2013	H1 2012	2012
Revenues	929	1.064	2.318
Underlying operating result [1]	2	4	27
Result after tax	-5	5	-88
Earnings per share (in €)	-0,27	0,31	-5,10
Order book	1.866	2.216	1.994
Net debt	214	234	154
Number of FTE	7.611	8.040	7.872

1. underlying operating result is the operating result excluding write down on property development, impairment of goodwill, restructuring costs, result on the sale of subsidiaries and pension income. Figures for 2012 have been revised due to new IFRS pension regulations.

Bert van der Els, chairman of the Heijmans Executive Board:
'The market remains tough and challenging. The measures we have taken at Non-Residential are showing the first tentative signs of having a positive impact. Developments in Roads, Civil, Belgium and Germany were stable. However, Property and Residential continued to decline. The use of our innovative potential is the way to create added value. Our innovations, with Smart Highway as a key example, are attracting considerable international attention and we will continue to build on this in the coming period. We intend to increase our share capital by almost 10% to strengthen our balance sheet, but also to back-up corporate development and leverage on innovative potential. The offering is supported by major shareholders of Heijmans, of which a major shareholder, as well as the executive board, has committed to acquire shares in the offering.'

First half 2013

Residential

The persistently poor conditions in the residential market translated into a continued decline in turnover, operating result and the order book, most markedly at Residential Building. However, the number of homes sold, at 386, was at a comparable level to the 400 sold in the first half of 2012. In the first six months of this year, more homes were sold to private buyers than to investors (172 or 45% of the total number sold), which is a cautious signal that the market is showing signs of recovery. The sale of residential properties to investors is characterised by fewer transactions involving greater numbers per transaction, and therefore subject to greater fluctuations. Opportunities in this market are major makeover projects such as the Wijnhaven district in The Hague. In July Heijmans signed a contract for the transformation of this area, which also includes the former Justice and Home Affairs ministries in The Hague. In a collaborative effort with the city of The Hague and the University of Leiden, a number of buildings will be redeveloped to provide 170 apartments, around 15,000 m2 in commercial spaces and Leiden University's The Hague Campus. Asset manager Syntrus Achmea is due to acquire 132 apartments. Heijmans will also be responsible for the temporary management and exploitation of the complex.

Non-residential

The measures taken in the past to improve the management, organisation, execution and risk management in this division are showing the first tentative signs of having a positive impact. The introduction of phased negotiation, preparation and execution of contracts is proving effective. The focus remains on margin over volume and the added value of an integrated approach in complex projects combining technology and construction. Projects such as the Meander Medical Centre in Amersfoort, Muziekpaleis Vredenburg in Utrecht and the National Military Museum in Soesterberg are perfect examples of this approach and are all progressing according to plan. At Eindhoven Airport, we have completed the expansion of the arrival hall, the terminal, the realisation of a number of commercial office spaces and the construction of a new hotel. In June, Heijmans won the contract for the design and realisation of a superstructure over the E and F piers at Amsterdam Schiphol Airport, as well as the expansion of the terminal in the area between the E and the F piers, as part of the transition towards central security for the entire airport.

Infra

Roads and Civil Engineering are performing well and recorded stable turnover and operating result. At Roads, the order book is under pressure due to the completion of a number of major, integrated projects, while the order book at Civil Engineering increased. There are opportunities in the market for complex, civil-technical projects. One example is the contract Heijmans won earlier this year for the design, realisation and maintenance of the renovated Wilhelmina locks in Zaandam and the contract for the design and realisation of the lowered Drachtsterweg – including the aqueduct - in Leeuwarden. The continued development of the Smart Highway concept enables Heijmans and Studio Roosegaarde to demonstrate that technological innovation combined with design and a clear focus on the end-user is creating new opportunities to compete on the basis of expertise and innovation, also on an international level. We will be taking further steps in this direction in the second half of 2013. We expect to realise the first applications of the Smart Highway concept from the second half of this year. In July, Heijmans signed a contract to design an interactive bicycle route for the Eindhoven region based on Smart Highway technology.

The Belgian business units are booking stable results, while the German activities have made further progress in the transition to positive results. In Belgium, the order book was given a considerable boost with the contract for the design, realisation and maintenance of a number of tunnel installations and the control system for the Liefkenshoek rail link near Antwerp.

Key developments

Heijmans intends to increase its share capital by a maximum of 10% to strengthen the balance sheet and to put the company in the best possible position in terms of innovation and innovative projects, including PPP projects. The offering is supported by major shareholders of Heijmans, of which a major shareholder, as well as the executive board, has committed to acquire shares in the offering.For further information, we refer to the separate press release on this subject published today before the opening of the stock exchange.

