

## Press release

Date August 17, 2016

Page 1 of 22

### Heijmans first half results: improved results in most sectors, completion loss-making projects Infra still affecting results

#### Highlights:

- Revenue increased to € 946 million in first half 2016 (first half 2015: 922 million);
- Residential sales increased to 1,069 homes sold in the first half of 2016; (first half 2015: 746 homes sold). Increase in home sales to investors;
- Underlying operating result improves in the first half but still € 7 million negative (first half 2015: € 11 million negative);
- Improved results Property Development and Residential Building, Non-Residential, Belgium and Germany;
- Infra: marked improvement - in particular in regional projects and asset management - negated by € 15 million negative impact of loss-making projects;
- Net result after taxes € 12 million negative (first half 2015: € 15 million negative);
- Order book increased to € 2.4 billion linked to acquisition of projects such as the New Amsterdam Court House, Hart van Zuid and the sewage water purification plant (RWZI) Utrecht;
- Solvency ratio 25%; net debt declined to € 77 million at end-June 2016 (end-June 2015: € 108 million).

#### Key figures

x 1 € million

|  | H1 2016 | H1 2015 | 2015  |
|--|---------|---------|-------|
| Revenues                                 | 946     | 922     | 1.979 |
| Underlying operating result <sup>1</sup> | -7      | -11     | -5    |
| Operating result                         | -15     | -16     | -29   |
| 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.

*Bert van der Els, CEO Heijmans:*

“Heijmans Property Development, Residential Building and Non-Residential are all performing in line with expectations, with improved results and a healthy order book. Heijmans’ activities in Belgium and Germany are also showing a positive trend. Demand in the residential market remains high, creating opportunities for our Property Development and Residential Building operations. The

new contracts for large-scale area developments are a clear sign of this potential. These include Hart van Zuid, Nieuw Kralingen and another section of Katendrecht in Rotterdam, as well as a new project in Kanaleneiland in Utrecht.

On the Dutch Infra market, we are seeing signs of a cautious recovery and the majority of our activities is performing well, but our results remain under severe pressure. We are faced with a number of loss-making infra projects from the past that we still have to complete, with the Energiefabriek project in Tilburg in particular still proving to be an issue. It is disappointing to note that the final phase towards delivery is progressing with difficulty. It will take a great effort in the coming period to bring this project to a satisfactory conclusion. In the meantime, we continue to invest in further improving our core processes to ensure that we can phase out poorly performing projects in a controlled manner and that the rest of our activities operate at healthy margins. We expect this approach to enable us to complete the year with a positive underlying operating result.”

## **First half 2016**

### ***Property Development, Residential Building***

The Property Development activities recorded higher revenues and an improved result on the back of the growth in the Dutch housing market. Revenues at Property Development amounted to € 170 million in the first half of 2016 (first half 2015: € 126 million), while the result was € 6 million (first half 2015: € 4 million). Sales to investors were higher. Prices in this market segment improved substantially and projects generally have a healthy cash flow profile. Heijmans sold a total of 1,069 homes in the first half of 2016, with 569 of these sold to private buyers (first half 2015: 746 in total, of which 565 to private buyers). The average price for private buyers increased by almost 10% compared with 2015, to € 249,000. Revenues from the Dutch Residential Building activities were € 152 million in the first half of 2016 (first half 2015: € 158 million), while the result was € 2 million (first half 2015: € 3 million). Overall, we see the explosive growth trend in the housing market as seen in the recent past levelling off. A lack of capacity, delays in spatial planning procedures and tighter requirements from building aesthetics committees are making it difficult to initiate the (re)development of new locations. The order book for the Dutch Property Development and Residential Building activities amounted to € 552 million at end-June 2016 (year-end 2015: € 570 million). The order book in the Netherlands is still at a healthy level and will remain so, based on newly-acquired contracts and home sales.

In Rotterdam, Heijmans and ERA Contour have become partners in the development of the New Kralingen area. The total development is for around 400 homes in the higher price segment. Heijmans recently signed a contract with IC Netherlands for the development and construction of about 350 rental apartments in Katendrecht, also in Rotterdam. The letter of intent Heijmans previously signed with the municipality of The Hague and the German investment company Patrizia for around 620 homes has now been formalised in the form of a framework agreement. Heijmans has also signed an agreement with Vesteda for the development of 235 new homes as part of the Kanaleneiland area development in Utrecht.

The Belgian construction activities delivered a stable performance and in the first half these activities recorded higher revenues and a result that was comparable to the first half of 2015. The order book declined in the first half of 2016. The realisation of the Elizabeth Center Antwerp concert hall is progressing well.

### ***Non-Residential***

Non-Residential recorded revenues of € 162 million in the first half of 2016, a decline compared with the first half of 2015 (€ 220 million), as was expected. Heijmans maintains a very selective acquisition policy, which continues to be based on the principle of margin over volume. The result for the first half of 2016 was nil (first half 2015: € 2 million negative). The positive development in Services (primarily maintenance and management of technical installations) continued in the first half of 2016. The order book at Non-Residential increased substantially in the first half of 2016, to a healthy level of € 825 million (year-end 2015: € 517 million). The increase was largely due to the acquisition of the Hart van Zuid and New Amsterdam Court House (NACH) projects.

