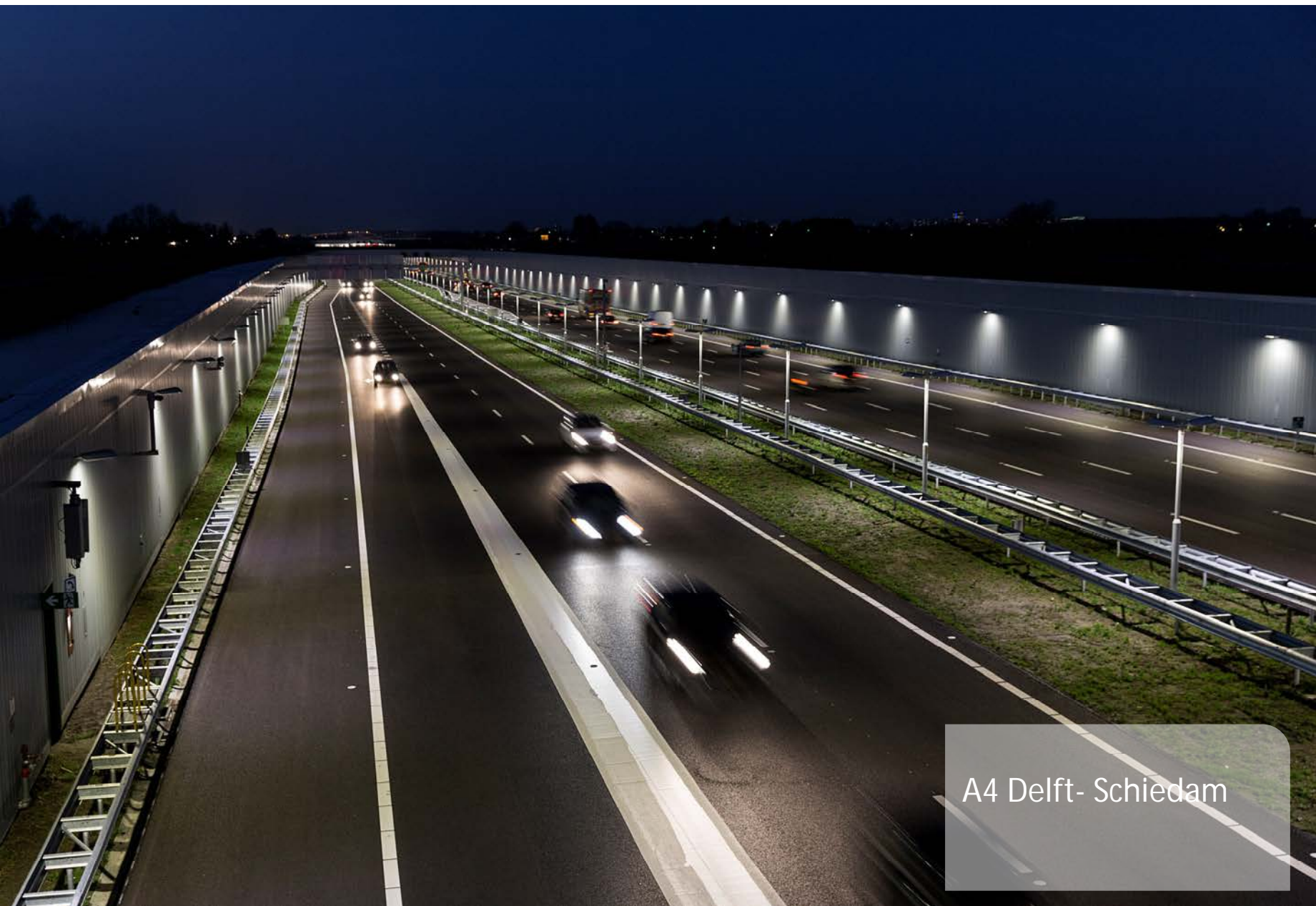


# Heijmans – Business Update



September 2016, based on 2016 interim results

heijmans



A4 Delft- Schiedam



# Contents

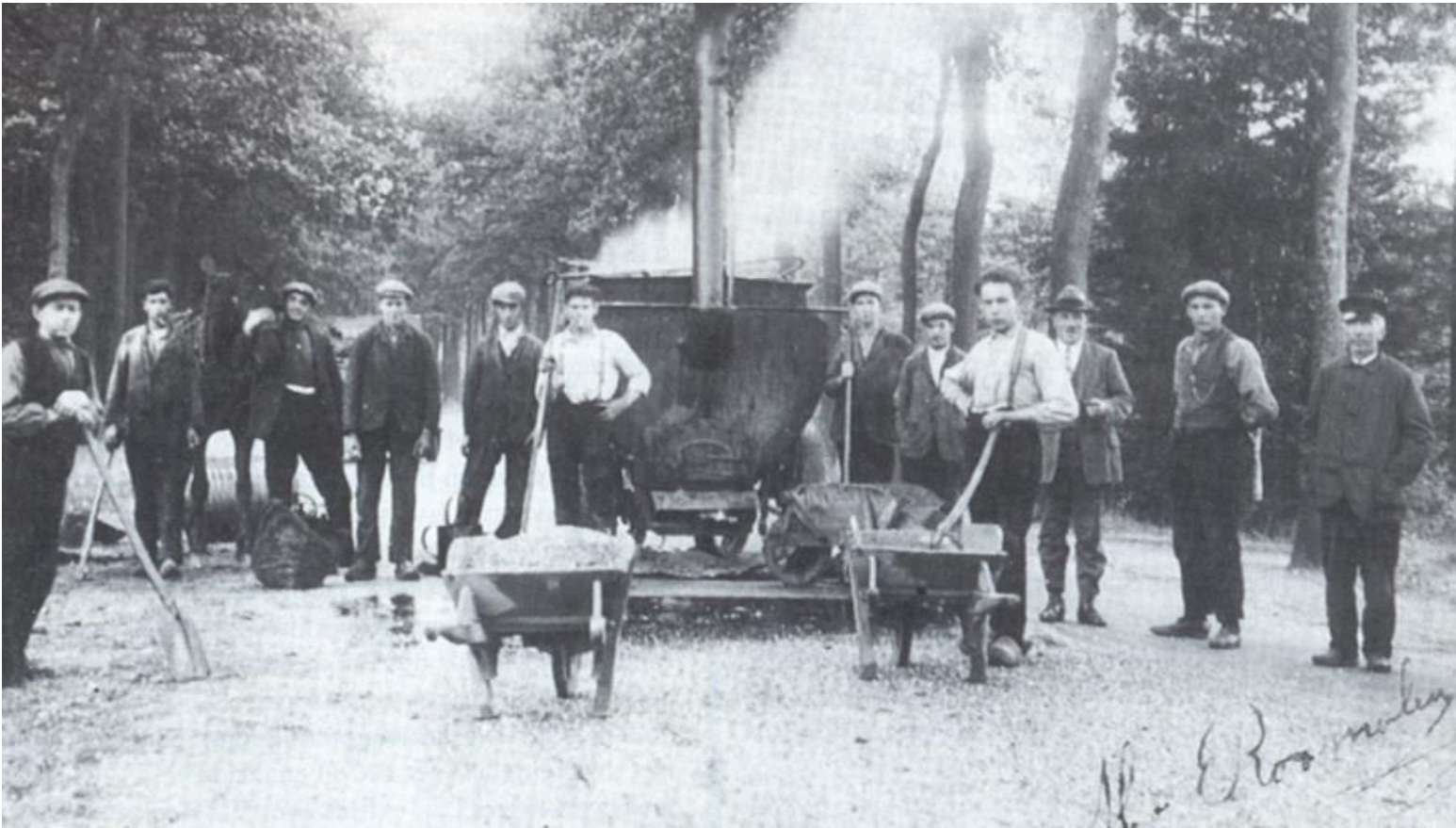
• Company profile	4 - 8
• Strategy	9 - 15
• Highlights 2016 Interim results	16 - 21
• Developments per sector	22 - 39
• Outlook	40 - 41
• Financial statements	42 - 45
• Annexes	46 - 60
➤ Resumes Executive Board	47
➤ Financial Covenants	49
➤ Procedures Property development	51 - 54
➤ Risk Management	55
➤ Percentage of completion method	57
➤ Project images in this handout	59