With a view to the growing market for DBFMO (design, build, finance, maintain, operate) projects, Heijmans and Barclays Infrastructure Funds Management (BIF) in June set up a joint venture to finance projects of this type. Under the header Heijmans Capital BV, the two partners share the risk-bearing capital and expertise required for these kinds of projects, right from the tender stage. BIF will take 80% of the investment in new projects, while Heijmans will account for the remaining 20%. The National Military Museum in Soesterberg (NMM Company) is the first project to have been placed directly in the new joint venture.

Heijmans' goal is to differentiate itself in the market through innovation in the field of Smart Mobility and Smart Energy and Smart Materials, and the company plans to take advantage of opportunities to develop further in this direction in the future. On the sustainable energy front, Heijmans is advocating tax breaks for companies and private individuals, to facilitate the continued transition of the market and to ensure that the built environment really does become more sustainable.

Turnover

Turnover in the first half declined to €929 million, from € 1,064 million in the first half of 2012. The drop in turnover was largely due to the decline in the housing market and the completion of a number of major infrastructure projects. Turnover in Non-Residential, as well as the turnover in Belgium and Germany, remained at comparable levels to the same period of 2012.

Breakdown of the operating result per sector

x € 1 million	**H1 2013**	H1 2012	**2012**
Revenues	**929**	1.064	2.318
Underlying operating result	**2**	4	27
Write down on property assets	0	0	-35
Impairment of goodwill	0	0	-60
Restructuring costs	-4	0	-29
Exceptional release pension provision	0	12	15
Result of disposals	0	-5	-5
Operating result	-2	11	-87
Financial results	-2	-1	-7
Share of profit of associates	0	0	1
Result before tax	**-4**	10	-93
Income tax expense	-1	-5	5
Result after tax	**-5**	5	-88

Underlying operating result

Underlying operating result x € 1 million	**H1 2013**	H1 2012	**2012**
Netherlands:			
Property development	-3	-1	1
Residential	-5	2	1
Non-residential	1	-4	-13
Roads & Civil	11	13	35
	4	10	24
Foreign:			
Belgium	5	6	13
Germany	0	-1	6
	5	5	19
Corporate/other	-7	-11	-16
Total underlying operating result	2	4	27

Operating result
The underlying operating result amounted to € 2 million for the first half of 2013, from € 4 million in the first half of 2012. The operating result amounted to a loss of € 2 million in the first half of 2013, as a result of reorganisation costs. This compares with a positive operating result of € 11 million in the first half of 2012, including extraordinary income from the release of a pension provision of € 12 million. Roads and Civil Engineering recorded a stable positive result, making up for the lower levels of activity in the first months of the year. The results of the Belgian and German activities remained stable. The measures introduced at Non-Residential have now led to an improvement in results and this business is back in the black figures. The results at Property Development and Residential Building in particular lagged, with operating losses of € 3 million and € 5 million respectively.

Non-operational items: reorganisation nears completion
The reorganisation at Residential Building we launched in late 2012 is on schedule and the adjustments to the organisation at Non-Residential are in the final stages. The additional reorganisation costs of € 4 million largely related to these measures.

Financial expenses
Financial expenses amounted to € 2 million in the first half of the year, compared with € 1 million in the same period of 2012.

Net result
Heijmans recorded a net loss of € 5 million in the first half of 2013. Earnings per share after taxes were minus € 0.27.

Net debt and balance sheet
Heijmans' capital position remains sound. Net debt decreased to € 214 million at end June 2013, from € 234 million a year earlier. In line with normal seasonal patterns, the debt increased compared to year-end 2012. We took a number of successful measures to improve our cash position. The transfer of NMM Company to

Heijmans Capital BV and the outsourcing of all of Heijmans' project housing, as well as the sale of a location that was no longer in use had a positive impact on capital requirements and financing risks. We now have a dedicated programme aimed at continued attention to managing our working capital. Heijmans expects to reduce the capital requirements by € 15 million to € 20 million by year-end 2014, through targeted divestments of property- and other assets. Solvency stood at 27% at the end of June. As per 30 June, Heijmans was well within the covenants agreed with its banks.

Order book

The order book amounted to € 1.9 billion at the end of June 2013, down from € 2.0 billion at year-end 2012. The strongest decline was at Non-Residential, while the order book was also lower at Property Development and Residential Building. The order book at Roads and Civil Engineering, as well as in Belgium, remained stable, while the order book in Germany was higher.

Risks

The main risks are outlined in the 2012 annual report. There were no material changes in the period under review. The most important external factors remain the uncertain market conditions, especially in the housing market.

Outlook

Due to the persistent difficult market conditions and the lack of recovery in the housing market, margins remain under pressure. There are opportunities for the future in the development and supply of expertise and smart technology in the field of mobility and energy, also on an international level. The underlying operating result was in line with the forecast given in the trading update published in May of this year and the capital ratios remain strong. Taking these factors into account, the interim results give us confidence that we will be able to close the year with a positive operating result.