Financial close for the major area development Hart van Zuid in Rotterdam, a public private partnership between Heijmans, Ballast Nedam and the Rotterdam municipal authorities, was completed in the spring of 2016 and work on the project began immediately. The completion of this project will run into 2021 and Heijmans will remain involved in the area until after 2040 through maintenance and management. In May of this year, Heijmans signed the consortium agreement for the New Amsterdam Court House PPP project for the new court house in Amsterdam, for which financing was completed in July. The construction of the new premises for RIVM and CBG, which Heijmans is working on in combination with Strukton and Hurks, has run into delays because the design does not yet meet the vibration requirements for laboratory spaces. The correct combination of measures is to be expected this autumn.

At Eindhoven Airport, construction on a new luggage hall has commenced. Heijmans is providing the structural part of the new building. The renewed Lounge 2 at Amsterdam Schiphol Airport has been delivered and was officially opened recently. Services won the three-year maintenance and management contract for all technical installations at the European Patent Office (EPO) in Rijswijk. Heijmans will also provide structural maintenance of all buildings on the Eindhoven Technical University (TU/e) campus for the next five years, with an option for a five year extension.

### ***Infra***

The majority of the Dutch infra activities are performing in line with expectations. In particular, the regional and asset management activities, which represent 40% of the total revenues of the Dutch Infra activities, are performing well. The cautious improvement that began in the second half of 2015 is visible in the results and we have noted that market conditions are improving when winning new contracts. Revenues from the Dutch infra activities increased to € 329 million in the first half of 2016 compared to € 306 million in the first half of 2015. Despite the positive underlying developments, the H1 2016 result amounted to € 15 million negative, remaining at the same level as the first half of 2015. The overall result of the Dutch Infra activities is still suffering from the strong negative impact of losses on a number of larger, integrated projects dating back to 2012-2013. The loss provisions amounted to € 15 million in the first half of the year, with € 8 million of this amount contributable to the Energiefabriek Tilburg project. This project is currently in the pilot operational phase and the aim is to make it fully operational in the next few months. The risk profile remains high as additional work is still needed on a number of aspects to ensure optimum functioning of the installations. The completion of the remaining loss-making projects is progressing. A total of five projects have yet to be completed in 2016 and 2017, and two of these projects, including Energiefabriek Tilburg, have a high risk profile as we move towards completion.

Infra's order book includes various large-scale integrated works with an improved margin potential and offers opportunities for the future. The order book amounted to € 787 million at end-June 2016, which is lower than at year-end 2015 (€ 834 million). On the construction of the N23 Westfrisiaweg several challenges have arisen concerning the soil condition. This can, due to among other things the delay resulting from this, affect the project. The consequences of this are currently being discussed.

Date August 17, 2016  
Page 4 of 22

The Dutch government's Department of Public Works (Rijkswaterstaat) recently selected Heijmans, as part of the 3Angle consortium, for the public-private partnership A27/A1. In the spring, Heijmans, together with GMB, won the contract for the realisation of the new sewage water purification plant (RWZI) in Utrecht from the district water board De Stichtse Rijnlanden. This Design Build Maintain project will make use of proven technology that Heijmans previously applied in a project for the district water board in 2013.

The Belgian infra activities showed a healthy, stable picture with revenues and result in the first half of 2016 comparable to those in the same period of 2015. Revenues at the German subsidiaries Franki and Oevermann remained unchanged in the first half when compared to the same period of last year, while the result improved due to an improved result at Franki.

### **Strategy update**

Based on its strategy of 'Improve and Renew', Heijmans has set its sights firmly on both the further improvement of its core processes and on capitalising on its innovations and sustainability ambitions. In the short term, Heijmans has given the 'improve' component the highest priority. The internal improvement programme 'Improve the Core' is focused on the tightening, uniformity and central management of four core processes: tender, project and procurement management and commerce. Heijmans has initiated a number of measures, such as changes to the pricing of design and staff costs, the management and documentation of go/no go moments and a different valuation of opportunities and threats. Heijmans applies a tight 'margin over volume' policy in the acquisition of new projects.

Over the past few months, we reviewed the strategy for the Dutch infra activities and translated this into a strategic plan for the period 2016 - 2018. Under the motto 'Focus, Discipline & Excellence', the plan combines the validation and tightening of existing measures with a clearer focus that will lead to the desired improvement in the results at Infra. Heijmans will make a start on the implementation of the plan in the next few months.

Safety remains a priority with the continuation of the GO! Programme. The (continuing) IF (Injury Frequency) rate is 3.3. This is a decline compared to 2015, but a slight increase when compared to March 2016.

In addition, via the 'renew' component of its strategy, Heijmans is focussing on the continuation of targeted know-how and technology development. Examples of this are the movable Heijmans ONE home, sensor-based maintenance and management of buildings, the bicycle safety system BikeScout and the development and application of various asphalt innovations, such as a rejuvenation system for asphalt and the smart road joint Brainjoint.