## Company profile

heijmans

Founded in 1923 by Jan Heijmans

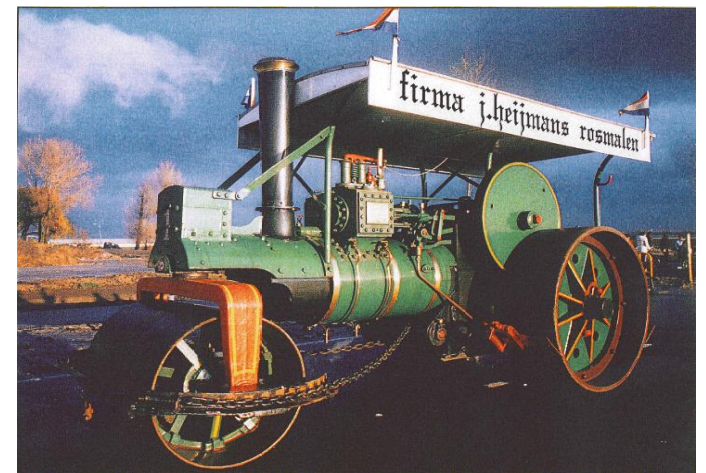


Highway Tilburg - Den Bosch (anno 1928)

# Company profile

## Heijmans History

- Since 1923 active in road building
- Strong growth following second world war
- During sixties, diversification towards residential building
- During 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 Renew – new criteria and ambitions





# Company profile

## Residential

Property development  
Residential building



Eemskwartier Groningen



Meysters' Buiten, Utrecht

## Non-residential

Building  
Technical Services



Luggage hall Eindhoven Airport



Technical University, Eindhoven

## Infrastructure

Road building  
Civils Engineering



N23 Westfriisaweg, Province of North Holland



Water sewage plant RWZI, Utrecht

# Company profile

## Heijmans at a glance

- With almost 6,500 employees and approx. € 2 billion in annual revenues, Heijmans is active in 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.

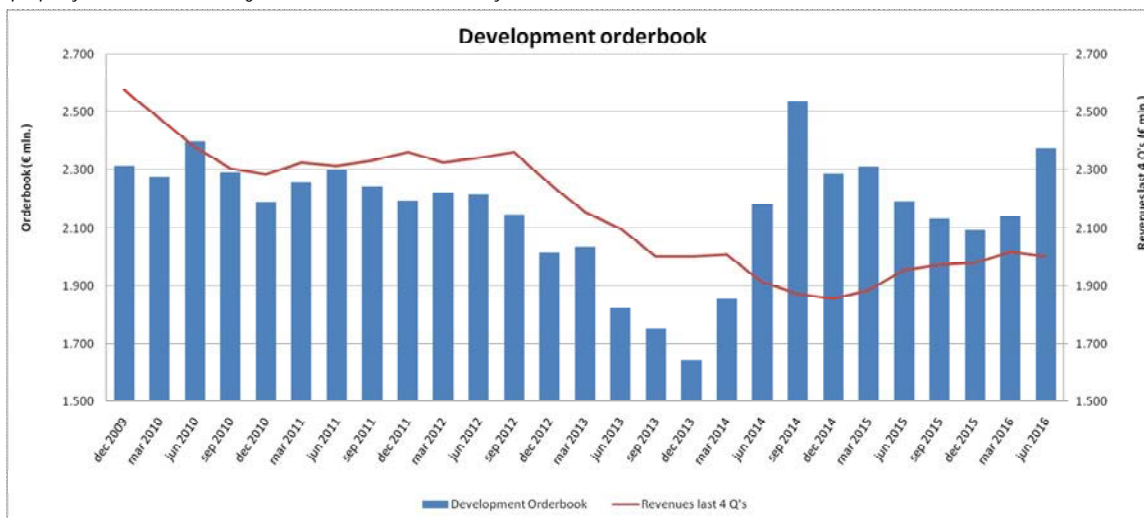
# Company profile

## Key figures

x 1 € million

	H1 2016	H1 2015	2015
Revenues	946	922	1.979
Underlying operating result <sup>1</sup>	-7	-11	-5
Result after tax	-12	-15	-27
Earnings per share ( in €)	-0,57	-0,76	-1,32
Order book	2.375	2.190	2.094
Net debt	77	108	10
Number of FTE	6.409	6.816	6.582

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

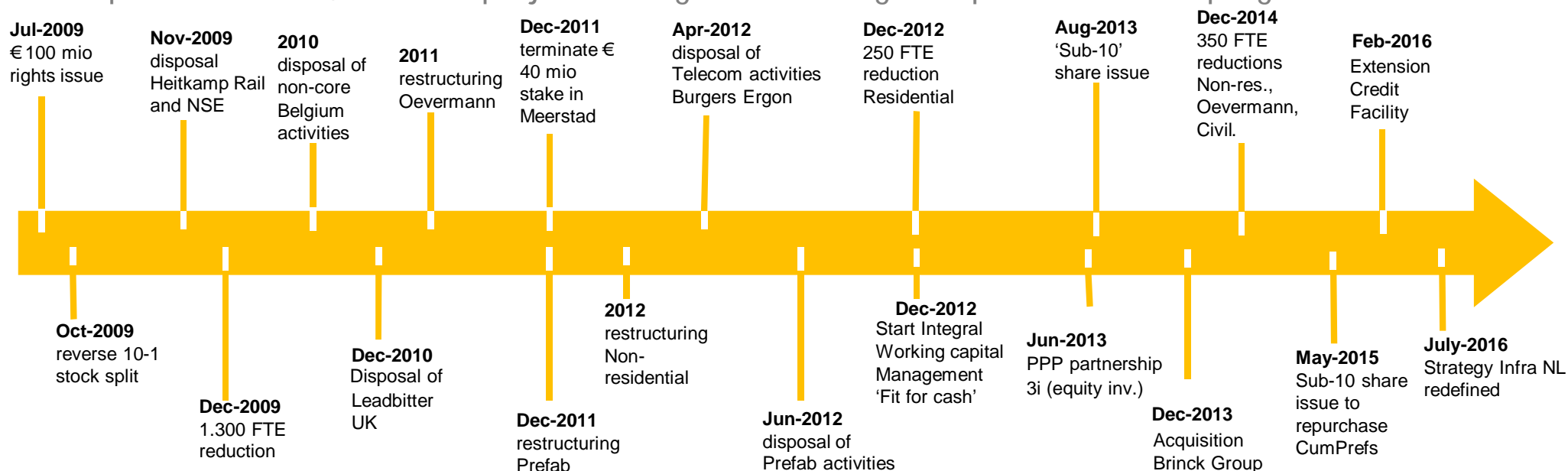




# Strategy – Restructuring provides potential

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





A27 / A1 PPP  
Utrecht - Eemnes



# Strategy – Ambition

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

- 2012 BCG review: Heijmans can become the best Dutch construction company
- Overall midterm EBIT goal of 3-4% is realistic
- Strategic direction based on “To improve and to renew”

To improve: “Improve the core” program focussing on operational excellence:

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

To renew: 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





Kousrelining (renovation of waterpipes)



Infrastructure for Electric cars



Composite bridge



Infra technology & mobility

heymans



## 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 / focus on marketability;
- Cooperation with Spark (network for creativity and knowledge).

