

Heijmans – Business Update



September 2015, based on H1 2015 interim results



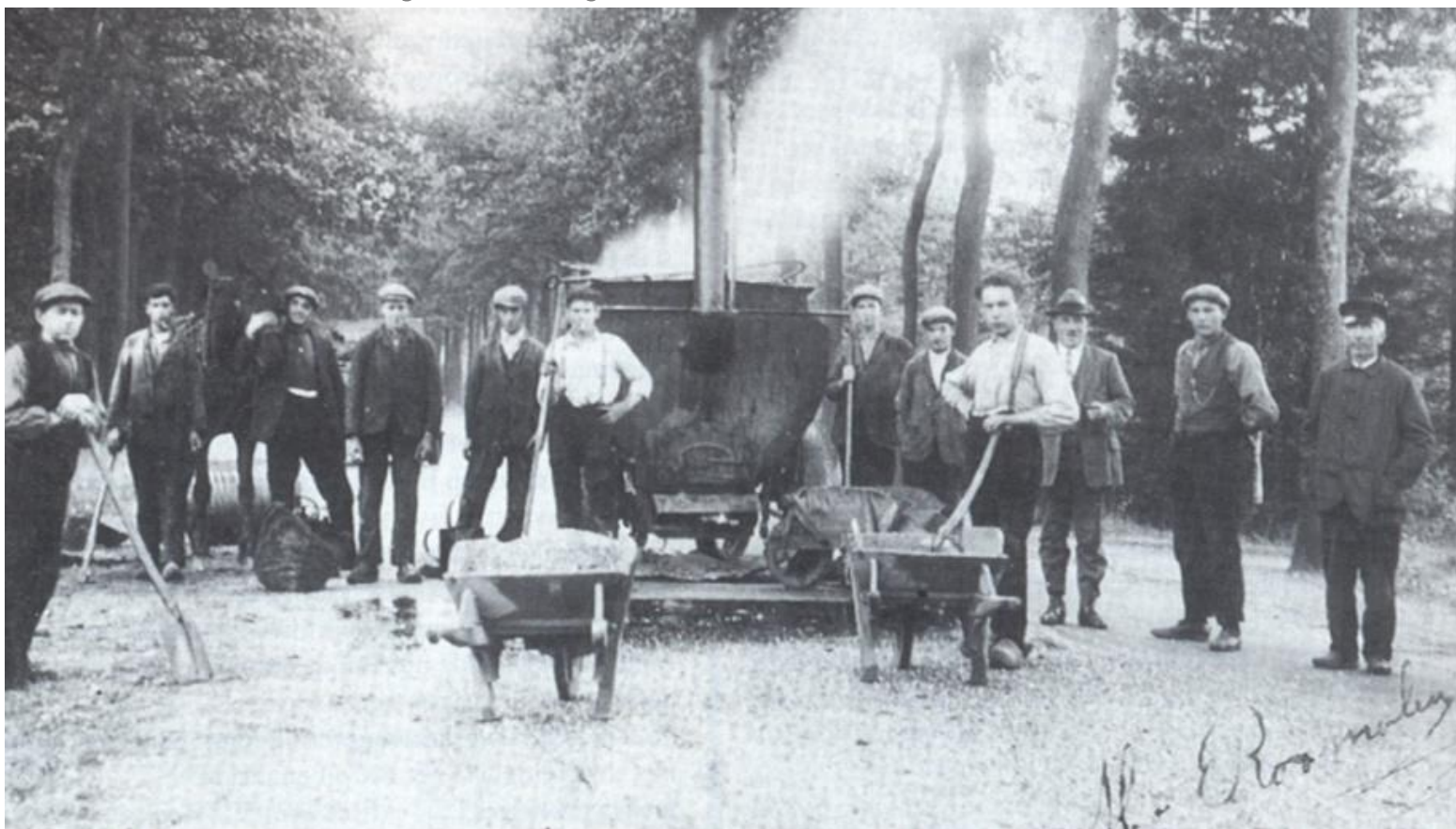
Asset Management
Schiphol Airport

Contents

- Company profile
- Strategy
- H1 2015 Interim results and outlook
- Developments per sector
- Appendices
 - Financial figures: P&L, Balance Sheet, Land Bank positions, Financial Covenants
 - Procedures: Property development, Risk management
 - Organisation: Organisational chart, resumes Executive Board

Company profile

Founded in 1923 by Jan Heijmans

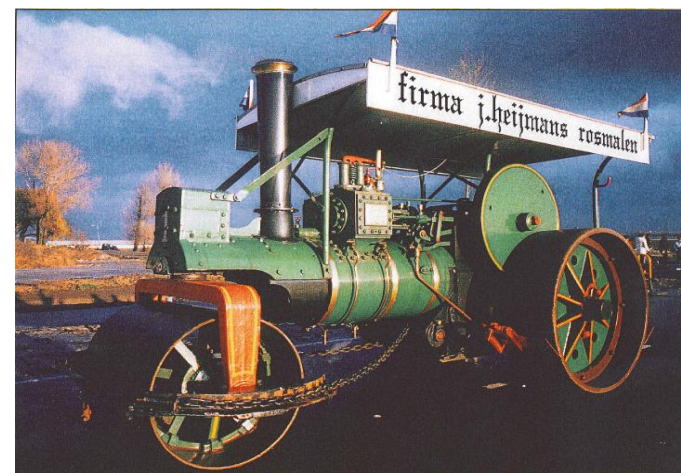
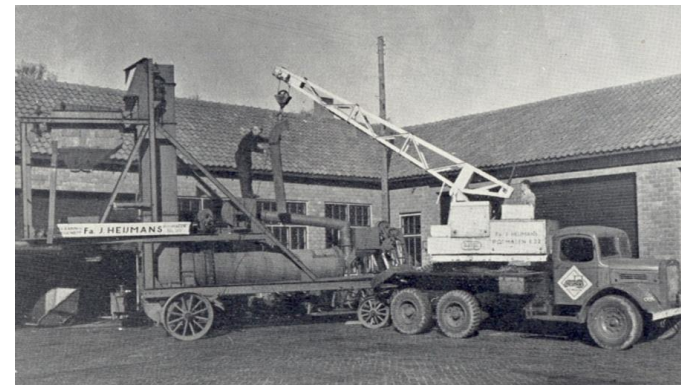


Highway Tilburg - Den Bosch (anno 1928)

Company profile

Heijmans History

- Since 1923 active in road building
- Strong growth following second world war
- During the sixties, diversification towards residential building
- During the eighties, diversification towards property development
- Listing at the Amsterdam Stock Exchange in 1993
- Strong revenue growth by acquisitions
- 2008: Reset strategy
- 2009: Financial restructuring
- 2010: Strategy focusing on profitability, sustainability and quality
- 2012: Strategic review with BCG
- 2014: Improve and Innovate – new criteria and ambitions formulated