Date August 17, 2016  
Page 5 of 22

## Revenues

Revenues in the first half of 2016 increased to € 946 million (first half 2015: € 922 million). This increase was largely due to a considerable growth in revenues in Property Development and to a lesser extent in Infra. Revenues at Dutch Residential Building fell slightly, while revenues at Non-Residential declined substantially.

| x € 1 million                                    | H1 2016    | H1 2015    | 2015         |
|--|------------|------------|--------------|
| <b>Revenues</b>                                  | <b>946</b> | <b>922</b> | <b>1.979</b> |
| <b>Underlying operating result</b>               | <b>-7</b>  | <b>-11</b> | <b>-5</b>    |
| Correction operating result joint ventures       | -5         | -4         | -9           |
| Write down on property assets                    | -1         | -1         | -12          |
| Restructuring costs                              | -2         | 0          | -3           |
| <b>Operating result</b>                          | <b>-15</b> | <b>-16</b> | <b>-29</b>   |
| Financial results                                | -3         | -3         | -10          |
| Share of profit of joint ventures and associates | 4          | 2          | 9            |
| <b>Result before tax</b>                         | <b>-14</b> | <b>-17</b> | <b>-30</b>   |
| Income tax result                                | 2          | 2          | 3            |
| <b>Result after tax</b>                          | <b>-12</b> | <b>-15</b> | <b>-27</b>   |

| Underlying operating result x € 1 million | H1 2016    | H1 2015    | 2015       |
|---|------------|------------|------------|
| Property development                      | 6          | 4          | 9          |
| <i>Residential - Netherlands</i>          | <i>2</i>   | <i>3</i>   | <i>5</i>   |
| <i>Residential - Belgium</i>              | <i>0</i>   | <i>0</i>   | <i>1</i>   |
| <b>Residential - Total</b>                | <b>2</b>   | <b>3</b>   | <b>6</b>   |
| Non-residential                           | 0          | -2         | 0          |
| <i>Infra - Netherlands</i>                | <i>-15</i> | <i>-15</i> | <i>-26</i> |
| <i>Infra - Belgium</i>                    | <i>4</i>   | <i>3</i>   | <i>7</i>   |
| <i>Infra - Germany</i>                    | <i>3</i>   | <i>1</i>   | <i>7</i>   |
| <b>Infra - Total</b>                      | <b>-8</b>  | <b>-11</b> | <b>-12</b> |
| Corporate/other                           | -7         | -5         | -8         |
| <b>Underlying operating result</b>        | <b>-7</b>  | <b>-11</b> | <b>-5</b>  |

## Operating result

The underlying operating result improved in the first half of 2016, compared with the same period of 2015 and amounted to € 7 million negative (first half 2015: € 11 million negative). The results

Date August 17, 2016  
Page 6 of 22

improved at Property Development, Residential Building, Non-Residential and the Belgian and German operations. The result of the Dutch infra activities remained unchanged at € 15 million negative (first half 2015: € 15 million negative). The marked improvement particularly in regional projects and asset management activities was mainly offset by the impact of the Energiefabriek Tilburg project.

#### **Net result**

The value adjustments of € 1 million are related to a number of smaller property holdings. The net result improved in the first half of 2016 and amounted to € 12 million negative (first half 2015: € 15 million negative). This resulted in earnings per share after tax of € 0.57 negative.

#### **Capital position, net debt and financing**

Net debt stood at € 77 million at end-June 2016 (end-June 2015: € 108 million), primarily due to the fact that cash flow from operating activities was better than in the first half of 2015. Solvency remained solid at 25% at end-June 2016.

At the end of the second quarter, Heijmans complied with its financial covenants for its credit facility. The Interest Cover ratio (>3) was 3.6 at 30 June 2016, while the Leverage Ratio (<3) was 2.2 at 30 June 2016. We refer to the addenda for detailed information on the developments related to the financial covenants.

In line with the financing agreements reached in early 2016, a structural improvement of the ratio between net debt and EBITDA will remain a high priority for Heijmans. Via the internal programme 'Fit for Cash', Heijmans will continue to devote maximum focus to working capital management and the reduction of capital employed. A return to profitability and the related improvement of the operational cash flow are required to realise a structural improvement of the financing position.

#### **Order book**

The order book, at € 2.4 billion at end-June 2016, was higher than at year-end 2015 (€ 2.1 billion). The increase in the order book was largely due to the considerable increase in order intake at Non-Residential, thanks to the PPP projects NACH (New Amsterdam Court House) and Hart van Zuid in Rotterdam, and RWZI Utrecht. There was a slight increase in the order book at the Belgian Infra activities and the Germany operations, while the order book at Property Development, Residential Building and the Dutch Infra activities declined.

#### **Outlook**

The majority of the operating activities are performing in line with expectations. Demand in the residential market remains high and Heijmans is in a good position to respond to that demand. In terms of underlying developments, we also see the start of a cautious improvement in the Infra market. The residential market and order book offer potential for the improvement of results in 2016. The completion and financial settlement of a number of loss-making infra projects remains a key priority and this may have negative effects on the result. Heijmans continues to focus on continued improvement of results and margin, giving the highest priority to continuous improvements of its core activities by means of uniform processes and centralised management. The strategic plan for the Dutch infra activities will help us to effect a controlled phasing out of loss-making projects, as well as a tightening and increasing focus at an operational level, leading to a healthy result. We expect this approach to enable us to close the year with a positive underlying operating result.

#### **Trading update**

Heijmans will publish its trading update on 2 November before the opening of the stock exchange.