Examples of innovations already sold / ready for market launch

- The 'Heijmans One' portable house > first 58 houses sold;
- Hydrofit 'kousrelining' with DSM;
- Energy generating noise barrier ('Solar noise barrier');
- BikeScout: warning system to improve safety of cyclists;
- 'Smart living concept': standardised 'home control' in all family homes.

Examples of innovations in pilot phase

- 'Self healing' asphalt concept;
- 3D printed canalhouse and steel bridge;
- Smart Highway.



Timmerhuis,  
Rotterdam



# H1 2016 – highlights

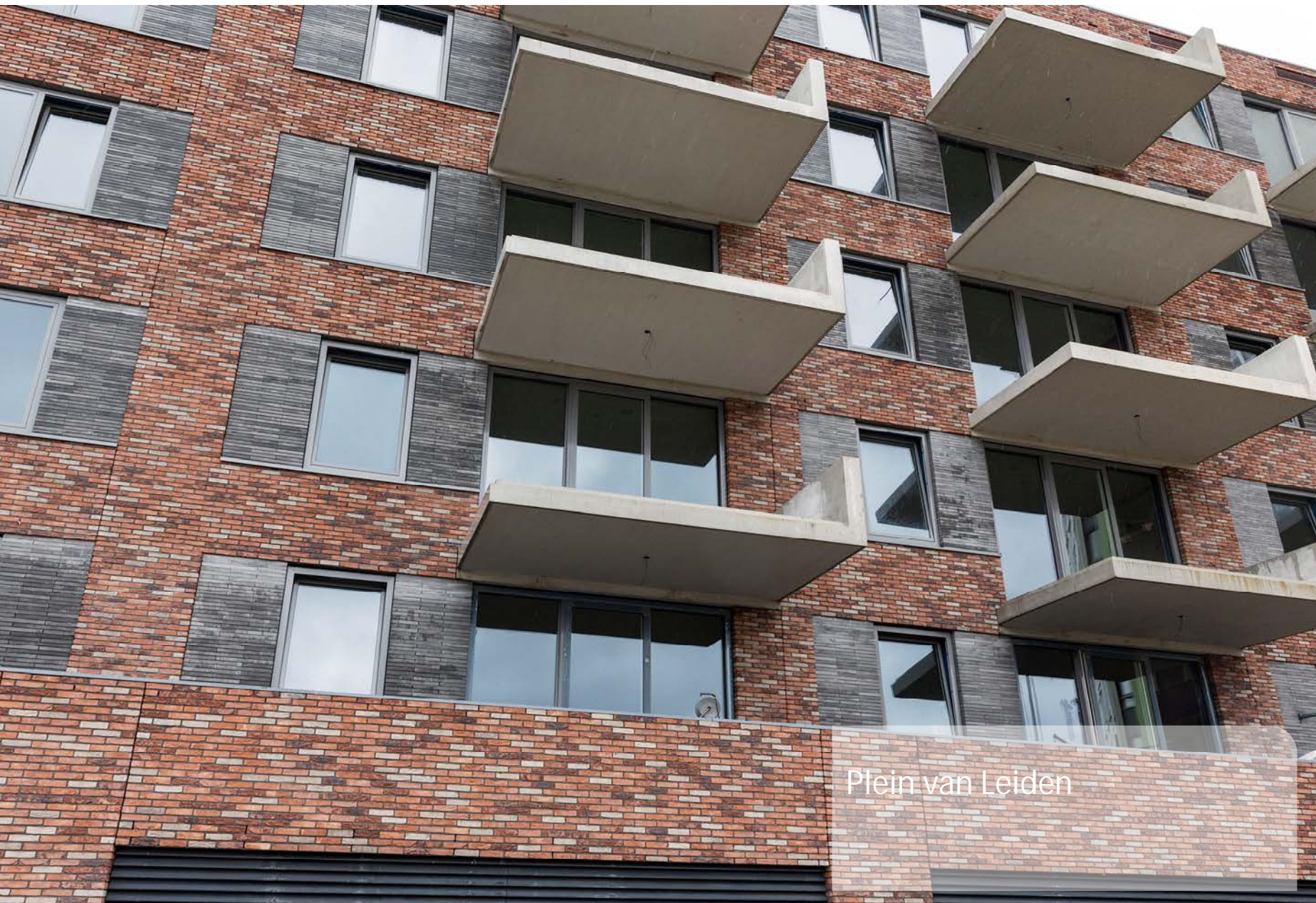
## “Heijmans first half results: improved results in most sectors, completion loss-making projects Infra still strongly affects results”

- H1 revenues increased to € 946 mln (2015: € 922 mln);
- Homes sold H1: 1,069 (2015: 746). Higher sales to investors for rental segment;
- Underlying operating result improves, but still negative;
- Improved results for Property Development / Residential Building, Non-Residential, Belgium and Germany;
- Infra: underlying improvement seen, results negatively impacted with € 15 mln by loss-making projects Infra;

	H1 2016	H2 2015	H1 2015	2015 FY
Total revenues	946	1.057	922	1.979
Total revenues Infra NL	329	384	306	690
Revenues loss making infra projects	30	40	45	85
<i>As % of Infra NL revenues</i>	<i>9%</i>	<i>10%</i>	<i>15%</i>	<i>12%</i>
Number of loss making infra projects	5	6	8	8
Underlying operating result	-7	6	-11	-5
Result of problem projects	-15	-25	-10	-35
Underlying operating result excl loss making projects	8	31	-1	30

- Net result after taxes H1: -/- € 12 mln (2015: -/- € 15 mln);





Plein van Leiden



## H1 2016 –highlights

### **“Heijmans first half results: improved results in most sectors, completion loss-making projects Infra still strongly affects results”**

- Order book increased due to contract wins for (a.o.) New Amsterdam Court House, Hart van Zuid and RWZI Utrecht;
- Solvency ratio 25%;
- Net debt at € 77 mln (H1 2015: € 108 mln).
- New strategy plan Infra NL 2016-2019: ‘Focus, Discipline & Excellence’;
- Innovation: first successes with sales of Heijmans ONE (58 sold) and BikeScout;
- With GO! Programme continuous focus on safety: Continuing IF (Injury Frequency) rate at 3.3, decline compared to 2015, slight increased compared to Q1;
- Refinancing completed, € 256 mln syndicated loan committed until mid 2018.





Smart Materials: '3D print'



Smart Energy: 'Bright house'



Smart Highway



Smart Space: 'Heijmans One' portable house



# Implementation new ERP Platform

## Objectives

1. Strengthen Control
2. Integrate Procurement
3. Improve efficiency in back office processes

*Key changes:*  
*Integrated system*  
*centralized data management*  
*Data entry at source (orders, hours)*  
*Three way match, digital invoicing AP*  
*1 project structure, also for integrated projects*

- Successful deployed to +/- 3.900 employees (incl Infra, Group Departments, Residential);
- To go: Non-Residential (Q4 2016) and Property Development (2017);
- Proven project approach and timelines for completion that are proactive and realistic (Initiated in 2011, Blueprint Q4 2012, start roll-out 2013). Now close to completion;
- Generic processes based upon SAP Best Practices\* (no to limited customization);
- Invested TD: € 12 mln, limited to no impact on running IT costs (phase-out old systems);
- Disciplined top-down roll-out with dedicated change management;
- 2016 and beyond: to exploit and leverage contribution to “real” business value (enhance performance, a more uniform organization, more efficient operation's, firm wide information for improved decision making, integrating CRM, Go / No Go decisions).