Company profile

Residential

Property development
Residential building



Eemskwartier Groningen



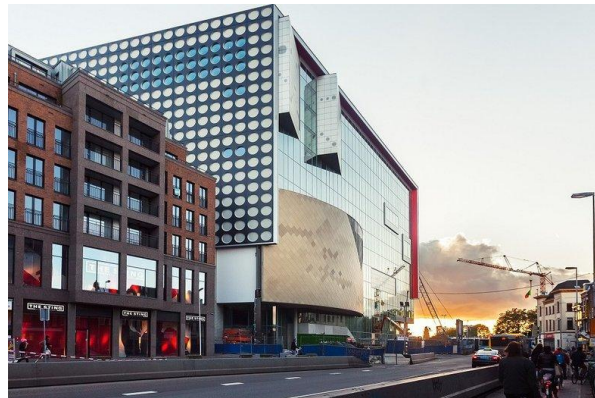
Meysters's Buiten, Utrecht

Non-residential

Building
Technical Services



Lounge 2 Schiphol Airport



Music Center Vredenburg, Utrecht

Infrastructure

Road building
Civils Engineering



N23 Westfriaweg, Province of North Holland



A9 Gaasperdammerweg PPP, Amsterdam

Company profile

Heijmans at a glance

- With around 6,800 employees and approx. € 2 billion in annual revenues, Heijmans combines activities in the fields of property development, residential building, non-residential and infrastructure;
- Focus on selective markets, active in the Netherlands, Belgium and Germany;
- Create added value by offering the client an integrated approach with focus on quality;
- Ambition to achieve leading position on quality, sustainability and profitability, resulting in:
 - The best choice for clients;
 - Innovation and focus on sustainability;
 - Above-average long-term yield for shareholders;
 - Being attractive and inspiring to employees.
- Building the spatial contours of tomorrow, where development and realization take into account people and the environment, both in projects for clients and in the company's own ecological footprint.

Company profile

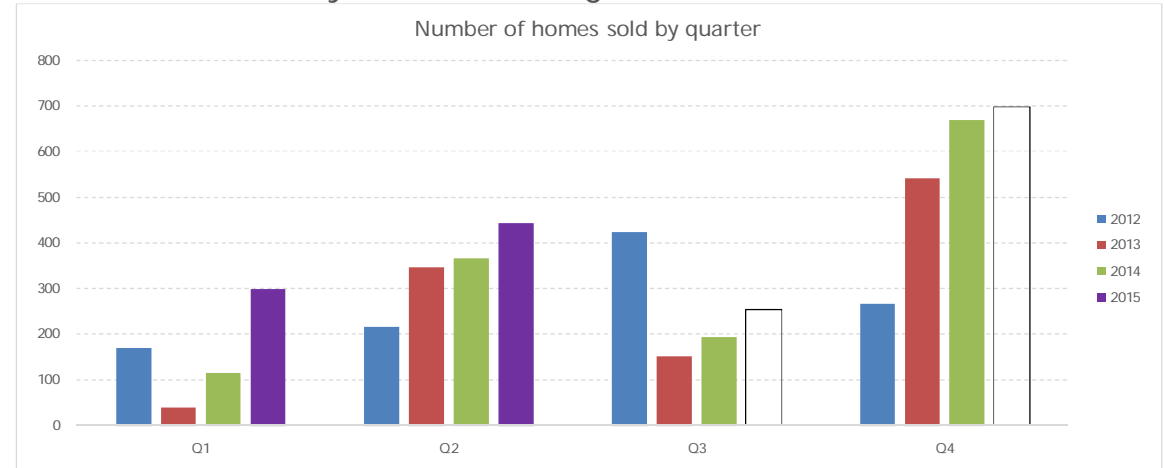
Key figures

x 1 € million

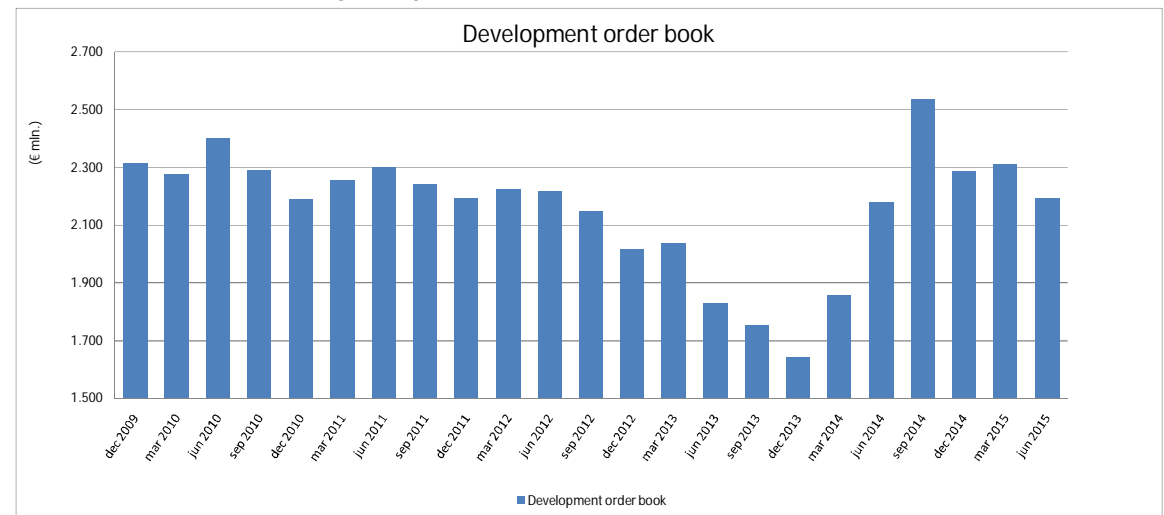
	H1 2015	H1 2014	2014
Revenues	922	823	1.868
Underlying operating result ¹	-11	-7	-12
Result after tax	-15	-8	-47
Earnings per share (in €)	-0,76	-0,43	-2,44
Order book	2.190	2.180	2.287
Net debt	108	99	31
Number of FTE	6.816	7.118	7.034

¹ underlying operating result is the operating result corrected for operating result joint ventures, write down on property assets, restructuring costs and other extraordinary items.

Sustained recovery Dutch housing market is visible:

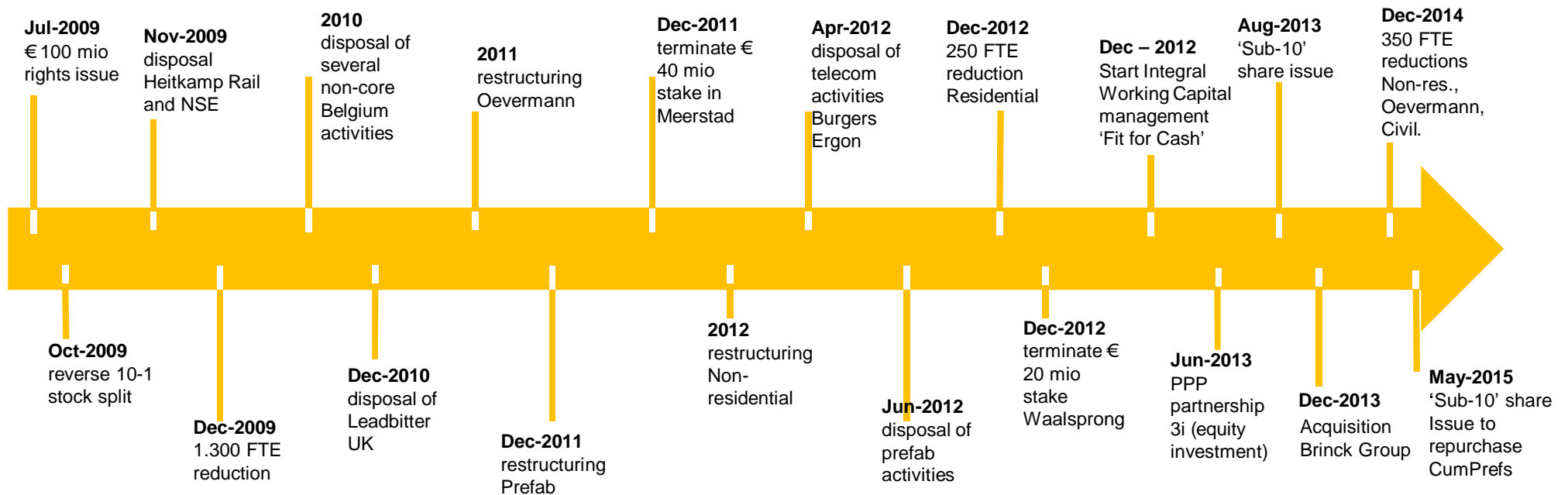


Order book offers perspective:



Strategy – Restructuring provides potential

- Since 2009, Heijmans has implemented a transformational strategic restructuring:
 - Focus on core activities in the Netherlands and Belgium
 - Disposal of non-core foreign operations
 - Reduction in strategic land bank positions
 - Margin over volume ~ added value
 - Streamline organisation with centralisation of activities
 - Improve contract-, risk- and project management through “Improve the core” program





A12 Motorway PPP
Veenendaal – Ede –
Grijsoord

Strategy – Ambition

Strategy “To be the best construction company in the Netherlands”

- 2012 Boston Consultancy Group review: Heijmans can become the best Dutch construction company
- Overall midterm EBIT goal of 3-4% is realistic
- Strategic direction based on “Improvement” & “Renewal/Innovation”

“Improve the core” program will improve operational excellence:

- Procurement
- Tender management
- Project management (continuous improvement of quality & process)
- Commerce

Innovation as driver for competitive advantage, resulting in our “Renewal ambition”:

- In 2020 our products will generate energy, instead of using energy
- In 2020 our buildings, engineering structures and roads will be recyclable to the maximum extent
- In 2020 our properties and solutions will contribute to improved spatial quality



National Military
Museum (PPP)
Soesterberg

Strategy – Competitive strengths

Residential

- Development of urban and rural areas in both small and large-scale projects
- Combining creativity and customer focus with strength on realization
- Increasing focus on renovations and transformations
- Improving processes including procurement, 3D BIM (widely applied within Heijmans), standardization of concepts (industrialized proces) and innovative solutions (e.g. Heijmans One).

Non-Residential

- Niche position with focus on healthcare, higher education, high-tech clean, datacenters, government
- Combining building with technical solutions/services in integrated projects during the whole lifecycle of buildings
- Centralised business model

Infrastructure

- Top player in our market with proposition including asset management, traffic management and technical services
- Strong capabilities and track record in larger and integrated projects
- Added value driven (clear view on lean asset base and asphalt production)

Heijmans' multidisciplinary integrated approach is a major differentiator in the market



heijmans  one

heijmans

Strategy – Innovation

Invest in smart technological concepts / sustainable solutions:

- Create competitive advantage towards clients
- Improve future margin potential because of increased added value
- Appointment of Chief Technology Officer
- Cooperation with Spark (network for creativity and knowledge)

Examples of innovations already applied / ready for market launch

- The 'Heijmans One' portable house;
- Hydrofit 'kousrelining' with DSM;
- Energy generating noise barrier ('Solar noise barrier');
- 'Smart living concept': standardised 'home control' in all family homes

Examples of innovations in pilot phase

- Greenway LE & 'self healing' asphalt concept
- 3D printed canalhouse and steel bridge
- Smart Highway



Smart Materials: '3D print'



Smart Energy: 'Bright house'



Smart Highway



Smart Space: 'Heijmans One' portable house

H1 2015 – Interim results

“Heijmans benefits from recovering housing market, negative result due to pressure on infra”

Improvement of operating results remains top priority

- Heijmans benefits from recovering housing market:
 - Higher revenues, and improvement of operating margins;
 - Total homes sold in H1: 746 (2014: 482)
- Negative result in first half year due to poor performance Dutch Infra;
- Performance in Germany and Belgium in line with expectations with positive operating results;
- Increased revenues, mainly in Residential, also in Non-residential;
- Order book stable compared to last year;
- ‘Sub 10’ equity issue, proceeds used to repurchase Cumulative Preference Shares (€ 21 mln);
- Solid solvency rate of 29%;
- Net debt slightly higher than H1 2014 (108 mln vs. 99 mln);

Key figures (amounts in million €)	H1		FY
	Actual 2015	Actual 2014	Actual 2014
Revenues	922	823	1.868
Underlying Operating Result	-11	-7	-12
Net result	-15	-8	-47
Net debt	108	99	31
Order book	2.190	2.180	2.287
Number of homes sold	746	482	1.347



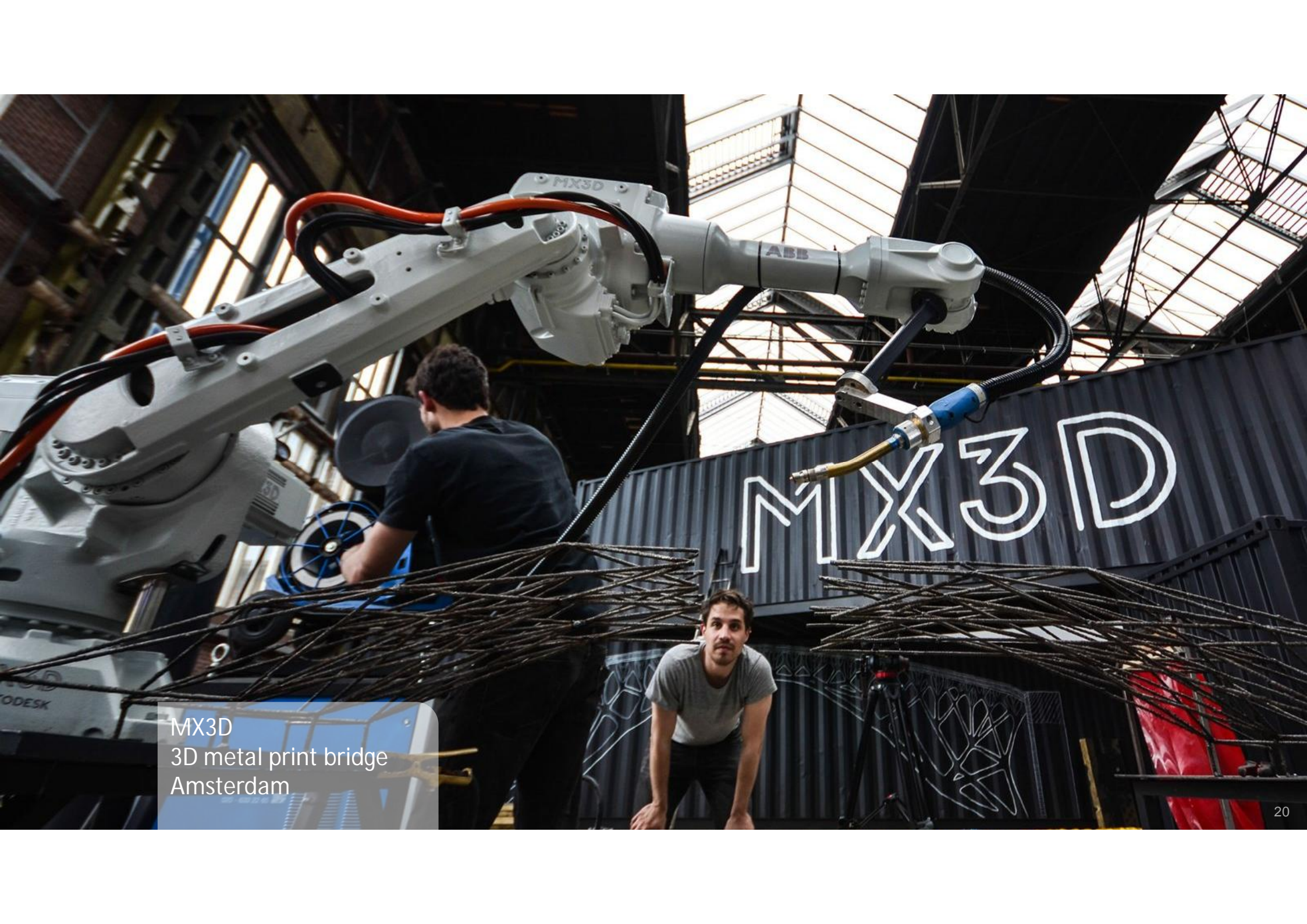
Living Lab
Solar Noise Barriers
's-Hertogenbosch