Date August 17, 2016  
Page 7 of 22

### **About Heijmans**

Heijmans is a listed company that combines activities related to property development, residential building, non-residential building, roads and civil engineering in the areas living, working and connecting. Heijmans is active in the Netherlands, Belgium and Germany and as a technology partner delivers know-how and concepts in various markets. Our constant focus on quality improvements, innovation and integrated solutions enables us to generate added value for our clients. Heijmans realises projects for private consumers, companies and public sector bodies. With almost 6,500 employees and close to € 950 million in revenues in the first half of 2016, we are building the spatial contours of tomorrow. You will find additional information on [www.heijmans.nl](http://www.heijmans.nl)

*For more information / not for publication:*

### **Media**

Marieke Swinkels-Verstappen  
Communications  
+31 (0)73 543 52 17  
[mshinkels-verstappen@heijmans.nl](mailto:mshinkels-verstappen@heijmans.nl)

### **Analysts**

Guido Peters  
Investor Relations  
+ 31 (0)73 543 52 17  
[gpeters@heijmans.nl](mailto:gpeters@heijmans.nl)

*This press release is published in both Dutch and English. In the case of differences between the Dutch and the English version, the former shall prevail.*

Date August 17, 2016  
Page 8 of 22

**Addenda to the 2016 first half results press release Heijmans N.V.**

1. Developments per activity
2. Condensed consolidated statement of profit or loss
- 3a. Consolidated statement of comprehensive income
- 3b. Consolidated statement of changes in equity
4. Condensed consolidated statement of financial position
5. Consolidated statement of cash flows
6. Segment information
7. Covenants and financing
8. Selected notes
9. Statement from the Executive Board

*The financial statements included in this press release have not been audited.*

## 1. Developments per activity

### Property Development and Residential Building

The growth in the housing market, which has continued since the second half of 2014, started to level off in the first half of 2016. There is still a very high level of demand for houses, especially in the Randstad area and other large cities, but building production is clearly lagging demand. Attempts to launch (re)developments in certain locations are facing considerable obstacles. A lack of resources, frozen spatial planning procedures and increasing demand from building inspectorates are leading to delays in the development of these locations.

The sale of homes to private buyers is stabilising, while sales to investors are increasing. Dutch investors have more capital available and the need for investments is growing. Foreign investors are also focusing explicitly on the Dutch residential market, which is increasing the competition in that segment. Pricing in this market segment has improved considerably and projects generally have a healthy cash flow profile.

#### Property development

| x € 1 million               | H1 2016 | H1 2015 | 2015 | Variance<br>2016-2015 |
|-----------------------------|---------|---------|------|-----------------------|
| Revenues                    | 170     | 126     | 278  | 35%                   |
| Underlying operating result | 6       | 4       | 9    |                       |
| Underlying operating margin | 3,5%    | 3,2%    | 3,2% |                       |
| Order book                  | 275     | 280     | 284  |                       |

The number of homes sold was considerably higher in the first half of 2016, at 1,069, compared with 746 in the same period of 2015. The number of homes sold to private buyers remained stable (first half 2016: 569; first half of 2015: 565). Revenues also increased considerably to €170 million, compared to € 126 million in the first half of 2015. The operating result in the first half of 2016 was higher at € 6 million, compared to € 4 million in the first half of 2015. The order book had declined slightly to € 275 million at the end of June 2016. The total investment obligations (conditional and unconditional) had increased to € 219 million at the end of June 2016, from € 212 million at year-end 2015. Only the conditional commitments, with limited cash impact, have increased.

In addition to large contracts covering large-scale projects, such as Hart van Zuid, Nieuw Kralingen and the agreements with Patrizia for De Leyweg in The Hague and with Vesteda for the development of a sub-section of Kanaleneiland in Utrecht, Heijmans has also won various smaller contracts. These include the development of the new village centre of Oud-Loosdrecht, with bars and restaurants, retail and around 40 homes, plus the contract with housing association Woonstichting Nijkerk for 54 homes. The redevelopment of the Eemskwartier neighbourhood in Groningen is progressing well.

### Residential - Netherlands

| x € 1 million               | H1 2016 | H1 2015 | 2015 | Variance<br>2016-2015 |
|-----------------------------|---------|---------|------|-----------------------|
| Revenues                    | 152     | 158     | 295  | -4%                   |
| Underlying operating result | 2       | 3       | 5    |                       |
| Underlying operating margin | 1,3%    | 1,9%    | 1,7% |                       |
| Order book                  | 277     | 270     | 286  |                       |

At Residential Building, revenues and result declined slightly compared to the same period of 2015. Revenues in the first half of 2016 were € 152 million (first half 2015: € 158 million), while the result amounted to € 2 million (first half 2015: € 3 million). The order book, at € 277 million, was slightly lower than at year-end 2015.

In the course of the spring, Heijmans signed two contracts with CBRE Global Investors for the construction of the first and second phases of the Graauwaart sub-section of Leidsche Rijn, Utrecht. The first half of 2016 saw the placement of the first Heijmans ONE homes, commissioned by the Wonen Limburg housing association. Heijmans has now received follow-up orders from Wonen Limburg and from the Huis & Erf housing association in Brabant. In April the transformation of the former Parool tower and the Trouw building in Amsterdam was completed, which also meant delivery of the new Student Hotel Amsterdam. The realisation of Wiener & Co in Amsterdam and Plein van Leiden are progressing according to plan.