Trading update

Heijmans will publish its Q3 trading update on 7 November 2013 before the opening of the stock market.

About Heijmans

Heijmans is a listed company that combines activities related to real estate development, residential building, non-residential building, technical services, roads and civil engineering. Heijmans operates in the Netherlands, Belgium and Germany. Our focus on quality improvement, integrated projects, sustainability and profitability creates added value for our customers. Heijmans realises projects for consumers, companies and government bodies. With approximately 8,000 employees and € 2.3 billion in revenues in 2012, we are building the spatial contours of tomorrow. For more information, visit www.heijmans.nl.

For more information / not for publication:

Media:
Lonneke Wijnhoven
Director Communications
+31 73 543 52 17
lwijnhoven@heijmans.nl

Analysts:
Frank Heerens
Manager Investor Relations
+31 73 543 52 17
fheerens@heijmans.nl

Notes to the press release on Heijmans N.V.'s 2013 interim results

Interim financial information

Not audited by an accountant

1. Developments per activity

Property Development (the Netherlands)

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	65	119	257	-45%
Underlying operating result	-3	-1	1	
Underlying operating margin	-4,6%	-0,8%	0,4%	
Order book	115	215	139	

Heijmans sold a total of 386 homes in the first half of 2013, slightly fewer than the 400 in the first half of 2012. The number of homes sold to private individuals rose to 172 in the first half of 2013, from 131 a year earlier, which can be taken as a sign of a cautious upturn in the market. Corporations are notably less active on the market. The sale of residential properties to investors is characterised by fewer transactions and is therefore subject to greater fluctuations. As per end-June of this year, Heijmans had 51 houses completed and not yet sold. The persistent unfavourable market conditions led to a further decrease in turnover to € 65 million, while the underlying operating result decreased to a loss of € 3 million in the first half of 2013, compared with € 119 million and a loss of € 1 million respectively in the first half of 2012. The order book had dropped by more than 17% to € 115 million at end-June of this year.
In the first six months of the year, the Property Development division won the contract for the transformation of the Wijnhaven district in The Hague and for the Buizengat-Oost area development in Vlaardingen, and commenced the sale of properties in the inner-city Wiener district in Amsterdam. In this latter project, Heijmans worked on the basis of co-creation and formed a development plan with both existing residents and the inhabitants in the area. Finally, Heijmans launched the ZeroReady concept, a programme to make existing homes rapidly energy neutral, as well as the Ezie housing costs concept, to give residents a complete overview of their housing costs before they decide to buy.

Residential Building (the Netherlands)

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	109	184	360	-41%
Underlying operating result	-5	2	1	
Underlying operating margin	-4,6%	1,1%	0,3%	
Order book	165	286	182	

At Residential Building, the continued downturn in the market also had a strong negative impact on both turnover and operating result. Turnover decreased by more than 40% to € 109 million in the first half of 2013, from € 184 million in the first half of 2012. The underlying operating result amounted to a loss of € 5 million, compared with € 2 million profit in the first half of 2012. The reorganisation at Residential Building is currently underway and on schedule. The costs for this reorganisation amount to approximately € 2 million in the first half of 2013. The order book has decreased to € 165 million at end-June.
Together with the Property division, Residential Building launched the Ezie housing costs concept and completed the renovation of a number of apartment blocks for the Brabant Wonen housing corporation in Den Bosch and for the Elkien housing corporation in Leeuwarden. Residential Building also commenced the construction of 70 apartments and 15 XL homes in the Utrecht district of Oog in Al at the former site of the Cereol factory, as phase 2 of the Meyster's Buiten project. In the Amersfoort district Vathorst, construction has also commenced on the Waterhart apartment complex for the housing corporation De Alliantie. Residential also delivered 450 holiday homes in Cadzand, after a remarkably swift realisation phase.

Non-residential (the Netherlands)

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	229	227	470	1%
Underlying operating result	1	-4	-13	
Underlying operating margin	0,4%	-1,8%	-2,8%	
Order book	511	664	606	

At Non-Residential, turnover in the first half of 2013 was comparable to a year earlier, rising slightly to € 229 million in the first half of 2013, from € 227 million in the same period of 2012. The underlying operating result improved and amounted to an operating profit of € 1 million. In addition to improvements in management, execution and risk management, Heijmans also adjusted the organisation, which resulted in reorganisation costs of € 2 million in the first half of 2013. The order book decreased by € 95 million from year-end 2012 to € 511 million as per end of June.
Major projects such as the Meander Medical Centre in Amersfoort and the Muziekpaleis Vredenburg in Utrecht are on schedule. The construction of the National Military Museum reached the highest point of the construction in July. At the Wageningen UR (University and Research Centre), Heijmans has delivered the Orion educational building, while at Eindhoven Airport, the company has now completed the expansion of the arrivals hall, the terminal, the realisation of a number of commercial offices and the construction of a new hotel.