H1 2015 – Interim results

To improve and renew:

- Safety improved due to internal GO! (No Accidents) programme:
 - Decrease in # accidents and in IF-rate (injuries with non-attendance \geq 1 day per mln working hours). From 6.1 in 2013 to 5.6 in 2014 to 4.8 mid year 2015
- Good progress of restructurings and improvement measures announced in 2014:
 - Implementation of new ERP platform (SAP) on track
 - Updates tender management process implemented, incl “go / no go” decisions
 - Optimisation schemes for procurement, project management, and commerce
 - Working capital (Fit for Cash)
 - Reorganisations completed / on track, slight delay in capacity reduction within Non-residential;
- Continuously explore opportunities to innovate:
 - Focus on marketing of successfully developed concepts as Heijmans One and Smart Highway
 - Start of field testing Solar Noise Barriers
 - Partner in development of metal bridge based on 3D printing technology in Amsterdam
 - Implementation of Smart Living concept, by offering home management in all family homes



MX3D
3D metal print bridge
Amsterdam

H1 2015 - Outlook

“Outlook 2015: improvements to become visible in 2nd half of 2015”

- Positive trend of housing market continues, Heijmans well positioned with Residential and Property Development;
- Gradual improvement of Non-residential and Infra business;
- For infra in particular, the key challenge is to make sure that several projects that were adjusted downwards in recent quarters are completed in time, with good progress of claim settlements;
- Order book offers good perspective;
- Heijmans strategy unchanged:
 - Improve the core
 - Integrated approach
 - Innovative
- Solid solvency ratio, improving profitability remains top priority;
- Outlook 2015: improvements to become visible in 2nd half of 2015.



Harener Holt
Haren

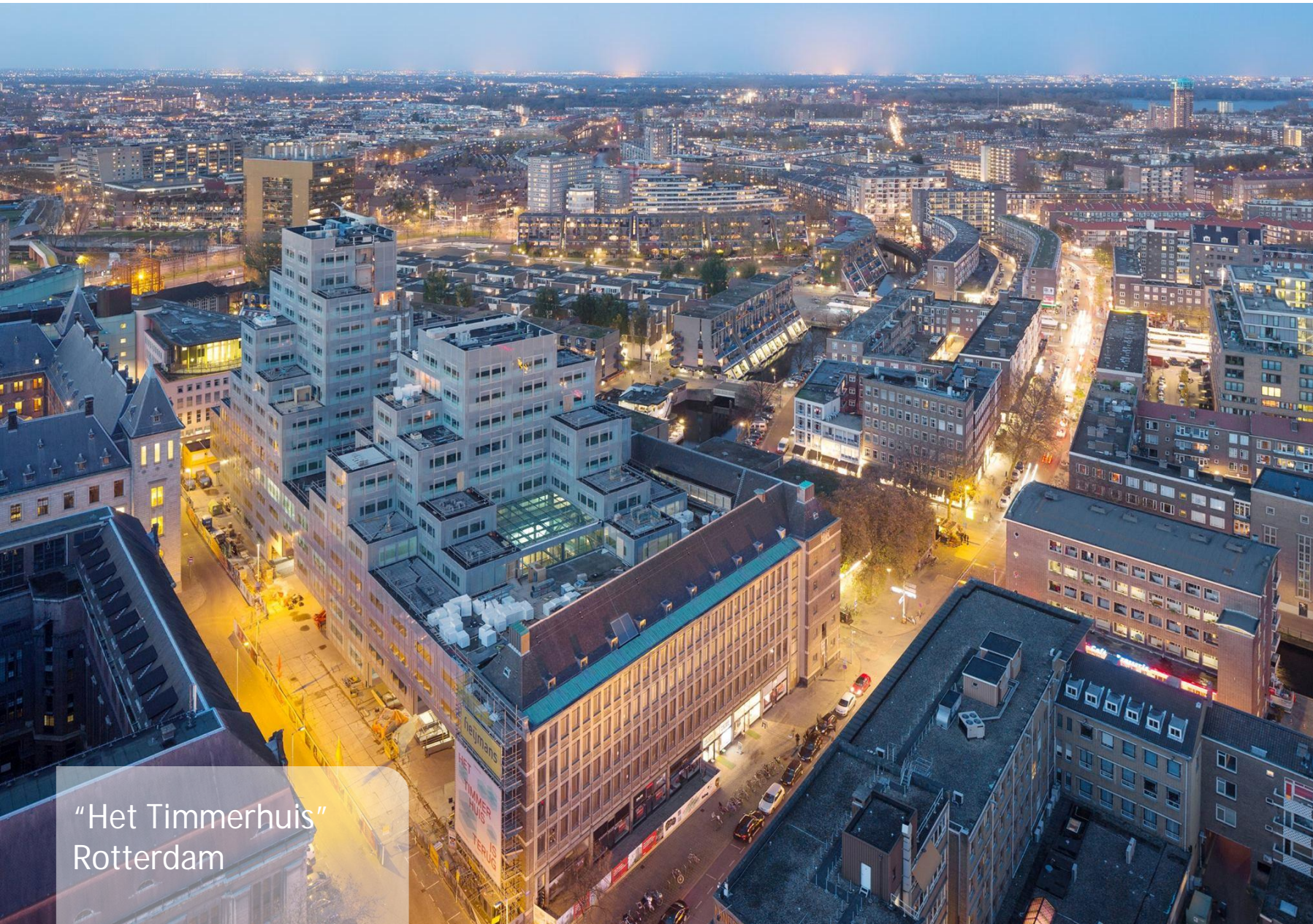


DEVELOPMENTS PER SECTOR

PROPERTY DEVELOPMENT

In EUR mln	H1 2015	H1 2014
Revenues	126	61
Underlying operating result	4	-1
Underlying operating margin	3,2%	-1,6%
Order book	280	229

- After several years with historically low activity, market recovery continues:
 - Revised government policies related to Dutch housing market are encouraging removals / mobilization.
 - Low interest rates on mortgages.
 - Especially in larger cities, house prices are stable or increasing again.
 - Underlying demand for houses (demographic trends).
 - New/changing roles for social housing corporations and institutional investors.
- Strong growth in revenues as planned, positive development of operating result;
- Housing sales increased to 746 (2014: 482), of which 565 to private buyers (2014: 244);
- Order book up, focus on enlarging 'housing showroom';
- Good progress of large projects, including Harenerholt Haren, Wiener A'dam and Marquant Pijnacker;
- Total invested capital in land positions comparable with FY 2014.