### Residential - Belgium

| x € 1 million               | H1 2016 | H1 2015 | 2015 | Variance<br>2016-2015 |
|-----------------------------|---------|---------|------|-----------------------|
| Revenues                    | 56      | 46      | 92   | 22%                   |
| Underlying operating result | 0       | 0       | 1    |                       |
| Underlying operating margin | 0,0%    | 0,0%    | 1,1% |                       |
| Order book                  | 109     | 122     | 135  |                       |

The Belgian residential building activities recorded revenues of € 56 million in the first half of 2016, up from € 46 million in the same period of 2015. The result was nil (first half of 2015: nil). The order book has declined since the end of 2015, to € 109 million. In the municipality of Harelbeke, we are working on the redesign of the Markt square and the surrounding buildings. The construction of the Elisabeth Center Antwerp concert hall and the realisation of the Meulewater area in Wondelgem near Ghent are progressing well.

### Non-residential

| x € 1 million               | H1 2016 | H1 2015 | 2015 | Variance<br>2016-2015 |
|-----------------------------|---------|---------|------|-----------------------|
| Revenues                    | 162     | 220     | 421  | -26%                  |
| Underlying operating result | 0       | -2      | 0    |                       |
| Underlying operating margin | 0,0%    | -0,9%   | 0,0% |                       |
| Order book                  | 825     | 549     | 517  |                       |

Non-Residential recorded revenues of € 162 million in the first half of 2016, down from € 220 million in the first half of 2015. The result for the first half of 2016 was nil (first half 2015: € 2 million negative). The positive performance at Services (particularly in the maintenance and management of technical installations) continued in the period under review. The Non-Residential order book

increased strongly to € 825 million. The increase mainly resulted from two new projects Heijmans won: the development of Hart van Zuid in Rotterdam and the participation in the consortium New Amsterdam Court House (NACH) which is realising the new court house in Amsterdam. Both projects are being realised in a public-private partnership and also include long-term maintenance and management contracts.

With the Rotterdam port company Havenbedrijf Rotterdam acting as principal, Heijmans is renovating the outer shell of five listed buildings, historic quarantine buildings, in the Heijplaat neighbourhood of Rotterdam. In Amsterdam, the renovation and expansion of the former Shell laboratory as new accommodation for the Amsterdam art college (AHK) has been delivered and officially opened. Heijmans was responsible for the demolition, renovation, new build and installation activities in the building. Non-Residential is heavily engaged in the maintenance and management of previously completed construction works in various projects, such as the Timmerhuis in Rotterdam, the National Military Museum in Soesterberg and the Security and Justice Ministry and the Ministry of the Interior and Kingdom Relations in The Hague.

## Infra

### Infra - Netherlands

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

The Dutch infra activities booked higher revenues of € 329 million in the first half of 2016 (first half 2015: € 306 million). The vast majority of the Dutch infra projects is performing as planned, but this could not prevent losses on a number of larger, previously acquired projects from, negatively impacting the overall result. The result amounted to € 15 million negative and remained at the same level as in the same period of 2015 (first half 2015: € 15 million negative). The order book stood at € 787 million at the end of June 2016, a decline when compared to year-end 2015. Heijmans is being very selective in the acquisition of new contracts and these are showing an improved market potential.

The strategic plan 2016-2018 for the Dutch infra activities is focused on the controlled completion of loss-making projects, consistent continuation of previously launched measures and a tightened focus on market and clients with a healthy margin potential, plus an organisation and culture that facilitate the execution of that strategy.

In the spring of 2016, Heijmans won the contract for the construction of a new viaduct on the A1 motorway near the Beekbergen junction and for the widening of the A1 between Apeldoorn-Zuid and the junction. In May, we saw the start-up of the second and final construction phase of the the project Ontsluiting (accessibility) Bio Science Park (OBSP) in Leiden. Heijmans also officially launched the project to improve the Waddenzeedijk in Friesland, which includes the use of the innovative dyke facings material Elastocoast. The Parallelstructuur A12 project, reached a key milestone with the placement of the movable bridge component of the new bascule bridge across the Gouwe in Waddinxveen. The project Ruimte voor de Lek (space for the (river) Lek) was officially delivered in May. At the end of June, the work on the widening of the A12 Veenendaal-Ede-Grijsoord was completed on schedule. The widening of the A9 motorway near Gaasperdammerweg in Amsterdam is progressing well.

Date August 17, 2016  
Page 12 of 22

In terms of innovations, Heijmans launched the first BikeScout pilot in Eindhoven. This is an intelligent system that warns drivers of approaching cyclists using sensor technology. Commissioned by the department of public works (Rijkswaterstaat), Heijmans applied an innovative road surface rejuvenation product for the first time on a large scale on the A27 motorway, which should extend the life of the asphalt by four to five years.