Roads and Civil Engineering (the Netherlands)

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	326	361	812	-10%
Underlying operating result	11	13	35	
Underlying operating margin	3,4%	3,6%	4,3%	
Order book	763	783	771	

Roads and Civil Engineering largely compensated the lower business levels of the first quarter with a strong second quarter. The turnover of the combined infrastructure business amounted to € 326 million in the first half of 2013, still somewhat lower than the € 361 million recorded a year earlier. The underlying operating result and operating margin decreased slightly compared with the first half of 2012, but did show a positive, stable development, certainly in the second quarter. The order book amounted to € 763 million at end-June, reasonably in line with the position at end-2012; Civil Engineering increased its order book, but at Roads the order book – and consequently the results for the second half of this year – is under pressure due to the completion of a number of major integrated projects.
In addition to the renovation of the Wilhelmina locks and the reconstruction of the Drachtsterweg in Leeuwarden, Heijmans won a number of new orders, including the reinforcement of the Waterdunen coastal area in West-Zeeuws-Vlaanderen, the maintenance of the infrastructure for two parcels in the Noord-Holland province and the maintenance of the Waterwolf tunnel – built by Heijmans – which is part of the N201 road between Aalsmeer and Uithoorn. Current projects, such as the renovation of Station Eindhoven and the widening of the A2 between Den Bosch and Eindhoven are running according to schedule. Thanks to 'Lean' building practices, Heijmans is cutting construction time for the parking garage Vonk & Vlam by six months. At rail project in Den Bosch, Heijmans managed to renew a complete railway bridge at the rail hub

between Den Bosch, Utrecht and Nijmegen during a 15-day shut-down period. The Smart Highway concept is a perfect example of our approach to innovation. We expect to see the first realisation of this innovative road concept in the second half of this year. Heijmans and Studio Roosegaarde signed an agreement in July for the design of an interactive cycle route in the Eindhoven region, based on Smart Highway technology.

International

Belgium

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	118	118	252	0%
Underlying operating result	5	6	13	
Underlying operating margin	4,2%	5,1%	5,2%	
Order book	218	199	224	

Turnover from the Belgian business amounted to € 118 million, a similar level as in the same period in 2012. The underlying operating result decreased slightly to € 5 million in the first half of 2013, from € 6 million in the first half of 2012. The order book was slightly lower and amounted to € 218 million as per end-June 2013, compared to € 224 million at year-end 2012.
Heijmans Infra in Belgium won the contract for the design, realisation and maintenance of a number of tunnel installations and for the control system for the Liefkenshoek rail link near Antwerp. The realisation of the R4 Zuid ring road at Ghent is on schedule.

Germany

x € 1 million	**H1 2013**	H1 2012	2012	Variance 2013-2012
Revenues	141	144	356	-2%
Underlying operating result	0	-1	6	
Underlying operating margin	0,0%	-0,7%	1,7%	
Order book	200	212	182	

Turnover from the German business was slightly lower than in the same period in 2012 and came in at € 141 million in the first half of 2013. The positive underlying operating result stabilised at both Franki and Oevermann in the first half of the year. The order book increased by 10% and amounted to € 200 million at end-June 2013. The collaboration of the German subsidiary Franki with our Dutch businesses generates clear added value in complex, concrete technology-related projects such as the A4 Delft-Schiedam.

2. Consolidated Income Statement

(x € 1 million)

	Six months to 30 June 2013	Six months to 30 June 2012*	Full Year 2012*
Revenues	929	1.064	2.318
Gross profit	106	127	225
Operating result	-2	11	-87
Financial income and expenses	-2	-1	-7
Share of profit of associates	0	0	1
Result before tax	-4	10	-93
Income tax	-1	-5	5
Result after tax	-5	5	-88
Earnings per share (in €):			
Basic earnings per share	-0,27	0,31	-5,10
Diluted earnings per share	-0,27	0,30	-5,10

The result after tax is entirely attributable to shareholders.

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

3a. Consolidated statement of comprehensive income

x € 1 million

	Six months to 30 June 2013	Six months to 30 June 2012*	Full Year 2012*
Result after tax	**-5**	5	-88
Unrealised results that - after first inclusion - will (possibly) be transferred to the income statement:			
Effective portion of changes of fair value of cash flow hedges excluding associates	1	0	0
Tax-effect of unrealised results that - after first inclusion - will (possibly) be transferred to the income statement	0	0	0
Unrealised results that will never be transferred to the income statement:			
Changes of actuarial results related to defined benefit plans	-4	-3	-8
Tax-effect of unrealised results that will never be reclassified to the income statement	1	1	2
Unrealised result after tax	**-2**	-2	-6
Total comprehensive result	**-7**	3	-94

The entire total comprehensive income is attributable to the shareholders.