“Het Timmerhuis”
Rotterdam



DEVELOPMENTS PER SECTOR

RESIDENTIAL

In EUR mln	H1 2015	H1 2014
Revenues	204	140
Underlying operating result	3	-1
Underlying operating margin	1,5%	-0,7%
Order book	392	361

- Heijmans anticipates on the new reality of Dutch housing market:
 - Standardisation brings high quality at a competitive price
 - Anticipate on new demand with concept homes (standardised engineering / production with selected co-makers)
 - Increasing share of transformations and renovations;
 - Energy neutral construction e.g. Zero Ready concept for renovation
- Significant growth in revenues, downward trend broken in 2015;
- Revenues: Netherlands (€ 158 mln) and Belgium (€ 46 mln), strong link with Property Development activity;
- Positive operating result, mainly contributable to Dutch activities;
- Order book stabilised compared to FY 2014, ambition is further growth based on standardised products (concepts such as *Huismerk*, *Wenswonen*, of which more than 500 were realised in 2014);
- Good progress of large projects, such as Wijnhaven The Hague, Kooiplein Leiden, Elisabethzaal Antwerp.



Bèta Campus FWN
Leiden University

DEVELOPMENTS PER SECTOR

NON-RESIDENTIAL

In EUR mln	H1 2015	H1 2014
Revenues	220	169
Underlying operating result	-2	1
Underlying operating margin	-0,9%	0,6%
Order book	549	682

- Niche profile with margin-over-volume strategy > added value proposition due to strong integration of construction and installation technique as well as design / construct / maintain capabilities;
- Revenues higher because of high production level, a.o. at Schiphol airport;
- Restructuring being executed with slight delay, capacity (> 200 jobs) and cost reduction remain required;
- Continued focus to improve project and risk management, especially in design phase;
- Good order intake in 2014, but no large projects acquired so far in 2015;
- Positive development of Services;
- Good start of operational phase National Military Museum Soesterberg.



A4
Delft-Schiedam

DEVELOPMENTS PER SECTOR

INFRA NETHERLANDS

In EUR mln	H1 2015	H1 2014
Revenues	306	341
Underlying operating result	-15	-5
Underlying operating margin	-5,0%	-1,4%
Order book	879	830

- Revenues decreased, poor performance, challenging conditions large projects;
- Improvements visible in regional projects (local governments);
- Large projects as A4 Delft-Schiedam and A9 Gaasperdammerweg on track;
- 2014 / 2015 figures heavily impacted (> € 10 mln) by arbitrage casus Energiefabriek Tilburg. Project still challenging, to be ready for operational testing this year.
- Large scale projects became more complex over the past years, requiring more preparation.
- Organisation changes to improve margin and project control:
 - Different methodology of pricing costs and risks;
 - Tightening steering of tender and design phase, including go/no-go decisions;
 - Investing in contract management, accelerating claim discussions with clients;
 - Integrating Roads and Civil into Heijmans Infra, under centralized management with direct involvement Executive board.



Liefkenshoektunnel
Antwerpen

DEVELOPMENTS PER SECTOR

INFRA BELGIUM

In EUR mln	H1 2015	H1 2014
Revenues	57	65
Underlying operating result	3	7
Underlying operating margin	5,3%	10,8%
Order book	103	98

- Revenues in Belgium and operating result decreased slightly in 2015;
- But still healthy profit margins for both Heijmans Infra (Roads) and Van den Berg Leidingbouw (Civil Engineering);
- Challenging market conditions in Belgian (public) infra market will give pressure on revenues;
- Increase in order book contributable to Cables & Ducks segment.



Mercaden
Dorsten (Germany)

DEVELOPMENTS PER SECTOR

INFRA GERMANY

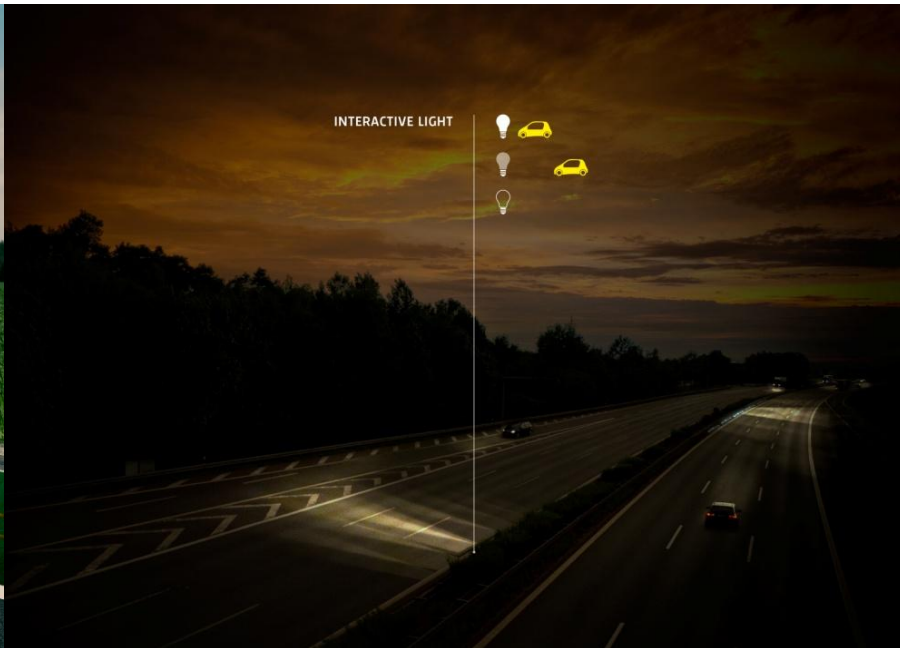
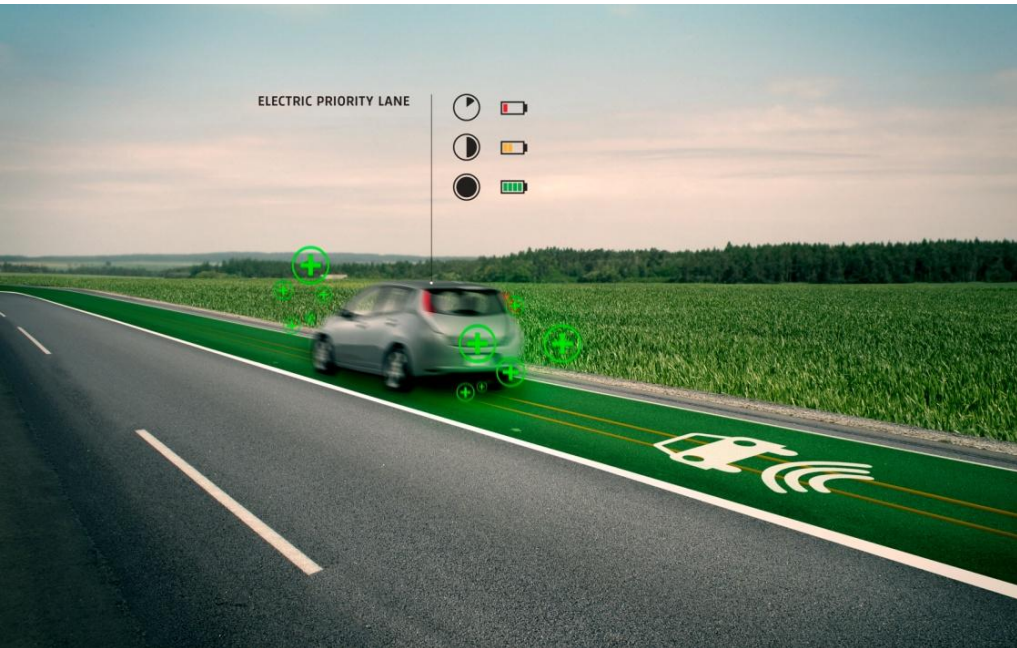
In EUR mln	H1 2015	H1 2014
Revenues	126	111
Underlying operating result	1	0
Underlying operating margin	0,8%	0,0%
Order book	238	206

