

Press release

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Heijmans: solid progress towards sustainable recovery

Highlights:

- Strong improvement in underlying EBITDA NL: € 9 million (H1 2016: € 9 million negative) largely driven by the recovery at Infra and the performance of Property Development and Residential Building activities;
- Revenues NL € 646 million in first half, lower than last year partly due to selective acquisition of new projects by Non-Residential (H1 2016: € 705 million);
- Number of homes sold: 1,106 in the first half of 2017 (H1 2016: 1,069 homes);
- Net result after taxes € 20 million (H1 2016: € 12 million negative);
- Strong order book of € 2.1 billion at end-June (year-end 2016: € 1.9 billion);
- Divestment programme foreign activities completed, credit facility reduced to € 176 million from € 256 million, solvency up at 27%;
- Net debt reduced to € 45 million at end-June 2017 (end-June 2016: € 77 million), as a result of divestments and improved working capital management.

Key figures *

x 1 € million

	H1 2017	H1 2016	2016
Revenues Netherlands	646	705	1.370
Underlying EBITDA Netherlands***	9	-9	-73
Underlying operating result Netherlands**	3	-15	-86
Operating result	38	-15	-94
Result after tax	20	-12	-110
Earnings per share (in €)	0,92	-0,57	-5,16
Order book Netherlands	2.121	1.946	1.863
Net debt	45	77	100
Number of FTE Netherlands	4.501	4.715	4.597

* Unless otherwise noted, the key figures are presented for all operations. In the consolidated income statement (see attached sheets) the results of the continued and discontinued operations are shown separately.

** underlying operating result is the operating result corrected for operating result joint ventures, write down on property assets, restructuring costs, book result on sale of subsidiaries and other extraordinary items.

*** Underlying EBITDA is the underlying operating result before depreciation and amortisation

Ton Hillen, chairman of the Executive Board /CEO Heijmans:

'I am pleased with the progress achieved in the first half. We worked hard to transform Heijmans into a Dutch core business. The sale of our foreign activities, a tightened strategic focus and the de-risking of a number of projects have laid the foundations for the structural recovery of our business. For the first time since 2011, we have recorded positive results, both in our underlying ebitda and our net result. In the Property Development and Residential Building segment, we are benefiting from the positive development in the Dutch housing market, and this is visible in the increase in the

number of homes sold and the rising sales prices. At Non-Residential, we remain selective in a challenging market for new-build projects. At Infra, the recovery is proceeding according to plan and the underlying performance is better. The completion of a number of projects will still require attention, but the impact of the results of these projects is now manageable and steadily declining. I expect all our business units to contribute to Heijmans' results in the second half of this year. Thanks to the reduction of our net debt to € 45 million, an underlying EBITDA of € 9 million for our Dutch business and solvency of 27%, we met the conditions of our bank covenants at the end of the second quarter. We still have work to do in the second half of this year, but we are on track and we are confident about the prospects of Heijmans for the second half of 2017.'

First half 2017

Property development, Residential Building

The Dutch housing market continues to develop positively and offers Heijmans opportunities to continue its growth in the Property Development and Residential Building segment in the period ahead. Revenues from Property Development rose to € 186 million in the first half of 2017, compared to € 169 million in the first half of 2016). The underlying EBITDA also increased and amounted to € 8 million in the first half of 2017 (first half of 2016: € 6 million). In the first half of this year, Heijmans sold 1,106 homes, of which 565 (51%) were sold to private buyers (first half of 2016: 1,069, of which 569 were sold to private buyers). The development of the average purchase price for private buyers, excluding VAT, reflects the growing demand from private buyers and amounted to € 290,000 (excl. VAT) in the first half of 2017 (first half of 2016: € 249,000).

Revenues from the Residential Building activities amounted to € 139 million in the first half of 2017 (first half of 2016: € 152 million). The underlying EBITDA was € 2 million (first half of 2016: € 2 million). Residential Building is opting for controlled growth and is focusing on projects – commissioned by Property Development and through own sales activities – with good returns. The combined order book for the Property Development and Residential Building activities offers good prospects and amounted to € 647 million at the end of June 2017 (year-end 2016: € 638 million).