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

3b. Consolidated statement of changes in equity

2013	Issued and called capital	Share premium result	Reserve actuarial results	Statutory hedging reserve	Retained earnings winsten	Result after tax for the year	Total equity
Before restatement	5	210		0	198	-89	324
Effect of change in defined benefit plans			-10			1	-9
Restated balance at 1 January 2013	5	210	-10	0	198	-88	315
Total comprehensive result for the reporting period:							
Result after tax						-5	**-5**
Unrealised results							
Effective portion of changes of fair value of cash flow hedges excluding associates				1			1
Changes in actuarial results related to defined benefit plans			-4				-4
Tax effect of results accounted for in equity			1	0			1
Total comprehensive result for the reporting period	-	-	-3	1	-	-5	**-7**
Result appropriation 2012:							
Dividends in cash						-3	-3
Addition to retained earnings					-91	91	0
Balance at 30 June 2013	**5**	**210**	**-13**	**1**	**107**	**-5**	**305**

2012	Issued and called capital	Share premium result	Reserve actuarial results	Statutory hedging reserve	Retained earnings winsten	Result after tax for the year	Total equity
Before restatement	5	210		0	239	-38	416
Effect of change in defined benefit plans			-5			1	-4
Restated balance at 1 January 2012	5	210	-5	0	239	-37	412
Total comprehensive result for the reporting period after restatement:							
Result after tax						5	5
Unrealised results							
Changes of actuarial results related to employee benefits			-3				-3
Tax effect of results accounted for in equity			1				1
Total comprehensive result for the reporting period after restatement	-	-	-2	-	-	5	3
Result appropriation 2011:							
Dividends in cash						-4	-4
Addition to retained earnings					-42	42	0
Restated balance at 30 June 2012	**5**	**210**	**-7**	**0**	**197**	**6**	**411**

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

4. Condensed statement of financial position

x € 1 million

Assets	30 June 2013		31 December 2012*		30 June 2012*	
Non-current assets						
Property, plant and equipment	115		124		135	
Intangible assets	113		114		170	
Other fixed assets	113		116		106	
		341		354		411
Current assets						
Landbank	313		305		313	
Houses in planning and under construction	100		99		139	
Other inventory	35		37		38	
Construction work in progress	168		120		179	
Trade and other receivables	347		376		379	
Other current assets	2		2		2	
Cash and cash equivalents	66		78		92	
		1.031		1.017		1.142
Total assets		**1.372**		1.371		1.553

Equity and liabilities	30 June 2013		31 December 2012*		30 June 2012*	
Equity		**305**		315		411
Non-current liabilities						
Interest-bearing [1]	220		152		253	
Non-interest-bearing	38		43		48	
		258		195		301
Current liabilities						
Interest-bearing loans and other current financing	60		80		73	
Trade and other payables	522		531		501	
Construction work in progress	184		201		229	
Other	43		49		38	
		809		861		841
Total equity and liabilities		**1.372**		1.371		1.553
Solvancy rates based on garantee capital		**27%**		28%		31%
Net debt [2]		**214**		154		234

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)
1. Non-current interest-bearing liabilities includes € 66 million cumulative preference shares.
2. Net debt is defined as interest-bearing liabilities minus cash and cash equivalents.

5. Condensed consolidated statement of cash flow

indirect method

(x € 1 million)	YTD June 2013	YTD June 2012*	FY 2012*
Operating result	-2	11	-87
Adjustments for:			
Gain on sale of non-current assets and real estate investments	-1	-2	-2
Depreciation on property, plant, equipment and real estate investments	12	13	27
Amortisation on intangible assets	1	1	2
Extra-ordinary value adjustments intangible assets	-	-	60
Revaluation of property assets	-	-	35
Changes in PPP-receivable	-16	-5	-15
Changes in construction work in progress	-65	-80	-49
Changes in other working capital	16	-46	-5
Changes in non-current, non-interest bearing liabilities and provisions	-6	-3	3
Cash flow from operating activities before interest and tax	**-61**	-111	-31
Interest paid/ received	-7	-9	-9
Income tax paid	-1	0	-4
Cash flow from operating activities	**-69**	-120	-44
Cash flow from investment activities	**-1**	-8	-26
Cash flow from financing activities	**58**	80	8
Net cash flow in the period	**-12**	-48	-62
Cash and cash equivalents at 1 January	78	140	140
Cash and cash equivalents at the end of the period	**66**	92	78