#### Infra - Belgium

| x € 1 million               | H1 2016 | H1 2015 | 2015 | Variance<br>2016-2015 |
|-----------------------------|---------|---------|------|-----------------------|
| Revenues                    | 58      | 57      | 116  | 2%                    |
| Underlying operating result | 4       | 3       | 7    |                       |
| Underlying operating margin | 6,9%    | 5,3%    | 6,0% |                       |
| Order book                  | 142     | 103     | 135  |                       |

The Belgian Infra activities recorded revenues of € 58 million in the first half of 2016, comparable to the same period of 2015 (first half 2015: € 57 million). The result improved slightly to € 4 million (first half 2015: € 3 million). The order book had increased to € 142 million at end-June 2016. The reconstruction of the N9 in Ghent, including the renovation of drinking water pipes and renewal of the sewage pipes, is still ongoing. In Belgium Heijmans is involved in long-term maintenance in a number of projects, such as the installations of the Liefkenshoek railway connection, the R4 near Ghent and the maintenance of roads, bicycle paths, green zones and a tram/bus lane that is part of the Antwerp light rail project Brabo I.

#### Infra - Germany

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

The joint revenues of the German activities, at € 126 million, remained unchanged from the revenues recorded in the first half of 2015. The result was higher at € 3 million (first half 2015: € 1 million), driven by the improved results at Franki. The order book amounted to € 178 million at end-June 2016, an increase when compared to year-end 2015. Oevermann delivered the new shopping centre Mercaden Dorsten in the spring of 2016. The realisation of the residential area Erpho Bogen, with over 200 homes, in Munster is ongoing. Franki started work on the A7 tunnel near Hamburg-Stellingen in April.

Date August 17, 2016  
Page 13 of 22

## 2. Condensed consolidated statement of profit or loss

x € 1 million

|  | Six months to<br>30 June 2016 | Six months to<br>30 June 2015 | Full 2015  |
|--|-------------------------------|-------------------------------|------------|
| Revenues   | 946                           | 922                           | 1.979      |
| Gross profit                                     | 69                            | 79                            | 157        |
| <b>Operating result</b>                          | <b>-15</b>                    | <b>-16</b>                    | <b>-29</b> |
| Financial income and expenses                    | -3                            | -3                            | -10        |
| Share of profit of joint ventures and associates | 4                             | 2                             | 9          |
| <b>Result before tax</b>                         | <b>-14</b>                    | <b>-17</b>                    | <b>-30</b> |
| Income tax                                       | 2                             | 2                             | 3          |
| <b>Result after tax</b>                          | <b>-12</b>                    | <b>-15</b>                    | <b>-27</b> |
| <i>Earnings per share (in €):</i>                |                               |                               |            |
| Basic earnings per share                         | -0,57                         | -0,76                         | -1,32      |
| Diluted earnings per share                       | -0,57                         | -0,76                         | -1,32      |

The result after tax is entirely attributable to shareholders.

Date August 17, 2016  
Page 14 of 22

### 3a. Consolidated statement of comprehensive income

x € 1 million

|  | Six months to<br>30 June 2016 | Six months to<br>30 June 2015 | Full Year<br>2015 |
|--|-------------------------------|-------------------------------|-------------------|
| <b>Result after tax</b>  | <b>-12</b>                    | <b>-15</b>                    | <b>-27</b>        |
| <i>Other comprehensive income that is never reclassified to the statement of profit or loss:</i>       |                               |                               |                   |
| Changes in actuarial results on defined benefit plans  | -12                           | 12                            | 17                |
| Tax-effect of other comprehensive income that is never reclassified to the statement of profit or loss | 3                             | -3                            | -4                |
| <b>Other comprehensive income (after tax)</b>  | <b>-9</b>                     | <b>9</b>                      | <b>13</b>         |
| <b>Total comprehensive income</b>  | <b>-21</b>                    | <b>-6</b>                     | <b>-14</b>        |

The entire comprehensive income is fully attributable to the shareholders.

### 3 b. Consolidated statement of changes in equity

| 2016   | Paid-up and called-up share capital | Share premium reserve | Reserve for actuarial results | Hedging reserve | Retained earnings | Result for the year after tax | Total equity |
|--|-------------------------------------|-----------------------|-------------------------------|-----------------|-------------------|-------------------------------|--------------|
| <b>Balance at 1 January 2016</b>                                     | 6                                   | 243                   | -15                           | 0               | 59                | -27                           | 266          |
| Result after tax   |                                     |                       |                               |                 |                   | -12                           | -12          |
| Other comprehensive income   |                                     |                       | -9                            | 0               |                   |                               | -9           |
| Comprehensive income for the reporting period                        | -                                   | -                     | -9                            | 0               | -                 | -12                           | -21          |
| <i>Result appropriation 2015</i><br>Transferred to retained earnings |                                     |                       |                               |                 | -27               | 27                            | 0            |
| <b>Balance at 30 June 2016</b>                                       | <b>6</b>                            | <b>243</b>            | <b>-24</b>                    | <b>0</b>        | <b>32</b>         | <b>-12</b>                    | <b>245</b>   |
| 2015   | Paid-up and called-up share capital | Share premium reserve | Reserve for actuarial results | Hedging reserve | Retained earnings | Result for the year after tax | Total equity |
| <b>Balance at 1 January 2015</b>                                     | 6                                   | 222                   | -27                           | 0               | 105               | -47                           | 259          |
| Result after tax   |                                     |                       |                               |                 |                   | -15                           | -15          |
| Other comprehensive income   |                                     |                       | 9                             | 0               |                   |                               | 9            |
| Comprehensive income for the reporting period                        | -                                   | -                     | 9                             | 0               | -                 | -15                           | -6           |
| Share issue  | 1                                   | 20                    |                               |                 |                   |                               | 21           |
| <i>Result appropriation 2014</i><br>Transferred to retained earnings |                                     |                       |                               |                 | -47               | 47                            | 0            |
| <b>Balance at 30 June 2015</b>                                       | <b>7</b>                            | <b>242</b>            | <b>-18</b>                    | <b>0</b>        | <b>58</b>         | <b>-15</b>                    | <b>274</b>   |