- German business consists of Franki Grundbau (specialised in foundations) and Oevermann (both roads and non-residential);
- After some difficult years, revenues are increasing with positive margin contribution;
- Strong revenue growth at Oevermann Hochbau (Non-residential) using good market;
- Margin improvement mainly contributable to Oevermann;
- German infra market slightly better volume;
- Scheduled restructurings at Oevermann are completed.



St.-Jan parking garage
's-Hertogenbosch

Appendices



heijmans



Smart Highway
Heijmans Technology

Annex: Profit & Loss account (EBIT per sector)

(in million €)	First half year				Full year	
	Actual		Actual		Actual	
	2015		2014		2014	
	Revenues	EBIT	Revenues	EBIT	Omzet	EBIT
Property Development	126	4	61	-1	179	4
<i>Residential - Netherlands</i>	158	3	92	-3	210	0
<i>Residential - Belgium</i>	46	0	48	2	90	2
Residential building	204	3	140	-1	300	2
Non-Residential	220	-2	169	1	388	0
<i>Infra - Netherlands</i>	306	-15	341	-5	758	-22
<i>Infra - Belgium</i>	57	3	65	7	128	11
<i>Infra - Germany</i>	126	1	111	0	260	2
Infra total	489	-11	517	2	1.147	-9
Total operations	1.040	-6	887	2	2.013	-3
Group costs/eliminations/others	-118	-5	-63	-9	-145	-9
Contingency						
Revenues/ EBIT Business	922	-11	823	-7	1.868	-12
Extra-ordinary items		-5		-5		-51
Revenues/EBIT Total	922	-16	823	-12	1.868	-64
Financial results		-4		0		-5
Result joint ventures after tax		3		1		5
Others		0		0		1
Result before tax		-17		-11		-62
Taxes		2		2		15
Result after tax		-15		-8		-47

Annex: Balance Sheet

Balance sheet (in million €)	Q2 2015	Q4 2014	Q2 2014
Property, plant and equipment	87	93	97
Intangible assets	113	114	115
Real estate investments	2	2	6
Participation in Joint Ventures	70	69	54
Debtors - Staff related	34	24	27
Financial assets	63	62	55
Fixed assets	371	364	355
Working capital (excl. cash and cash equivalents)	46	-37	84
<i>Funding requirement</i>	416	327	439
Equity	274	259	303
Provisions (non current)	35	36	38
Net debt	108	31	99
<i>Funding</i>	416	327	439

Annex: Balance Sheet

Working capital <i>(in million €)</i>	Q2 2015	Q4 2014	Q2 2014
Strategic land bank	185	183	210
Residential building under construction	78	72	72
Residential building 'ready not sold'	6	6	9
Inventories	23	26	27
Work in progress	149	167	147
Receivables	293	311	296
	734	767	762
<i>Current and non-interestbearing liabilities</i>			
Trade and other payables	-563	-575	-506
Work in progress	-95	-184	-147
Provisions (current)	-26	-41	-22
Income tax payables	-5	-4	-2
	-688	-804	-677
<i>Working capital</i>	46	-37	84

Net debt <i>(in million €)</i>	Q2 2015	Q4 2014	Q2 2014
Cumulative preference shares	66	66	66
Non-current loans and other non-current financing	90	29	121
Current loans and other current financing	18	10	22
Interest-bearing loans	173	105	209
Minus: cash and cash equivalents	65	74	110
<i>Net debt</i>	108	31	99



Dive coaster 'Baron 1898'
2nd phase Bosrijk Efteling

Annex: Financial covenants

Financial covenants <i>(in million €)</i>	Definition	Ratio	12 months rolling		
			Actual 30-jun-14	Actual 31-12-2014	Actual 30-6-2015
Leverage Ratio	Consolidated Total Net Borrowings / Consolidated EBITDA	Max 3	1,6	-0,9	2,8
Interest Cover Ratio	Consolidated EBITDA / Consolidated Net Interest Payable	Min 3	8,0	3,4	5,1
Reported net debt (for accounting purposes)			99	31	108
<i>adjustments for financial covenant purposes (from Reported Net Debt to Consolidated Total Net Borrowings)</i>					
IFRS 11 adjustments*			85	78	71
Cumulative Preference shares			(66)	(66)	(66)
Non-recourse PFI debt			(53)	(53)	(61)
Other			(0)	(0)	1
Consolidated Total Net Borrowings (for financial covenant purposes)			64	(11)	52

Comments:

- Financial covenants were met in H1 2015 with limited headroom on Leverage Ratio. Only for calculating the financial covenants per 30/6/2015, the project loss of the Energiefabriek Tilburg (EUR 9.2 mln) was excluded from the Consolidated EBITDA (as per agreement with the Lender's syndicate)
- Effective 12-month Consolidated EBITDA (for covenant purposes as per 30/6/2015) was EUR 18 mln
- For calculating the financial covenants, a.o. the following adjustments of the accounting figures should be made of Total Net Borrowings, Consolidated EBITDA and Consolidated Net Interest Payable:
 - To add impact Joint Ventures that are not longer included under IFRS 11 as of 2014 (see asterisk above)
 - To subtract impact of ringfenced (non recourse) project financings in relation to PFI/PPP activities
 - To subtract impact of cumulative preference shares