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

6. Segment information

Summary income statement by segment

x € 1 million	Netherlands: Property Development	Netherlands: Residential Building	Netherlands: Non-residential	Netherlands: Roads & Civil	International: Belgium	International: Germany	Other	Eliminations	Total
1st half 2013									
Third parties	65	66	224	308	118	141	7		929
Intercompany		43	5	18	0	0	59	-125	0
Total Revenues	65	109	229	326	118	141	66	-125	929
Operating result	-3	-7	-1	11	5	0	-7		-2
Net financing costs									-2
Result before tax									-4
Income tax expense									-1
Result after tax									-5
Operating result as percentage of revenues	-4,6%	-6,4%	-0,4%	3,4%	4,2%	0,0%	-	-	-0,2%

x € 1 million	Netherlands: Property Development	Netherlands: Residential Building	Netherlands: Non-residential	Netherlands: Roads & Civil	International: Belgium	International: Germany	Other	Eliminations	Total
1st half 2012*									
Third parties	119	104	226	346	118	145	7		1.064
Intercompany	0	80	1	15	0	0	29	-125	0
Total Revenues	119	184	227	361	118	145	36	-125	1.064
Operating result	-1	2	-4	13	6	-1	-4		11
Net financing costs									-1
Result before tax									10
Income tax expense									-5
Result after tax									5
Operating result as percentage of revenues	-0,8%	1,1%	-1,8%	3,6%	5,1%	-0,7%	-	-	1,0%

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

Condensed balance sheet by segment

x € 1 million	Netherlands				International		Other	Eliminations	Total
	Property Development	Residential Building	Non-residential	Roads & Civil	Belgium	Germany			
30 June 2013									
Assets	529	72	182	307	164	184	768	-854	1.352
Not allocated									20
Totaal assets	**529**	**72**	**182**	**307**	**164**	**184**	**768**	**-854**	**1.372**
Liabilities	46	71	167	259	86	111	28	-24	744
Not allocated									323
Total liabilities	**46**	**71**	**167**	**259**	**86**	**111**	**28**	**-24**	**1.067**
Equity									**305**
Totaal assets and liabilities									**1.372**

x € 1 million	Netherlands				International		Other	Eliminations	Total
	Property Development	Residential Building	Non-residential	Roads & Civil	Belgium	Germany			
31 December 2012*									
Assets	504	80	171	319	150	168	880	-914	1.358
Not allocated									13
Totaal assets	**504**	**80**	**171**	**319**	**150**	**168**	**880**	**-914**	**1.371**
Liabilities	56	83	176	257	75	99	51	-32	765
Not allocated									291
Total liabilities	**56**	**83**	**176**	**257**	**75**	**99**	**51**	**-32**	**1.056**
Equity									**315**
Totaal assets and liabilities									**1.371**

* After restatement due to change in accounting policies in defined benefit plans (see 7. Selected notes)

7. Selected notes

7.1 Reporting entity
Heijmans NV (the Company) is registered in the Netherlands. The Company's consolidated financial statements for the first half-year of 2013 comprise the Company and its subsidiaries and its holdings in associates and entities in which it has joint control.

7.2 Accounting principles for financial reporting

7.2.1 Statement of compliance
The consolidated interim statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim financial reporting, as accepted within the EU (IAS 34). The consolidated interim financial statements do not include all information required for full financial statements and must be read in combination with the consolidated financial statements of Heijmans for 2012.

The group is investigating the effects of the adjusted standard IFRS 10,11 and 12. If these standards, which were not compulsory for 2013, had been applied, the effect on the results would have been as follows:
- IFRS 11: The impact on the results would have been zero. The balance sheet total as per 30 June 2013 would have been slightly lower as a result of the recognition of a number of entities on the basis of the equity method that in line with the current accounting policies are now consolidated proportionately.
- Other: no impact on the financial results.

The management drew up the consolidated interim financial statements on 20 August 2013.

7.2.2 Use of estimates and judgements
The preparation of the interim report requires the management to form judgements and make estimates and assumptions that may have an impact on the reported value of assets and liabilities, and of income and expenses. The estimates and any assumptions associated are based on experience and other factors that are considered reasonable. The results of the estimates form the basis for the carrying value of assets and liabilities that is not readily apparent from other sources. The actual results may deviate from these estimates.

The critical judgements that the management has formed in the application of the Group's accounting principles, as well as the significant sources of any estimate uncertainty, are the same as those applied in Heijmans' annual accounts for 2012.