On the procurement front, Heijmans is seeing increasing pressure on prices and availability from suppliers and sub-contractors. Heijmans is responding to this by devoting attention to procurement as early as the acquisition phase, by involving acquisition partners at an early stage and by agreeing good indexing arrangements with clients.

In the Property Development and Residential Building segment, Heijmans has acquired several new projects, also via tenders. Following the acquisition of the project for the development of Sloterdijk-Centrum area in Amsterdam in the first quarter of this year, Heijmans won another major tender in the second quarter of this year, for the development and realisation of 125 sustainable homes in the Leidsche Rijn Centrum district in Utrecht.

Heijmans' construction activities include both new-build and residential renovation projects, marked by the constantly growing importance of sustainability. In a project commissioned by Heijmans Property Development, Residential Building has started the construction of 350 apartments in the Bananenstraat on the Katendrecht peninsula in Rotterdam, which will be sold to investment company IC Netherlands. As part of the development of Kanaleneiland in Utrecht, Heijmans is building 235 apartments and renovating 504 apartments. Housing corporation ZOWonen has commissioned Heijmans to renovate the Carmelflats apartment complex in Beek; this includes improving the energy efficiency and enabling delivery of gas free apartments in the future. In the spring of this year, Heijmans signed agreements for the delivery of a total of 49 Heijmans ONE homes for a number of housing corporations.

Non-Residential

At Non-Residential, we see the first signs of a cautious recovery in the market for new-build projects. However, this is still only visible in robust volume and not yet in improved pricings. Heijmans continues to apply a selective acquisition policy. In line with expectations, revenues from this activity decreased to € 118 million in the first half of 2017 (first half of 2016: € 162 million). The underlying EBITDA for the first half of this year amounted to € 1 million negative (first half of 2016: € 1 million). The market for maintenance and management is growing and Heijmans' Services activities are developing well. These activities currently account for 70% of total Non-residential revenue. The Non-Residential order book remained at a comparable level as at year-end 2016 and amounted to € 756 million (year-end 2016: € 758 million).

In line with the focus on our service activities, Heijmans has developed the innovative concept BeSense, which enables smart and efficient building management by using sensor technology to generate data on occupation, usage and comfort. Heijmans is now upscaling the pilot project for this concept at Aegon's offices in The Hague to cover a total surface area of 15,000 m². At the end of May, the Dutch Central Government Real Estate Agency (Rijksvastgoedbedrijf) awarded Heijmans the contract to conduct fire safety checks at 32 Ministry of Defence barracks and to make necessary modifications.

Very recently, the commencement certificate was issued for the realisation of the New Amsterdam Court House, which means that following the demolition phase Heijmans can commence with the new-build construction phase. In the first quarter, Heijmans delivered the new Eurojust office building in The Hague.

Infra

The infra activities are developing in line with expectations and the measures we have taken are beginning to bear fruit. Infra generated revenues of € 301 million in the first half of 2017 (first half 2016: € 329 million). Although the completion of a number of specific projects still requires our attention, the impact on overall results is steadily declining and the impact is manageable. In addition to the cost optimisation measures Heijmans initiated in 2016, the majority of the activities are running according to plan and numerous projects yielded a significant positive impact on the result for the first half of this year. The underlying EBITDA improved by € 14 million in the first half of 2017 and amounted to € 1 million (first half 2016: € 13 million negative). Infra has focused strongly on the acquisition of projects with both healthy margins and manageable risks that are a good fit with Heijmans' capabilities and expertise. The result is a healthy order book that is a good match with the strategy. At end-June 2017, the order book amounted to € 987 million, much higher than the € 730 million recorded at year-end 2016, thanks to the acquisition of the Zuidasdok project and the Wintrack II project contracted by TenneT.