\* Using industry-standard or industry-customized SAP processes & add-on tools only



Hart van Zuid PPP  
Rotterdam



# DEVELOPMENTS PER SECTOR

## PROPERTY DEVELOPMENT

x € 1 million	H1 2016	H1 2015	2015
Revenues	170	126	278
Underlying operating result	6	4	9
Underlying operating margin	3,5%	3,2%	3,2%
Order book	275	280	284

- Strong increase in revenues (34%) with small growth in operating margin;
- Homes sold to 1,069 (2014: 746), especially within investors segment;
- Average house price to private segment to € 249k (2015: € 229k);
- Strong cash flow, capital invested is decreasing;
- Very low inventory of houses unsold;
- Challenge to match supply with strong demand, procurement prices are increasing and potential delays due to capacity issues;
- Interesting new projects, a.o. in Rotterdam (Hart van Zuid, Nieuw Kralingen, Katendrecht) and Utrecht (Kanaleneiland).





Kanaleneiland  
Utrecht

© Theo van Leeu, Amsterdam 2016



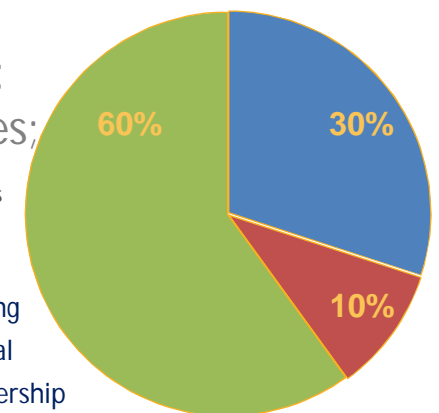
# Dutch Real estate market

Fundamentals have improved considerably since 2014 after 7 years of declining market:

- In 2007, appr 80K houses were built, a figure that more than halved in 2013/2014
- The Netherlands: appr. 17 mln inhabitants with 7,5 mln households;
- CBS: # households to increase to 8,5 mln in 2045; on average with 50K annually until 2025;
- Specific growth areas: Innercity development / transformation (mainly Randstad) and affordable houses for 1-person households and starters;
- Decreased housing prices, historically low interest rates, increased consumer confidence and government policies (incl *aanpak scheefwonen*, capping tax deductibility interest) have resulted in a strong demand from private buyers and investors;
- Several factors however still require strict risk management procedures:
  - Affordability of new houses for starters and young families, especially in cities;
  - Monetary policy uncertain, potential impact on interest rates;
  - Consumer confidence is still vulnerable;
  - Rental system still protective;
  - Challenge to meet high demand as capacity in whole supply chain has decreased considerably during crisis years:
    - » Government: delays in permit procedures and higher building aesthetics requirements;
    - » Construction companies: prices going up due to increased demand for people and materials.

NB. Heijmans expects distribution to move towards 60/20/20

■ Social housing  
■ Private rental  
■ Private ownership





Transformation Grootlab  
Amsterdam School of Arts



# DEVELOPMENTS PER SECTOR

## RESIDENTIAL

x € 1 million	H1 2016	H1 2015	2015
Revenues	208	204	387
Underlying operating result	2	3	6
Underlying operating margin	1,0%	1,5%	1,6%
Order book	386	392	421

- Delay in start up of new projects has resulted in declining growth rate;
- Revenues divided over the Netherlands (€ 152 mln) and Belgium(€ 56 mln);
- High number of houses sold not yet in order book;
- Upward price pressure of subcontractors;
- Focus on growth with standardised products (Huismerk, Wenswonen);
- Cooperation with CBRE Global Investors in Grauwaart district (Leidsche Rijn Utrecht);
- First Heijmans ONE houses placed for Wonen Limburg, several follow up orders;
- Transformation former Parool tower / Trouw building completed for Student Hotel;
- Realisation of Wiener & Co (Amsterdam), Plein van Leiden, and Elisabeth Center Antwerp on schedule.





Lounge 2  
Schiphol Amsterdam

## DEVELOPMENTS PER SECTOR

### NON RESIDENTIAL

x € 1 million	H1 2016	H1 2015	2015
Revenues	162	220	421
Underlying operating result	0	-2	0
Underlying operating margin	0,0%	-0,9%	0,0%
Order book	825	549	517

- Revenues lower as expected, selective acquisition approach maintained;
- Positive trend of Services (installations) continues, now almost 50% of revenues;
- Result slightly better than last year;
- Strong order intake, especially New Amsterdam Court House and Hart van Zuid (both PPP), order book shifting to long term contracts with maintenance obligations;
- Lounge 2 Schiphol, DSM laboratory and Amsterdam High School completed;
- Timmerhuis, National Military Museum and Ministries of Safety and Justice / Internal Affairs in maintenance phase;
- PPP Project RIVM / CBG delayed;
- Restructuring completed, targeted headcount reduction (200 fte) and indirect costs met.





A9 Gaasperdammerweg  
Amsterdam



# DEVELOPMENTS PER SECTOR

## INFRA NETHERLANDS

x €1 million	H1 2016	H1 2015	2015
Revenues	329	306	690
Underlying operating result	-15	-15	-26
Underlying operating margin	-4,6%	-4,9%	-3,8%
Order book	787	879	834

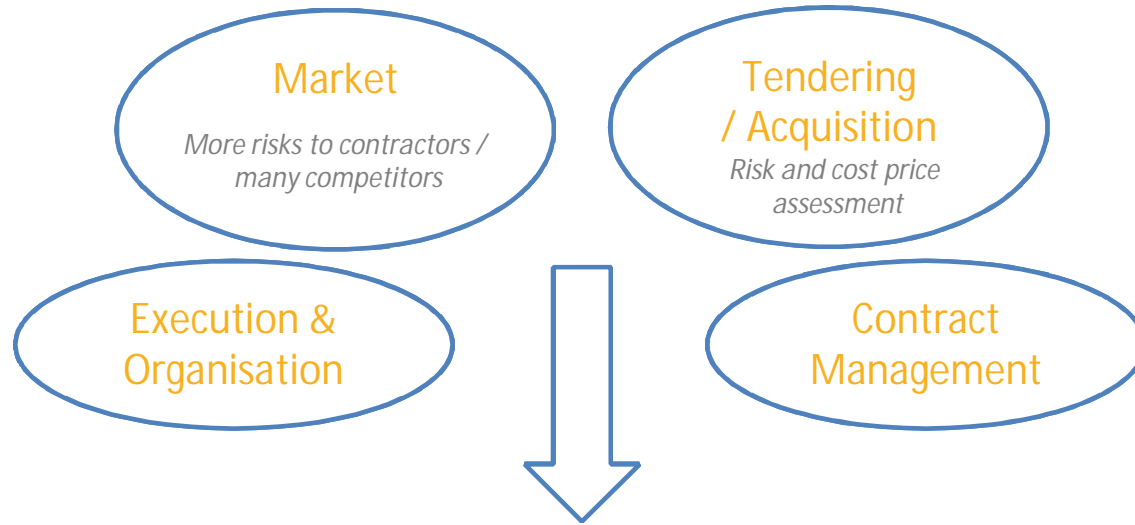
- Approximately € 700 mln turnover, divided over:
  - Regional projects & Asset management ~40%
  - Specialties ~20%
  - Big Projects (Integral, Roads, Civils) ~40%
- Revenues increased, underlying performance improved due to good development within Regional projects and Asset management, but € 15 mln in additional losses recorded in several Big Projects;
- Number of loss-making projects decreased to 5, of which 2 with high risk profile;
- Energiefabriek Tilburg in testing phase, but difficult progress: -/- € 8 mln in H1;
- New orders rewarded for RWZI Utrecht and A27/A1;
- A12 Veenendaal-Ede-Grijsoord PPP completed, A9 Gaasperdammerweg PPP on track.