7.3 Main accounting policies for financial reporting
The financial reporting accounting policies adopted for the consolidated interim financial statements are the same as the accounting policies adopted in the consolidated financial statements for the 2012 financial year, with the exception of changes explained below:

The Group has applied the following new guidelines and amendments, including any amendments to guidelines resulting from same, such being applicable from 1 January 2013:
- IAS 19R Employee benefits (see 7.3.1 Accounting changes defined benefit pension schemes)
- Recognition of items from non-realised results (Amendments in IAS 1) (see 7.3.2 Recognition of items from non-realised results)
- Annual improvements in IFRS cycle 2009-2011 (see 7.3.3 Information per business segment)
- IFRS 13 Fair value measurement (see 7.3.4 Fair value measurement)

7.3.1 Accounting changes defined benefit pension schemes

In accordance with IAS 19R, the Group has amended its principles for the determination of the income and expenses related to the defined benefit pension plan. The most significant changes in these principles for the Group are as follows:

- Actuarial gains and losses are now charged to equity. Previously, the so-called “corridor” method was used, which meant that among other things actuarial gains and losses were not recognised in profit and loss insofar as these fell within a certain bandwidth.
- To determine net interest income (expenses) related to the net liability (net asset) on the basis of the defined benefit pension scheme, in line with IAS 19R, the Group now uses the discount rate used for the valuation of this net liability (net asset) at the beginning of the reporting period. Previously, the Group determined the interest income from the fund investments on the basis of their expected return interest for the long term and the interest expenses related to the defined benefit pension scheme on the basis of the discount rate.

These amendments have been applied retroactively. The tables below provide a summary of the most significant effects of the accounting changes on the comparative figures in the condensed consolidated statement of income, the consolidated statement of comprehensive income, the consolidated balance sheet and the cashflow statement.

Effect of change in accounting policies in defined benefit plans on condensed profit and loss statement H1 2012 and full year 2012

x € 1 million

	Six months to 30 June 2012			Full year 2012		
	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement
Revenues	1.064	-	1.064	2.318	-	2.318
Gross profit	127	-	127	225	-	225
Operating result	9	2	11	-89	2	-87
Financial income and expenses	-1	-	-1	-7	-	-7
Share of profit of associates	0	-	0	1	-	1
Result before tax	8	2	10	-95	2	-93
Income tax	-4	-1	-5	6	-1	5
Result after tax	4	1	5	-89	1	-88
Earnings per share (in €):						
Basic earnings per share	0,23	0,08	0,31	-5,19	0,09	-5,10
Diluted earnings per share	0,22	0,08	0,30	-5,19	0,09	-5,10

The operating result through June 2012 includes a release related to an amendment to the surplus pension scheme of around € 10 million, which was around € 2 million higher as a result of the accounting change; this also applies to the full year 2012.

	Six months to 30 June 2012			Full year 2012		
	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement
Result after tax	4	1	5	-89	1	-88
Unrealised results that - after first inclusion - will (possibly) be transferred to the income statement:						
Changes of actuarial results related to defined benefit plans	0	-3	-3	0	-8	-8
Tax-effect of unrealised results that will never be transferred to the income statement	0	1	1	0	2	2
Unrealised result after tax	0	-2	-2	0	-6	-6
Total comprehensive result	4	-1	3	-89	-5	-94

Effect of change in accounting policies in defined benefit plans on condensed balance sheet as per 31 December 2012, 30 June 2012 and 1 January 2012

x € 1 million	31 December 2012			30 June 2012			1 January 2012		
Assets	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement
Non-current assets	369	-15	354	424	-13	411	409	-9	400
Current assets	1.017	-	1.017	1.142	-	1.142	1.144	-	1.144
Total assets	1.386	-15	1.371	1.566	-13	1.553	1.553	-9	1.544
Equity and liabilities	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement	Before restatement	Defined benefit plans	After restatement
Equity	323	-8	315	416	-5	411	416	-4	412
Non-current liabilities	201	-6	195	309	-8	301	259	-6	253
Current liabilities	862	-1	861	841	0	841	878	1	879
Total equity and liabilities	1.386	-15	1.371	1.566	-13	1.553	1.553	-9	1.544
Solvancy rates based on garantee capital	28%	0%	28%	31%	0%	31%	31%	0%	31%
Net debt [2]	154	-	154	234	-	234	150	-	150

1. Non-current interest-bearing liabilities includes € 66 million cumulative preference shares.
2. Net debt is defined as interest-bearing liabilities minus cash and cash equivalents.

Effect of change in accounting policies in defined benefit plans on condensed statement of cash flow as per H1 2012 and full year 2012

The (sub)totals in the cashflow statement through 30 juni 2012 and the full year 2012 have not been changed as a result of the accounting change. The item “Cashflow from operational results” includes a limited shift between the “Operational result”, “Changes in other working capital” and “Changes in non-current, non-interest bearing liabilities and provisions”.

7.3.2 Recognition of items from non-realised results

In accordance with the amendments in IAS 1, the Group has changed the recognition of items related to non-realised results in the condensed comprehensive statement of income. Items that may be reclassified to profit and loss are now recognised separately from items that will never be reclassified.