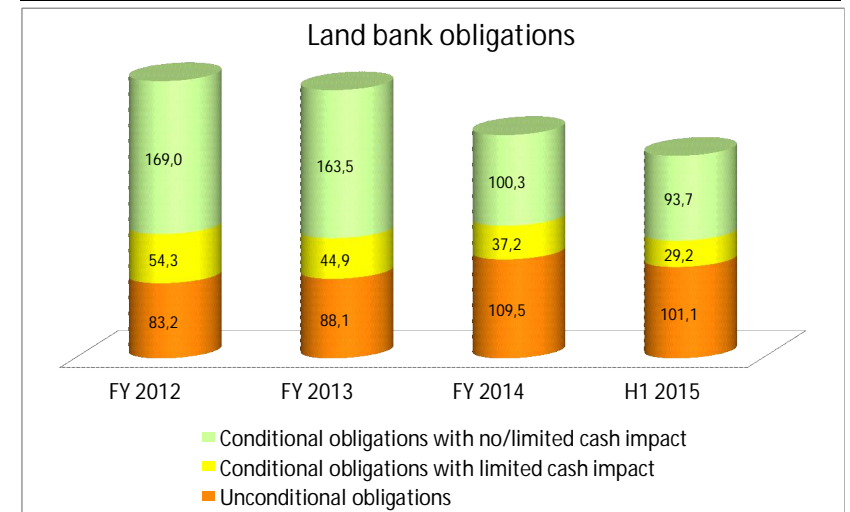
Elisabeth Center
Antwerp (Belgium)

Image by Ian Simpson Architects

Geographical spread land positions



Strategic positions (in Mln. €)	30-6-2015	31-12-2014	30-6-2014
Brabant & Gelderland	4	4	4
Northern provinces	16	17	21
Randstad	31	30	36
Southern provinces	3	3	4
	54	54	65
Land in exploitation (in Mln. €)	30-6-2015	31-12-2014	30-6-2014
Brabant & Gelderland	57	57	66
Northern provinces	7	7	9
Randstad	54	51	57
Southern provinces	13	13	15
	131	128	147
Total land bank	185	182	212



- Individual valuation per position
- All positions evaluated periodically
- Impairment in case of lower net cash value, excluding positive sales results and construction results

Annex: Property development

1. Design contests & selections
2. Fee-developments
3. Land positions



Fenix Lofts Rotterdam (1)

Overhoeks – Amsterdam (2)

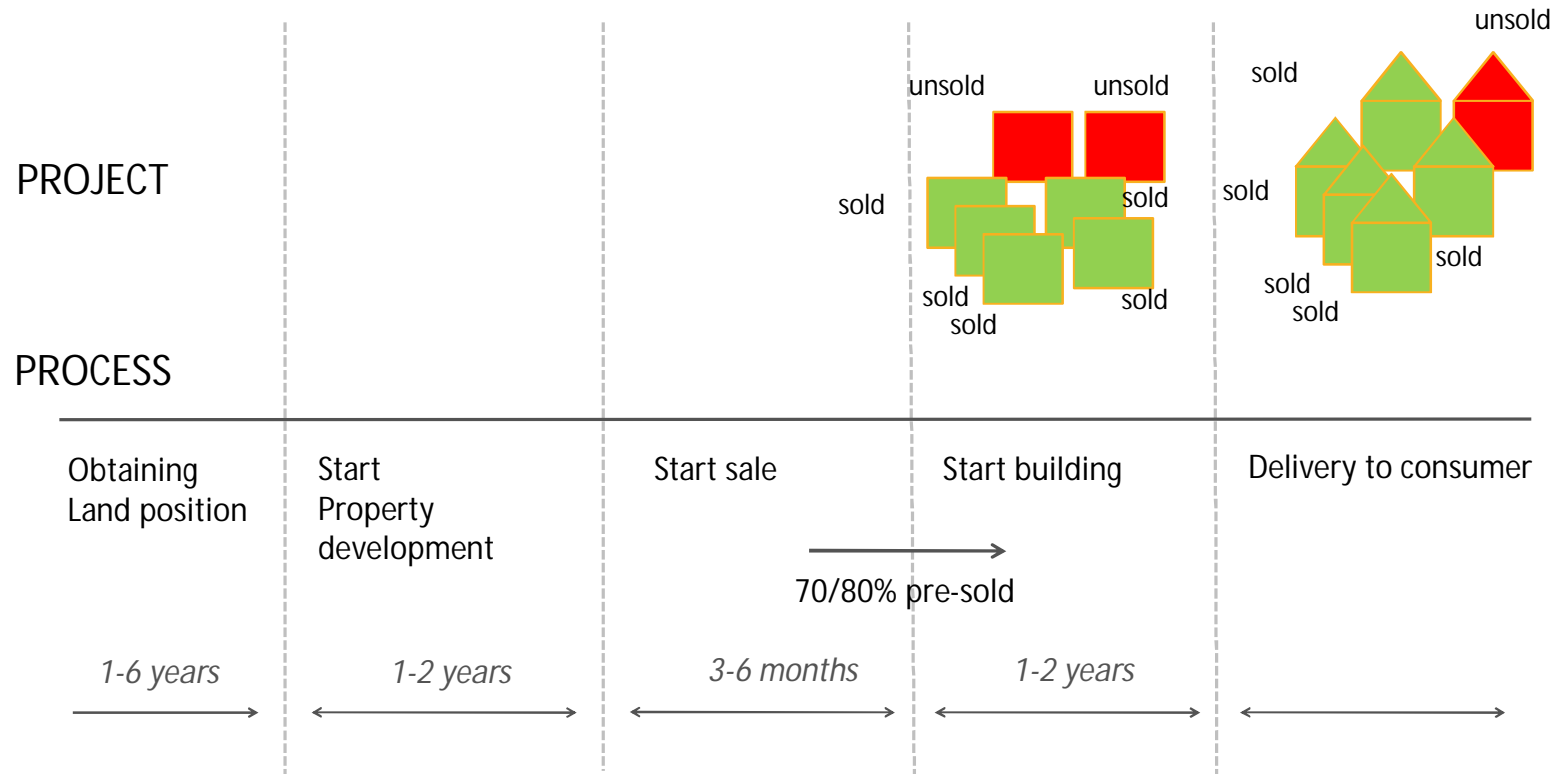


Noorderhaven Zutphen (3)