A12  
Veenendaal – Ede - Grijsoord

# Improving control of large projects

Background of issues



Improvement measures

<p>Focus</p> <p>Suitable Partnerships</p> <p>Market vision</p>	<p>Tender management</p> <p>Design costs</p> <p>Start margins incl. pricing of risks</p>
<p>Stick-to-the-plan approach</p> <p>Start Up reviews</p>	<p>Go / No go</p> <p>Use new ERP</p>

Applicable to NL Infra and NL Non Residential sector





Wilhelminakanaal,  
Tilburg



# Strategy plan Infra Netherlands 2016 - 2019

- New board member appointed early 2016 with specific focus on Infra
- Strategy Dutch infrastructure redefined mid 2016
- Plan consists of 5 key elements for 2016 -2019:
  - 1) Intensively managing and completing of current loss making projects
  - 2) Improving risk control  
*Measures, tools, systems, processes, rules, escalation procedures*  
*Structural improvement should lead to more robust earnings profile*
  - 3) Tightened commercial / strategic focus  
*Focus on core competences > stricter selection of projects and clients*
  - 4) Changing leadership culture and implementing effective organisation
  - 5) Realisation cost reduction

Overall goal: stable EBIT Margin of 2,5% - 3% in 2018



Elisabeth Center  
Antwerpen (B)



# DEVELOPMENTS PER SECTOR

## INFRA BELGIUM

x € 1 million	H1 2016	H1 2015	2015
Revenues	58	57	116
Underlying operating result	4	3	7
Underlying operating margin	6,9%	5,3%	6,0%
Order book	142	103	135

- Revenues at similar level as last year;
- Operating margin increased slightly, at very healthy level;
- Slight increase in order book;
- Reconstruction N9 in Ghent on schedule;
- Long term maintenance of big number of projects, including Liefkenshoek rail track, R4 Ghent and Antwerp light rail track Brabo I.



Oevermann  
Erpho-Bogen  
Münster (D)

# DEVELOPMENTS PER SECTOR

## INFRA GERMANY

x € 1 million	H1 2016	H1 2015	2015
Revenues	126	126	319
Underlying operating result	3	1	7
Underlying operating margin	2,4%	0,8%	2,2%
Order book	178	238	155

- German infrastructure market is improving;
- Revenues in line with last year;
- Operating result has grown, especially due to better performance of Franki;
- Effects of completed Oevermann restructuring noticeable;
- Order book increased to € 178 mln;
- Shopping center Mercaden Dorsten completed by Oevermann;
- Franki has commenced with A7 tunnel Hamburg-Stellingen.





Wijkhavenkwartier,  
Den Haag

## Outlook

- Positive trend residential market continues, filling housing showroom crucial to meet high demand;
- Gradual improvements expected within Non Residential and Infra, supported by good order intake;
- Germany and Belgium record a solid and good performance;
- Managing and completing loss making projects Infra remains priority, with impact on bottom line results;
- Execution of strategic plan Infra NL 2016 – 2019;
- Debt / Ebitda ratio to be structurally improved;
- Expectation to improve performance and record a positive underlying result in 2016.

Profit and loss account (in million €)	H1				Full Year	
	Actual 2016		Actual 2015		Actual 2015	
	Revenues	EBIT	Revenues	EBIT	Revenues	EBIT
<b>Property Development</b>	170	6	126	4	278	9
<i>Residential - Netherlands</i>	152	2	158	3	295	5
<i>Residential - Belgium</i>	56	1	46	0	92	1
<b>Residential building</b>	208	2	204	3	387	6
<b>Non-Residential</b>	162	0	220	-2	421	0
Infra - Netherlands	329	-16	306	-15	690	-26
Infra - Belgium	58	4	57	3	116	7
Infra - Germany	126	3	126	1	319	7
<b>Infra total</b>	513	-8	489	-11	1.125	-12
<b>Total operations</b>	1.053	0	1.040	-6	2.211	3
Group costs/eliminations/others	-107	-8	-118	-5	-233	-8
<b>Revenues/ EBIT Business</b>	946	-7	922	-11	1.979	-5
Adjustment EBIT JV's		-5		-4		-10
Write-down land/ real estate		-1		-1		-12
Restructuring costs		-1		0		-3
Extra-ordinary items		-8		-5		-24
<b>Revenues/EBIT Total</b>	946	-15	922	-16	1.979	-29
<b>Financial results</b>		-3		-4		-10
Result joint ventures after tax		3		3		7
Others		0		0		1
<b>Result before tax</b>		-15		-17		-30
Taxes		2		2		3
<b>Result after tax</b>		-12		-15		-27



**CASH FLOW STATEMENT**

(x € 1 million)

	YTD June 2016	YTD June 2015	FY 2015
Operating result	-15	-16	-29
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	9	18
Amortisation of intangible assets	1	1	2
Adjustment of valuation of property investments and land portfolios, excluding joint ventures	1	1	11
Change in work in progress	-15	-71	-21
Change in other working capital	-36	-11	46
Change in non-current provisions	-1	-2	-7
<b>Cash flow from operating activities before interest and tax</b>	<b>-56</b>	-89	20
Interest paid/received	-6	-7	-11
Tax expense paid	-4	0	0
<b>Cash flow from operating activities</b>	<b>-66</b>	-96	9
<b>Cash flow from investment activities</b>	<b>-2</b>	-2	-9
<b>Cash flow from financing activities</b>	<b>21</b>	89	51
<b>Net cash flow in the period</b>	<b>-47</b>	-9	51
Cash and cash equivalents at 1 January	125	74	74
<b>Cash and cash equivalents at the end of the period</b>	<b>78</b>	65	125



## Balance sheet and Financing

- Solvency solid at 25% (FY 2015: 26%)
- Fixed (non current) assets base stable
- Control net debt through strong focus on working capital (“Fit for cash”)
- Reported net debt as per 30/6 of € 77 mln:
  - € 80 mln drawn under Revolving Credit facility
  - € 45mln in cumulative preference shares (reduced from € 66 mln mid 2015)
  - € 41 mln in project finance arrangements / financial leases to be consolidated under IFRS 11
  - € 78 mln in cash (equivalents)
  - The majority of project finance arrangements on a non recourse (project assets) basis.
  - For recourse net debt, see Annex financial covenants
- Revolving Credit facility
  - Compliant with financial covenants (see Annex: financial covenants)
  - As of 1 April 2016, € 256 mln committed facility until 30 June 2018;
  - ICR to be tested on quarterly basis as of Q1, per Q4 2016 at level of 4;
  - Average leverage ratio to be tested as of Mid 2017;
  - Refinancing impacted by sector wide events;
  - Goal: to structurally improve debt / ebitda ratio.



## Condensed consolidated statement of financial position

x € 1 million

heijmans

<b>Assets</b>	<b>30 June 2016</b>	31 December 2015	30 June 2015
<b>Non-current assets</b>			
Property, plant and equipment	87	90	90
Intangible assets	112	112	113
Joint ventures and associates	77	77	74
Other fixed assets	98	101	93
	<b>374</b>	380	370
<b>Current assets</b>			
Strategic land portfolio	162	172	185
Residential properties in preparation or under construction	58	76	87
Other inventory	17	18	20
Work in progress	153	152	149
Trade and other receivables	313	267	294
Cash and cash equivalents	78	125	65
	<b>781</b>	810	800
<b>Total assets</b>	<b>1.155</b>	1.190	1.170
<b>Equity and liabilities</b>	<b>30 June 2016</b>	31 December 2015	30 June 2015
<b>Equity</b>	<b>245</b>	266	274
<b>Non-current liabilities</b>			
Interest-bearing	134	103	155
Non-interest-bearing	32	32	35
	<b>166</b>	135	190
<b>Current liabilities</b>			
Interest-bearing loans and other current financing liabilities	21	32	18
Trade and other payables	566	580	563
Work in progress	134	148	95
Other	23	29	30
	<b>744</b>	789	706
<b>Total equity and liabilities</b>	<b>1.155</b>	1.190	1.170
<b>Solvancy rate based on guarantee capital</b>	<b>25%</b>	26%	29%
<b>Net debt</b>	<b>77</b>	10	108