Date August 17, 2016  
Page 15 of 22

#### 4. Condensed consolidated statement of financial position

x € 1 million

| Assets   | 30 June 2016 | 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        |
| Equity and liabilities   | 30 June 2016 | 31 December 2015 | 30 June 2015 |
| <b>Equity</b>  | <b>245</b>   | 266              | 274          |
| <b>Non-current liabilities</b>                                 |              |                  |              |
| Interest-bearing <sup>1</sup>                                  | 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 <sup>2</sup></b>   | <b>25%</b>   | 26%              | 29%          |
| <b>Net debt <sup>3</sup></b>                                   | <b>77</b>    | 10               | 108          |

1. Non-current interest-bearing liabilities includes € 45 million cumulative preference shares (as per 30 June 2015 € 66 million).

2. Guarantee capital is defined as equity plus cumulative preference shares.

3. Net debt is defined as interest-bearing liabilities minus cash and cash equivalents.

Date August 17, 2016  
Page 16 of 22

## 5. Condensed consolidated statement of cash flow

indirect method

| (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>    | <b>-89</b>    | <b>20</b>  |
| Interest paid/received  | -6            | -7            | -11        |
| Tax expense paid  | -4            | 0             | 0          |
| <b>Cash flow from operating activities</b>  | <b>-66</b>    | <b>-96</b>    | <b>9</b>   |
| <b>Cash flow from investment activities</b>   | <b>-2</b>     | <b>-2</b>     | <b>-9</b>  |
| <b>Cash flow from financing activities</b>  | <b>21</b>     | <b>89</b>     | <b>51</b>  |
| <b>Net cash flow in the period</b>  | <b>-47</b>    | <b>-9</b>     | <b>51</b>  |
| 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>     | <b>65</b>     | <b>125</b> |

Date August 17, 2016  
Page 17 of 22

## 6. Segment information

### Summary statement of profit or loss by business segment

| x € 1 million                              | Property Development | Residential Building | Non-residential | Infra      | Other     | Eliminations | Total      |
|--|----------------------|----------------------|-----------------|------------|-----------|--------------|------------|
| <b>1st half 2016</b>                       |                      |                      |                 |            |           |              |            |
| Third parties                              | 170                  | 122                  | 149             | 505        |           |              | 946        |
| Intercompany                               |                      | 86                   | 13              | 8          | 37        | -144         | 0          |
| <b>Total Revenue</b>                       | <b>170</b>           | <b>208</b>           | <b>162</b>      | <b>513</b> | <b>37</b> | <b>-144</b>  | <b>946</b> |
| Operating result                           | 4                    | 2                    | 0               | -13        | -8        |              | -15        |
| Net financing costs                        |                      |                      |                 |            |           |              | -3         |
| Result of joint ventures and associates    |                      |                      |                 |            |           |              | 4          |
| <b>Result before tax</b>                   |                      |                      |                 |            |           |              | <b>-14</b> |
| Tax result                                 |                      |                      |                 |            |           |              | 2          |
| <b>Result after tax</b>                    |                      |                      |                 |            |           |              | <b>-12</b> |
| Operating result as percentage of revenues | 2,4%                 | 1,0%                 | 0,0%            | -2,5%      | -         | -            | -1,6%      |

| x € 1 million                              | Property Development | Residential Building | Non-residential | Infra      | Other     | Eliminations | Total      |
|--|----------------------|----------------------|-----------------|------------|-----------|--------------|------------|
| <b>1st half 2015</b>                       |                      |                      |                 |            |           |              |            |
| Third parties                              | 126                  | 125                  | 199             | 472        | 0         |              | 922        |
| Intercompany                               |                      | 79                   | 21              | 17         | 40        | -157         | 0          |
| <b>Total Revenue</b>                       | <b>126</b>           | <b>204</b>           | <b>220</b>      | <b>489</b> | <b>40</b> | <b>-157</b>  | <b>922</b> |
| Operating result                           | 1                    | 3                    | -2              | -13        | -5        |              | -16        |
| Net financing costs                        |                      |                      |                 |            |           |              | -3         |
| Result of joint ventures and associates    |                      |                      |                 |            |           |              | 2          |
| <b>Result before tax</b>                   |                      |                      |                 |            |           |              | <b>-17</b> |
| Tax result                                 |                      |                      |                 |            |           |              | 2          |
| <b>Result after tax</b>                    |                      |                      |                 |            |           |              | <b>-15</b> |
| Operating result as percentage of revenues | 0,8%                 | 1,5%                 | -0,9%           | -2,7%      | -         | -            | -1,7%      |