Annex: Property development

Process and timing



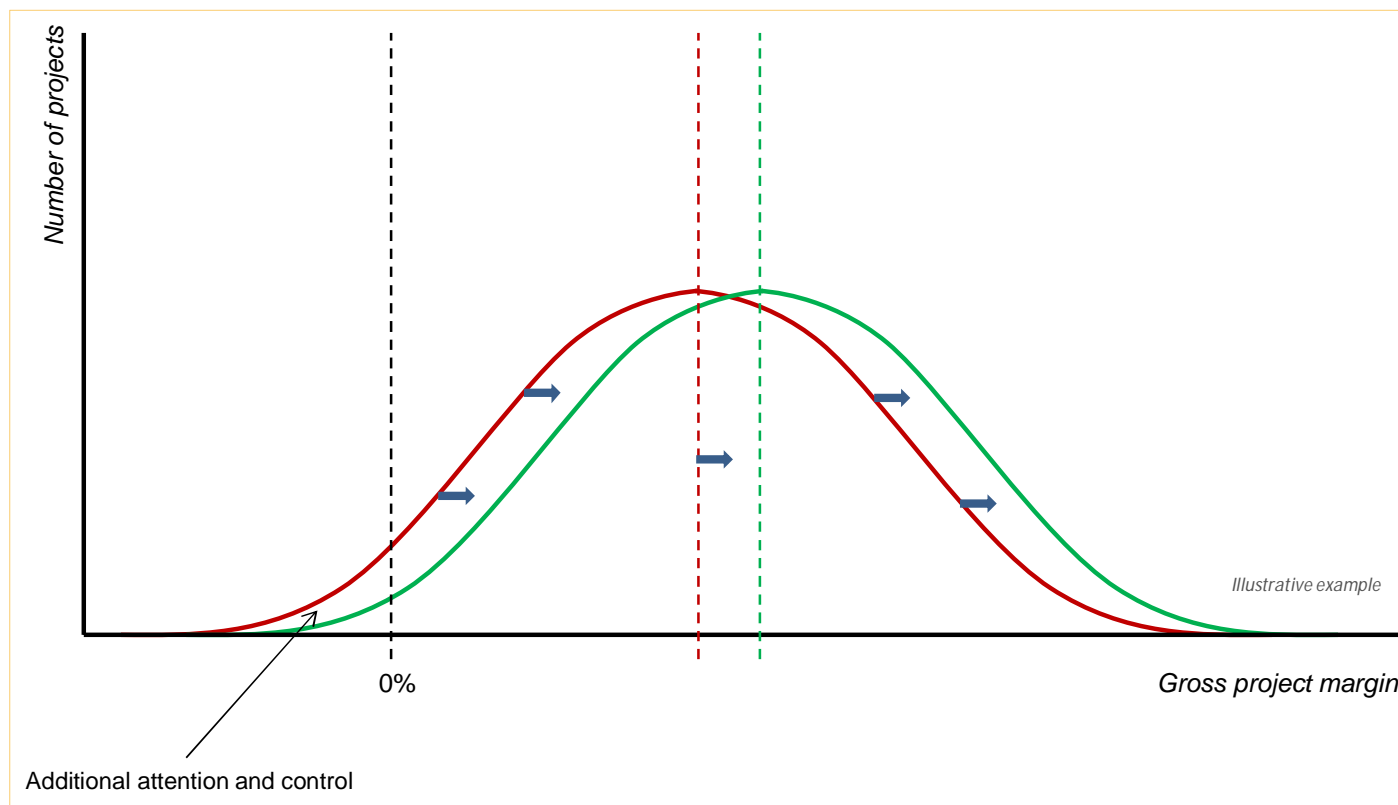
Revenues recognition is based upon the progress of construction of sold property

Annex: Property development

Policies and corporate philosophy gradually developed and implemented as from mid 2008:

- Compact set-up with direct reporting to Executive management;
- Centralised organisation model: Heijmans acts in the market as 'One Company';
- Centralised tender management. Direct involvement executive management;
- Senior management bonus system based on corporate goals;
- Periodic review meetings for businesses and (relevant) projects;
- 'Best in class' project reporting providing good insight on project opportunities as well as risks, specific issues, cash flow and progress. Further improve uniformity;
- Direct involvement from Executive board in large and complex projects;
- Culture of openness on project performance. Issues to be escalated as soon as possible to enable effective follow-up and support;
- Substantial involvement for professionals of Procurement, Finance, Legal;
- High level of attention for cash management on all levels in the organisation;
- Development towards uniform ERP landscape. Objective to improve control & efficiency;
- Balance limitations of project size (over time) versus capacity. Partnering where required;
- Simplified legal structure with limited nr. of entities and managing directors.

Annex: Property development



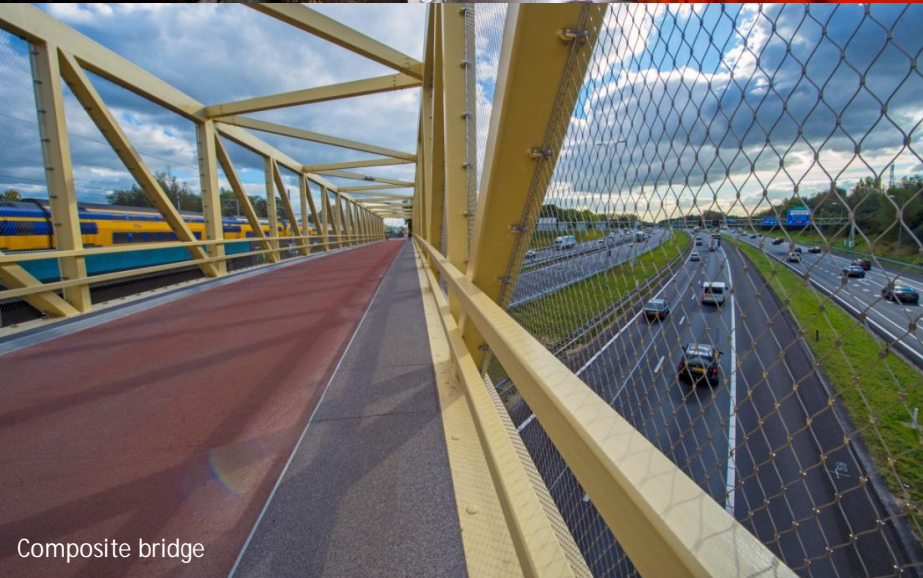
- Aim is not to eliminate all risks. These are and will remain to be, associated with project business;
- Objective is to control and manage risks with the purpose of achieving the best possible results with our company;
- Furthermore: decrease the likelihood of large (negative) project outcomes.



Kousrelining (renovation of waterpipes)



Infrastructure for Electric cars



Composite bridge



Infra technology & mobility

Annex: Executive Board



Bert van der Els (1954), CEO and chairman of the Executive Board

responsible for: General Affairs, Management Development and Diversity, HR, Commerce, Communication, Innovation, Infra Belgium



Mark van den Biggelaar (1968), CFO & member of the Executive Board

responsible for: Finance, Investor Relations, ICT, Legal Affairs, Procurement, Facility Management, Pensions, Infra Germany



Ton Hillen (1961), COO & member of the Executive Board

responsible for: Property Development, Residential Building, Non-Residential, PPP, Infra Netherlands, Materials

We are building the spatial contours of tomorrow



heijmans

Project images in this handout

Slide	Project	Location	Segment
2	Asset Management Schiphol	Schiphol Airport	Infra
6	Eemskwartier	Groningen	Property Development
6	Meijster's Buiten	Utrecht	Property Development
6	Lounge 2	Schiphol Airport	Non-residential
6	Music center Vredenburg	Utrecht	Non-residential
6	N23 Westfrisiaweg	Province of North Holland	Infra
6	A9 Gaasperdammerweg PPP	Amsterdam	Infra
10	A12 Motorway PPP	Ede – Veenedaal - Grijsoord	Infra
12	National Military Museum	Soesterberg	Non-residential
22	Harener Holt	Haren	Residential
24	Het Timmerhuis	Rotterdam	Property Development
26	Beta Campus	Leiden University	Non-residential
28	A4 Motorway	Delft-Schiedam	Infra
30	Liefkenshoektunnel	Antwerp	Infra Belgium
32	Mercaden	Dorsten	Infra Germany
34	St. Jan Parking Garage	's-Hertogenbosch	Infra
40	Dive Coaster Bosrijk	Efteling Kaatsheuvel	Residential
42	Elisabeth Center	Antwerp	Non-residential Belgium
44	Fenixloodsen	Rotterdam	Property Development
44	Overhoeks	Amsterdam	Property Development
44	Noorderhaven	Zutphen	Property Development

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