## Appendices

## 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



**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, Materials



**Ruud Majenburg (1959), COO & member of the Executive Board**

responsible for: Infra Netherlands and Infra Belgium





Services and maintenance  
Ministry of Defense



## Annex: Financial covenants

- Financial covenants were met MY '16:
  - Interest Cover: 3.6 (>3)
  - Leverage Ratio: 2.2 (<3)
  - To be tested quarterly resp. semi-annually
  - As of Mid 2017, introduction of average leverage ratio
- Accounting figures to be adjusted for covenant calculations, including:
  - To add impact Joint Ventures that are no longer consolidated after introduction of IFRS 11
  - To deduct impact of ringfenced (non recourse) project financings in relation to PFI/PPP activities
  - To deduct impact of cumulative preference shares

### Financial Covenants

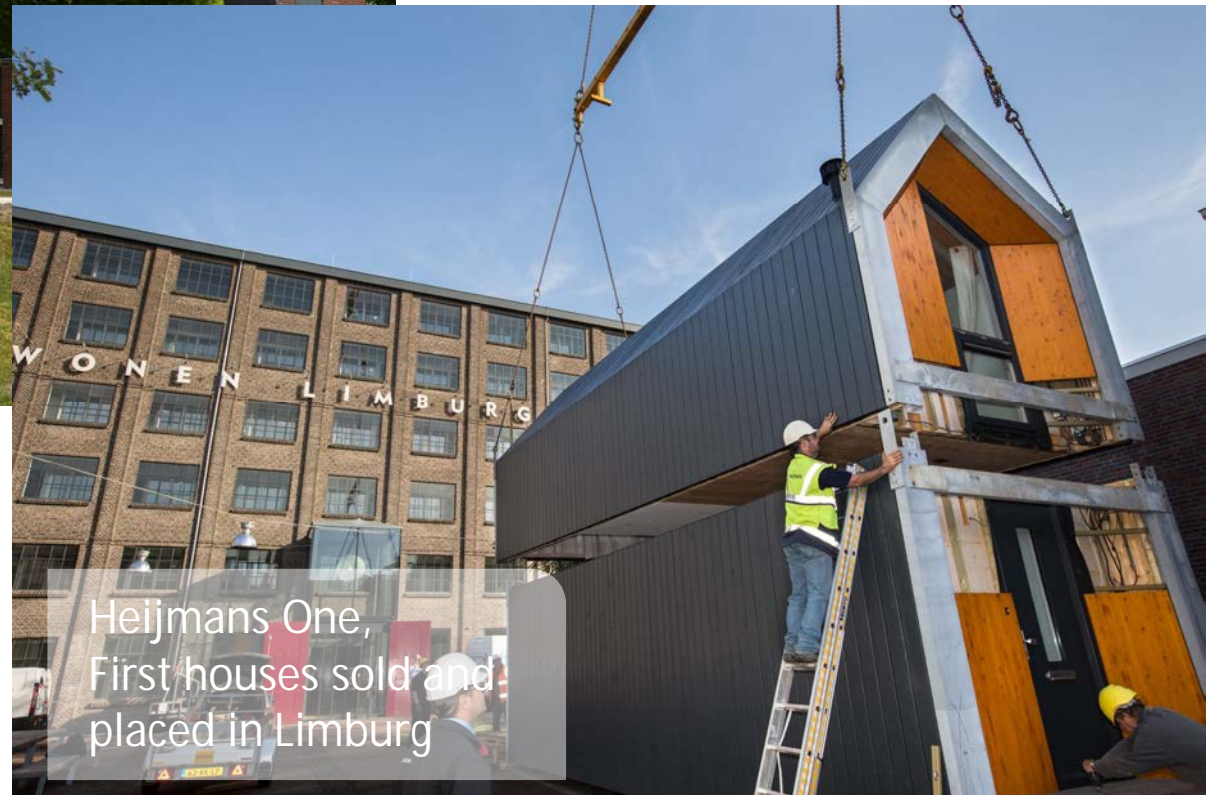
	2016 MY	2015 FY	2015 MY
Amounts x € 1 million			
Interest bearing debt	155,5	135,1	173,4
Minus: cash and cash equivalents	78,1	125,4	65,5
<b>Net debt</b>	<b>77,5</b>	<b>9,7</b>	<b>107,9</b>
<i>Adjustments:</i>			
Net debt Joint Ventures	88,8	75,5	70,7
Net debt non recourse project finance	-78,8	-80,8	-61,3
Cumulative preference shares B	-45,1	-45,1	-66,1
Other	-5,4	-4,0	0,9
<b>Net debt covenants (A)</b>	<b>36,9</b>	<b>-44,7</b>	<b>52,1</b>
Underlying operating result (including joint ventures)	-1,5	-5,1	-7,2
Depreciation and amortisation	18,6	19,1	21,8
<b>Underlying EBITDA</b>	<b>17,0</b>	<b>14,0</b>	<b>14,6</b>
<i>Adjustments:</i>			
Capitalised interest	2,6	2,9	2,4
EBITDA non recourse projects	-5,0	-1,7	-0,6
Other	2,0	2,3	1,9
<b>EBITDA covenants (B) - 12 months rolling</b>	<b>16,6</b>	<b>17,4</b>	<b>18,3</b>
<b>Net interest</b>	<b>10,5</b>	<b>11,1</b>	<b>9,5</b>
<i>Adjustments:</i>			
Net interest joint ventures	2,4	3,1	3,5
Interest cumulative preference shares B	-3,6	-4,5	-5,2
Net interest non recourse project financings	-3,9	-3,7	-2,6
Other	-0,8	-3,2	-1,6
<b>Net interest covenants (C) - 12 months rolling</b>	<b>4,6</b>	<b>2,9</b>	<b>3,5</b>
<b>Leverage ratio (A/B) &lt;3</b>	<b>2,2</b>	<b>-2,6</b>	<b>2,9</b>
<b>Interest cover ratio (B/C) &gt;3</b>	<b>3,6</b>	<b>6,0</b>	<b>5,1</b>

The interest cover ratio should at least be at the following levels:

Q2 2016: > 3

Q3 2016: > 3.5

Q4 2016 (and beyond): > 4



Heijmans One,  
First houses sold and  
placed in Limburg



# Annex: Property development

1. Process and timing
2. Land positions



*Bananenstraat Rotterdam*

*Overhoeks – Amsterdam*

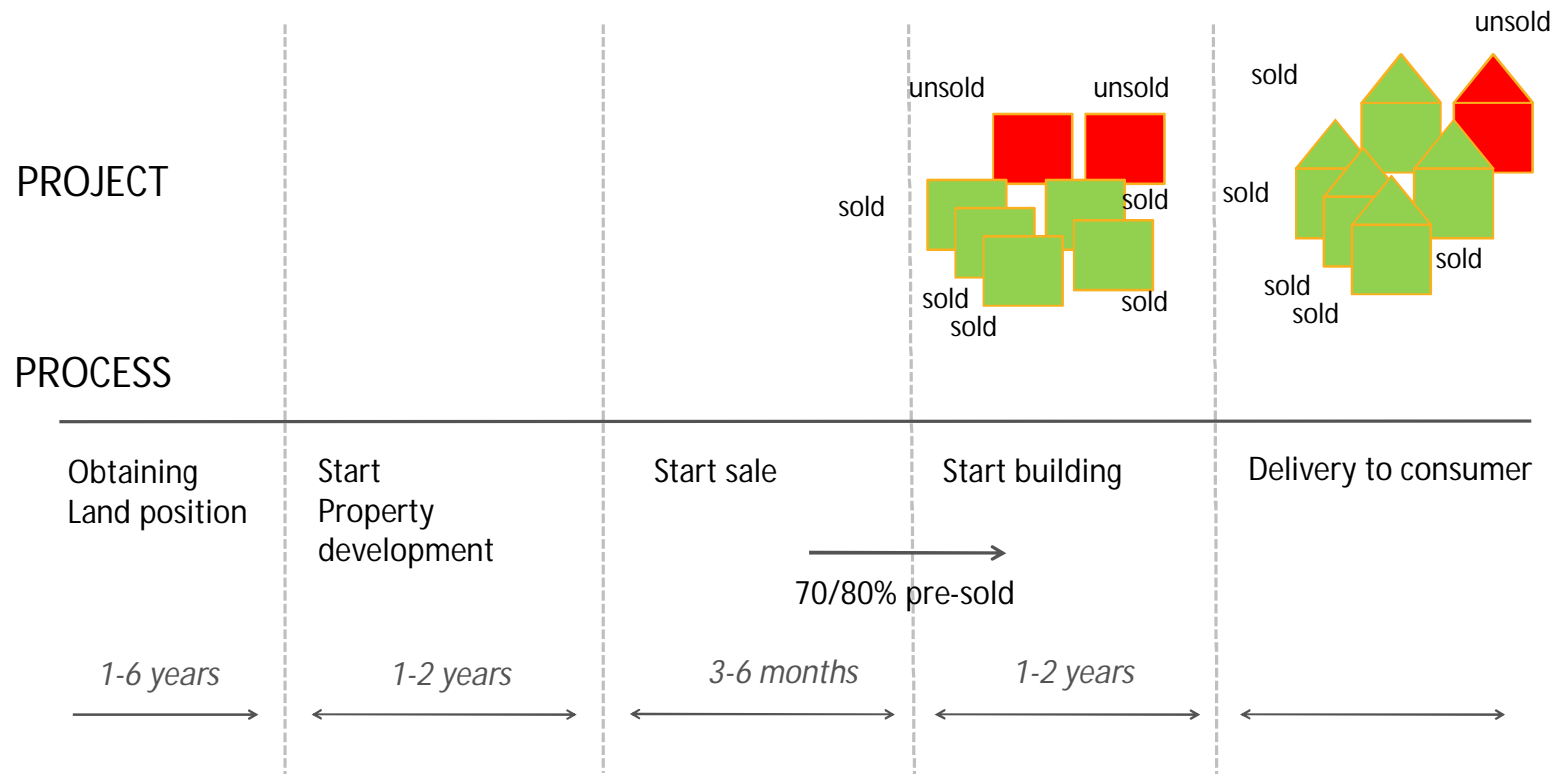


*Noorderhaven Zutphen*



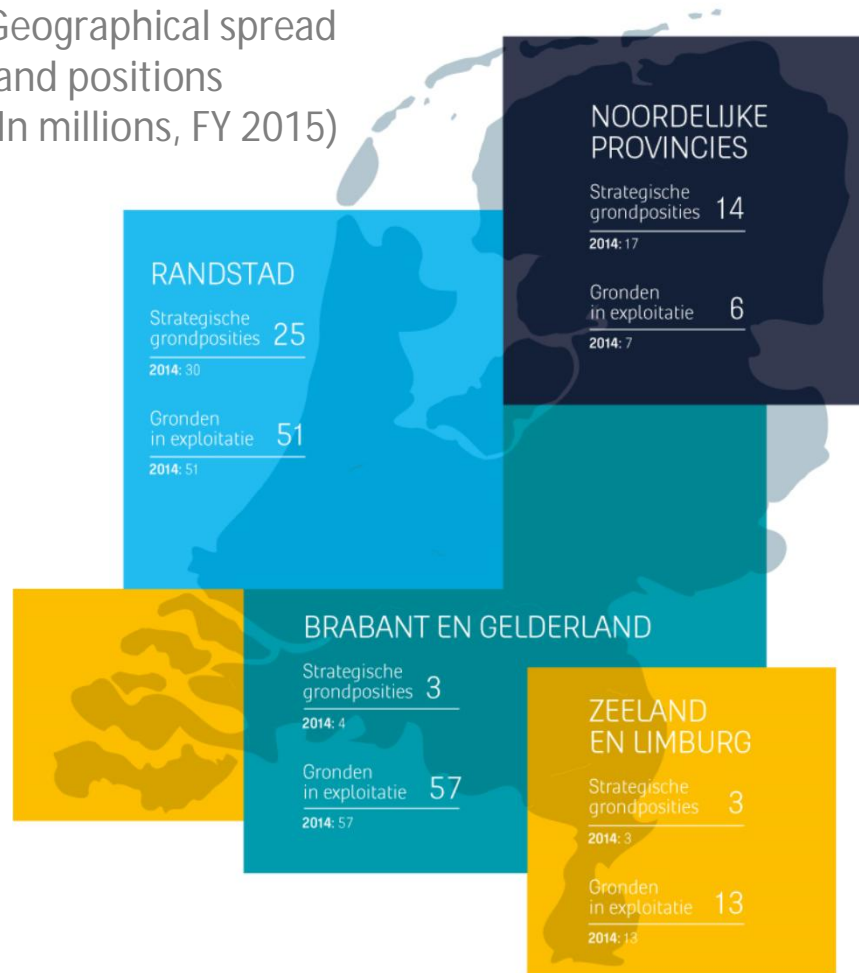
# Annex: Property development

Process and timing



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

Geographical spread  
land positions  
(In millions, FY 2015)



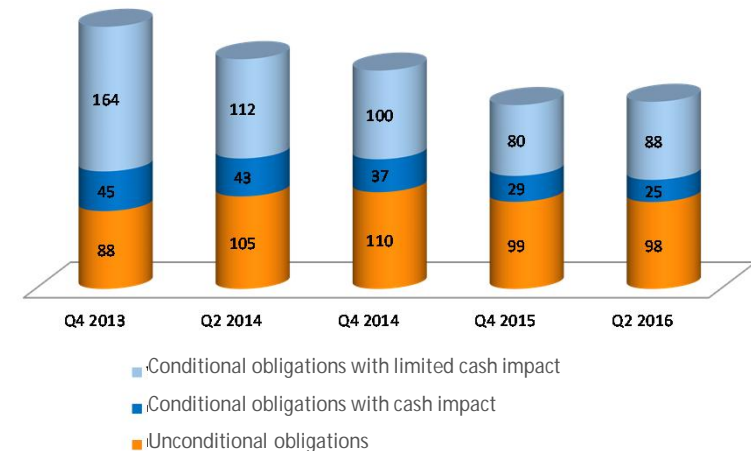
- Individual valuation per position, tested periodically
- € 1 million in impairments in H1 2016
- Future land bank obligations declining steadily

Strategic positions (in millions euro)	31-12-2015	30-6-2015	31-12-2014	30-6-2014
Brabant & Gelderland	3	4	4	4
Northern provinces	14	16	17	21
Randstad area	25	31	30	36
Southern provinces	3	3	3	4
<b>Totals</b>	<b>45</b>	<b>54</b>	<b>54</b>	<b>65</b>

Land in exploitation (in millions euro)	31-12-2015	30-6-2015	31-12-2014	30-6-2014
Brabant & Gelderland	57	57	57	66
Northern provinces	6	7	7	9
Randstad area	51	54	51	57
Southern provinces	13	13	13	15
<b>Totals</b>	<b>127</b>	<b>131</b>	<b>128</b>	<b>147</b>

Future land bank obligations







Fenix Lofts  
Rotterdam Katendrecht

## Annex: Risk Management

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;
- Centralised procurement;
- Senior management bonus system based on corporate goals;
- Periodic review meetings for businesses and (relevant) projects. Also in execution phase to monitor project start up and stick to the plan approach;
- 'Best in class' project reporting providing good insight on project opportunities as well as risks, specific issues, cash flow and progress. Further improve uniformity;
- Uniform risk classification for all projects into three categories. Direct involvement from Executive board in large and complex projects in all phases;
- Culture of openness on project performance. Issues to be escalated as soon as possible to enable effective follow-up and support;
- High level of attention for cash management on all levels in the organisation ("Fit for cash" program);
- Implementation of 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 > a.o. integration of Dutch infrastructure companies into one Heijmans Infra