7.3.3 Information per business segment

The amendments to IAS 34 clarify that the Group must provide information about the value of total assets and liabilities of a segment to be reported specifically, such if these have changed materially from the previous annual accounts. In accordance with the amendments in IAS 34, the Group provides supplementary information on assets and liabilities per segment (see 6. Information per business segment) given that the working capital requirements and the net debt are historically higher in June than in December due to the usual seasonal pattern (see also 7.6 seasonal pattern).

7.3.4 Fair value measurement

IFRS 13 introduces a framework for fair value measurement and for providing information on fair value measurements. Some of the items on which information must be provided relate specifically to financial instruments in interim reports and the Group therefore provides additional information on these items (see 7.5 Fair values).

7.4 Participation in joint venture

From June 2013, Heijmans and Barclays Infrastructure Funds Management (BIF) are cooperating in the joint venture Heijmans Capital BV for the financing of DBFMO (design, build, finance, maintain, operate) projects. The collaboration is aimed at sharing the risk-bearing capital and expertise required for DBFMO projects, right from the early tender stages. The declaration of intent signed in the spring was translated into a definitive collaboration in June 2013. The NMM Company BV, which includes the National Military Museum project in Soesterberg, was the first project to be brought into the joint venture by Heijmans, at the end of June 2013. This has reduced the Heijmans interest in NMM Company B.V. from 100% to 20%. The related sale price is € 6.1 million, and BIF paid € 3 million of this in June 2013. BIF is due to pay the remaining € 3 million no later than early 2015. This is included in the item short-term receivables. The transaction with Barclays has had very limited impact on the result.

Paid (stock)dividends
Cash
The dividend paid in May 2013 over 2012 on ordinary shares amounted to € 2.5 million. A dividend totalling € 4.8 million was paid on cumulative preference shares. The latter is shown as interest expense on the statement of income, pro rata for the half year.
Stock dividend
In May 2013, we issued and paid out 261,401 new shares in stock dividend.

7.5 Fair values

The statement below shows the fair values and carrying amounts of financial instruments. The table below also shows an overview of financial assets valued at fair value and financial instruments shown by valuation method. These valuations at fair value are divided into various levels of the fair value hierarchy, depending on the input on the basis of which valuation techniques have been applied. The various levels have been defined as follows:

Level 1: quoted market prices (unadjusted) available on the Group's valuation date in active markets for identical assets or liabilities.

Level 2: input which is not the quoted market price described under level 1 and which can be observed directly or indirectly for the asset or liability concerned.

Level 3: input for the asset or liability which is not based on observable market data (unobservable input).

x € 1 million	30 June 2013	
	Book-value	**Fair value**
Loand and receivables		
PPP-receivable	5	5
Other investments	55	65
Trade and other receivables (excluding derivatives)	346	346
Cash and cash equivalents	66	66
Cumulative financing preference shares	-66	-69
Syndicated bank financing	-60	-60
Project financing	-109	-113
Other non-current liabilities	-26	-28
Bank overdrafts	-15	-15
Trade and other payables (excluding derivatives)	-522	-522
Financial liabilities measured at fair value		
Derivatives - level 2	1	1
Derivative - level 3	0	0
Other financial liabilities		
Financial lease commitments	-4	-4
	-329	**-328**

The Group has arranged derivative instruments to hedge interest risks and inflations risks. These are shown at fair value.

The level 2 derivatives are interest derivatives. The value is based on the cash value of the future cash flows calculated on the basis of the market curve of 30 June 2013 without risk surcharge. Valuations from banks are also used for the valuation of the interest swaps.

The level 3 derivative is an inflation swap. The value is based on the cash value of the future cash flows calculated on the basis of the market curve of 30 June 2013 without risk surcharge, including a correction for the limited liquidity of the instrument. Since this correction is based on unobservable market information, this derivate falls under level 3.

7.6 Seasonal pattern

The usual seasonal pattern in the construction industry affects the reported results, balance sheet and cash flows. In the first half of a year, revenues and operating result are historically lower than in the second half of a year. The working capital requirements and the net debt are historically higher in June than in December.

8. Statement from the Executive Board

The executive board hereby states, taking into consideration what is stated in this report, that to the best of its knowledge the interim financial information related the companies included in the consolidation, drawn up in accordance with IAS 34 'Interim financial reporting', as accepted within the European Union, gives a true and fair view of the assets, liabilities, financial position and the result for the first six months of 2012 and that the interim report gives a true and fair summary of the most important events of the first half of the year and the impact of those events on the interim accounts, a true and fair view of the main risks and uncertainties for the remaining periods of the year, as well as a true and fair view of the most important associated party transactions.

's-Hertogenbosch, 20 August 2013

Bert van der Els, Chairman Executive Board
Mark van den Biggelaar, CFO and member of the Executive Board
Ton Hillen, Member of the Executive Board