In February, Heijmans was definitively awarded the contract for the design and realisation of the Zuidasdok project in Amsterdam, after which the company was able to start the engineering and preparation phases. The work on the third lock at the Prinses Beatrixsluis in Nieuwegein and the A1/A27 projects is progressing well. In May, Heijmans successfully completed, within a challenging short timeframe, the major maintenance work on the Kaagbaan runway at Amsterdam Schiphol Airport. On this project, Heijmans deployed a wide range of infra specialisms and its logistics expertise. In early July, the company reached a significant milestone in the A1 Apeldoorn - Beekbergen project with the placement of a new flyover at the Beekbergen junction. The work on the A9 Gaasperdammerweg is progressing well but will require an additional effort in terms of labour and materials for the land tunnel. Heijmans now has a clear idea of the scope of this extra effort and has posted a loss of € 11 million on this project.

Infra's strategy has been tightened further in the period under review and is now driven by the primary theme: 'de-risking Infra'. The main points of this theme are the structural improvement of

risk management and a tightened commercial focus on line infrastructure with the selective acquisition of water/energy projects. In addition to major projects that fit into the strategic parameters, Infra's activity profile now puts more emphasis on profitable growth via regional projects, maintenance and management and specialist companies.

Progress on specific projects

Heijmans has made solid progress in terms of making the Drachtsterweg and N23 projects manageable. The work on the Drachtsterweg in Leeuwarden is now progressing well. The aqueduct was recently partly opened and motorised traffic can now make use of this road section. The whole project will be completed by the end of this year. The work on the N23 Westfriisaweg is now running full steam ahead after the restart of the project in the first quarter of this year and is progressing according to plan. Delivery is planned for end-2018.

For the RIVM project, a technical solution has been agreed and the commencement certificate has been issued. A committee of experts has examined the issue of a financial compensation and has now issued a recommendation. On the basis of this recommendation, Heijmans maintains its previous estimates regarding this project.

The arbitration proceedings related to the Wilhelminasluis lock project in Zaandam are currently ongoing and Heijmans is awaiting a ruling.

Progress transition

Heijmans is on track with its transition into a profitable, Dutch core company with a strong position in the property development, residential building, non-residential and infrastructure sectors. Based on its 'Focus, Discipline, Excellence' strategy for the period 2017 – 2019, Heijmans is now focusing on the sustainable recovery of its business and its profitability, debt reduction and the structural improvement of its financial leverage. The creation of a Dutch core company has now been completed following the disposal of Heijmans' foreign activities in Belgium and Germany.

The main focus of the strategy is the selective acquisition of new contracts in the property development, construction and infrastructure disciplines based on Heijmans' core competences. As part of this strategy, Heijmans is focusing on the expansion of its role as contractor/manager and the development of long-term client relationships via services, maintenance and management.

As part of the de-risking strategy at Infra, Heijmans recently devised a new structure for the management of the infra organisation. This includes the new role of the Chief Risk Officer in the management. This officer's task is to take the risk management at every level and across the entire Infra organisation to a higher level and to do so sustainably. We have already started on the implementation of the new organisational structure.

A major factor in the success of this transition is a business culture that encourages the desired focus, discipline and excellence and embeds these values in the organisation. Heijmans is using internal strategy and culture programmes to devote specific attention to the attitude and behaviour of our employees; focused on the disciplines property development and residential building, non-residential and infrastructure, but always based on the same principles and values. These programmes translate the desired behavioural traits of focus on results, ownership and collaboration into initiatives for every level of the company.

The same values are at the heart of the safety programme GO!, which is part of Heijmans' on-going structural effort to promote safe working practices. The (12 months rolling) IF (Injury Frequency) figure is 3.7 (IF at year-end 2016: 3.6).

Heijmans shapes innovation into specific forms of expertise, technology and product development, in Heijmans' areas of expertise, close to the business and in cooperation with its clients. The

development of the moveable Heijmans ONE home, the BeSense concept for smart building management and the innovative asphalt product Recoflex are all examples of these innovations.

Heijmans is working towards an optimal cost structure that is in line with the company's revised scope and strategy.