### Underlying operating result by business segment

| In € millions                      | Property Development | Residential Building | Non-residential | Infra      | Other     | Total      |
|------------------------------------|----------------------|----------------------|-----------------|------------|-----------|------------|
| <b>1st half 2016</b>               |                      |                      |                 |            |           |            |
| <b>Underlying operating result</b> | <b>6</b>             | <b>2</b>             | <b>0</b>        | <b>-8</b>  | <b>-7</b> | <b>-7</b>  |
| Operating result of joint ventures | -1                   |                      | 0               | -4         | 0         | -5         |
| Write-downs of property            | -1                   |                      |                 |            |           | -1         |
| Restructuring costs                | 0                    | 0                    | 0               | -1         | -1        | -2         |
| Total exceptional items            | -2                   | 0                    | 0               | -5         | -1        | -8         |
| <b>Operating result</b>            | <b>4</b>             | <b>2</b>             | <b>0</b>        | <b>-13</b> | <b>-8</b> | <b>-15</b> |

| In € millions                      | Property Development | Residential Building | Non-residential | Infra      | Other     | Total      |
|------------------------------------|----------------------|----------------------|-----------------|------------|-----------|------------|
| <b>1st half 2015</b>               |                      |                      |                 |            |           |            |
| <b>Underlying operating result</b> | <b>4</b>             | <b>3</b>             | <b>-2</b>       | <b>-11</b> | <b>-5</b> | <b>-11</b> |
| Operating result of joint ventures | -2                   |                      | 0               | -2         | 0         | -4         |
| Write-downs of property            | -1                   |                      |                 |            |           | -1         |
| Restructuring costs                | 0                    | 0                    | 0               | 0          | 0         | 0          |
| Total exceptional items            | -3                   | 0                    | 0               | -2         | 0         | -5         |
| <b>Operating result</b>            | <b>1</b>             | <b>3</b>             | <b>-2</b>       | <b>-13</b> | <b>-5</b> | <b>-16</b> |

By underlying operating result, the Group means the operating result adjusted for the operating result of joint ventures, write-downs of investment properties and strategic land portfolios and reorganisation costs, impairments of goodwill and, if applicable, other non-operating results disclosed in the table above that the Group considers as exceptional items. The underlying operating result also applies as the basis for calculation for covenant reporting to the bank consortium.



## 7. Covenants and financing

|  | 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 month 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 month 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

## **8 Selected notes**

### **8.1 Corporate information**

Heijmans N.V. (referred to as the “Company”) has its registered office in the Netherlands. The Company’s interim condensed consolidated financial statements for the six months ended 30 June 2016 include the Company and its subsidiaries (collectively referred to as “the Group”) and the Groups interest in associates and joint arrangements.

### **8.2 Accounting principles**

#### **8.2.1 Statement of Compliance**

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) Interim Financial Reporting as adopted by the European Union (IAS 34).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2015.

Interpretations as adopted by the European Union as well as the amendments which are effective as of 1 January 2016 do not have a material impact on the interim condensed consolidated financial statements or the annual consolidated financial statements of the Group.

The Executive Board prepared the interim condensed consolidated financial statements on 16 August 2016.

#### **8.2.2 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 the assumptions upon which these are based are made on the basis of 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 are 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, together with the significant sources of any estimate-related uncertainties, are the same as those applied in Heijmans’ consolidated financial statements for 2015, in view of the fact that there were no special circumstances that required any change.

Date August 17, 2016  
Page 21 of 22

### 8.3 Main accounting principles for financial reporting

The accounting principles adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015.

### 8.4 Defined benefit pension schemes

The discount rate which is used to calculate the present value of the pension entitlements, was 1,5% at midyear 2016 (end 2015: 2,5%). Due to the decrease of the discount rate the employee related receivable on the balance sheet declined to € 26 million at end-June 2016 (end 2015: € 38 million). The decrease of € 12 million is recognised in equity as other comprehensive income.

### 8.5 Fair values

The overview below contains the book values and the fair values of financial instruments.

| x € 1 million                          | 30 June 2016 |             |
|--|--------------|-------------|
|  | Book-value   | Fair value  |
| <i>Loans and receivables</i>           |              |             |
| Other investments                      | 33           | 34          |
| Trade and other receivables            | 313          | 313         |
| Cash and cash equivalents              | 78           | 78          |
| Cumulative financing preference shares | -45          | -50         |
| Syndicated bank financing              | -80          | -80         |
| Project financing                      | -1           | -1          |
| Other non-current liabilities          | -27          | -28         |
| Bank overdrafts                        | -1           | -1          |
| Trade and other payables               | -566         | -566        |
| <i>Other financial liabilities</i>     |              |             |
| Financial lease commitments            | -1           | -1          |
| <b>Total</b>                           | <b>-297</b>  | <b>-302</b> |

The Group has no financial assets or financial liabilities valued at fair value.

### 8.6 Seasonal pattern

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

Date August 17, 2016  
Page 22 of 22

## **9 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 to 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 half of 2016 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 description 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 related party transactions.

's-Hertogenbosch, 16 August 2016

Bert van der Els, Chairman of the Executive Board

Mark van den Biggelaar, CFO and member of the Executive Board

Ton Hillen, member of the Executive Board

Ruud Majenburg, member of the Executive Board