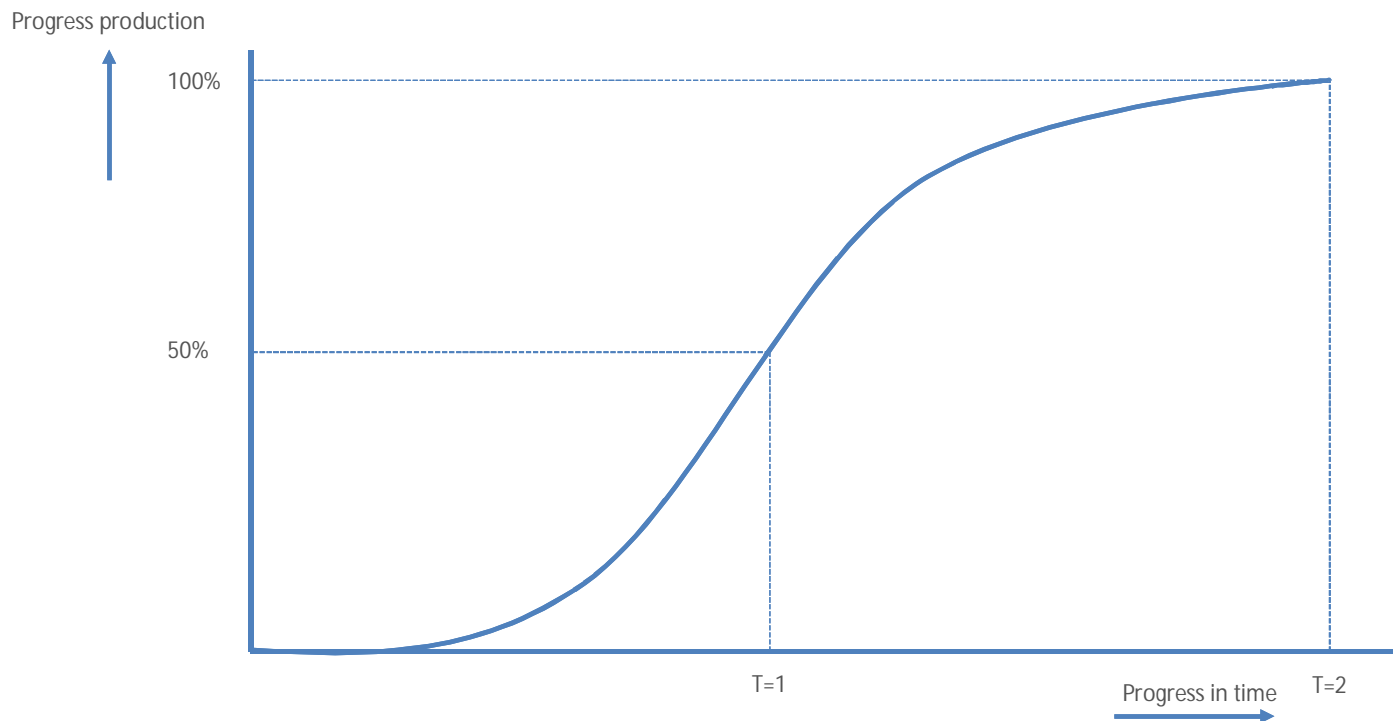




Franki  
Hammer Strasse,  
Hamburg (D)



## Annex: IFRS % of completion method



- Direct costing applied, i.e. the gross margin is recognized on the basis of the percentage of completion method.
- In this method, 50% of the gross profit is recognized half way the project, and 100% at completion.
- Suppose a EUR 100 mln with 10% gross margin and a 2 year construction period.
- What happens if a setback of EUR 10 mln is discovered?

- At  $t = 0$  (for example in the final design stage), 10 mln should be deducted from future profits. The next two years of turnover will not contribute any gross margin
- At  $t = 1$ , 50% of the gross profit is already recognized in the previous year. EUR 5 mln should be deducted from future profits (in year 2 no gross margin contribution) and EUR 5 mln should be recorded as loss in the P&L
- At  $t=2$  (just before completion) almost all gross profit has already been recognized as profits in previous year. The setback should be recorded as financial loss in year 2

We are building the spatial contours of tomorrow



heijmans

# Project images in this handout

Slide	Project	Location	Segment
Front	New Amsterdam Court House PPP	Amsterdam	Non Residential
2	A4 Motorway	Delft-Schiedam	Infra
6	Eemskwartier	Groningen	Property Development
6	Meijster's Buiten	Utrecht	Property Development
6	Luggage Hall	Eindhoven Airport	Non-residential
6	Technical University	Eindhoven	Non-residential
6	N23 Westfriaweg	Province of North Holland	Infra
6	Water sewage plant RWZI	Utrecht	Infra
10	A27 / A1 PPP	Utrecht - Eemnes	Infra
12	National Military Museum	Soesterberg	Non-residential
16	Het Timmerhuis	Rotterdam	Property Development
18	Plein van Leiden	Leiden	Residential
22	Hart van Zuid PPP	Rotterdam	Non Residential / Property Development
24	Kanaleneiland	Utrecht	Property Development / Residential
26	Transformation Amsterdam School of Arts	Amsterdam	Residential
28	Lounge 2	Schiphol Airport	Non-residential
30	A9 Gaasperdammerweg PPP	Amsterdam	Infra
32	A12 Motorway PPP	Ede-Veenendaal-Grijsoord	Infra
34	Wilhelminkanaal	Tilburg	Infra
36	Elisabeth Center	Antwerp (Be)	Non-residential Belgium
38	Erpho-Bogen	Muenster (De)	Infra Germany (Overmann)
40	Wijnhavenkwartier	Den Haag	Property Development / Residential
48	Services / maintenance Ministry of Defense	19 locations	Non-residential
50	Heijmans One	Replaceable	Heijmans Technology / Residential
51	Overhoeks	Amsterdam	Property Development
51	Bananenstraat	Rotterdam	Property Development / Residential
51	Noorderhaven	Zutphen	Property Development / Residential
54	Fenix Lofts	Rotterdam Katendrecht	Property Development / Residential
56	Hammerstrasse	Hamburg (De)	Infra Germany (Franki)



# Disclaimer

This presentation has been prepared by and is the responsibility of Heijmans N.V. This presentation is being supplied to you solely for your information and use. The information may not be further distributed or passed on to other people or published or reproduced in whole or in part. The information may be subject to updating, completion, revision and amendment and such information may change materially.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Heijmans N.V. and the industry in which it operates. These statements are based on Heijmans N.V.'s and its management's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "predict", "estimate", "project", "plan", "may", "should", "would", "will", "intend", "believe" and similar expressions are intended to identify forward looking statements. Forward-looking statements are statements of future expectations that are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Neither Heijmans N.V. nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.

No representation or warranty, express or implied, is or will be made by Heijmans N.V., its advisors or any other person as to the accuracy, completeness or fairness of the information or opinions contained in the presentation and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, neither Heijmans N.V., its associates, its advisors, nor its representatives accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from the use of this presentation or its contents or otherwise arising in connection with this presentation. The presentation does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any securities.

HEIJMANS N.V.  
PO Box 2  
5240 BB Rosmalen, The Netherlands  
[www.heijmans.nl](http://www.heijmans.nl)  
<http://twitter.com/HeijmansNL>

CONTACT:  
Guido Peters  
Investor Relations Heijmans  
+31 73 543 5482  
[gpeters@heijmans.nl](mailto:gpeters@heijmans.nl)



[www.heijmans.nl](http://www.heijmans.nl)