Revenues

Revenues in the first half of 2017 amounted to € 646 million and were lower than in the same period last year (first half 2016: € 705 million). The decline is the result of the selective acquisition policy, especially at Non-Residential and to a lesser extent at Infra and Residential Building. Revenues at Property Development were higher, partly as a result of positive market developments.

x € 1 million	H1 2017	H1 2016	2016
Revenues Netherlands	646	705	1.370
Property development	8	6	15
Residential	2	2	4
Non-residential	-1	1	-14
Infra	1	-13	-73
Corporate/other	-1	-5	-5
Underlying EBITDA Netherlands	9	-9	-73
Depreciation/amortisation Netherlands	-6	-6	-13
Underlying operating result Netherlands	3	-15	-86
Underlying operating result foreign	0	8	20
Underlying operating result	3	-7	-66
Correction operating result joint ventures	11	-5	1
Write down on property assets	-3	-1	-19
Restructuring costs	-4	-2	-4
Bookresult on sale of subsidiaries	31	0	-6
Operating result	38	-15	-94
Financial results	-4	-3	-8
Share of profit of associates and joint ventures	-11	4	-2
Result before tax	23	-14	-104
Income tax expense	-3	2	-6
Result after tax	20	-12	-110

Underlying EBITDA

The underlying EBITDA for the Netherlands improved strongly in the first half of 2017, compared to the same period last year, and amounted to € 9 million (first half 2016: € 9 million negative). The property development activities recorded an underlying EBITDA of € 8 million and formed the basis for the result. The sharp improvement was largely due to the improved result of € 14 million at Infra.

Net result

The net result also improved in the first half of 2017, when compared with the same period of last year, and amounted to € 20 million (first half 2016: € 12 million negative), as a result of the book profits on the sale of Heijmans' foreign operations. The sale of these activities generated a book profit of € 31 million. The net result was also impacted by restructuring costs and write down on property assets. The costs for measures to streamline the organisation amounted to a total of € 4 million in the first half of 2017. Heijmans recorded a book loss totalling € 3 million on the sale of a number of land holdings.

The above resulted in earnings per share after tax of € 0.92.

Capital position, net debt and financing

At end-June 2017, net debt amounted to € 45 million (end-June 2016: € 77 million). In addition to the structural attention devoted to working capital management, the sale of Heijmans' Belgian and German subsidiaries also made a significant contribution to the reduction of Heijmans' debt.

Following the effectuation of the sale of the foreign activities, solvency had returned to approx. 27% at end-June 2017

The new financing agreements, which Heijmans reached with its banking syndicate in February of this year, include agreements on minimum levels of EBITDA and solvency on a quarterly basis. These include an agreement on a minimum EBITDA of 0 for Q2 2017, rising to € 20 million in Q4 2017, and solvency rising to a minimum of 20% in Q4 2017. With the results recorded in the first half of 2017 and current solvency, Heijmans meets the covenant requirements set by its banks.

The completion of the divestment programme related to Heijmans' foreign activities in Belgium and Germany generated total proceeds of € 116 million (€ 97 million after the deduction of the cash and cash equivalents sold with the companies) and a related book profit of € 31 million, which made a significant contribution to the reduction of Heijmans' debt and the improvement of its solvency.

As a result of the sale of Heijmans' foreign activities and the planned exit of Deutsche Bank from the company's banking syndicate, the size of the syndicate's loan was reduced by € 80 million compared with year-end 2016 and amounted to € 176 million at end-June. Heijmans and its banks had agreed to reduce the loan to € 215 million. Heijmans had used € 25 million of this at 30 June 2017. Heijmans will continue to focus on cash generation in the period ahead, with the aim of reducing this loan to € 122 million by mid-2019.

Order book

The order book is at a healthy level with € 2.1 billion at end-June 2017. The order book increased at both Residential Building and Infra, while Property Development's order book remained at a comparable level and Non-Residential's order book declined slightly. The largest contribution to the order book came from the Zuidasdok project and the Wintrack II project for TenneT.

Outlook

This year is a transition year for Heijmans. The company is developing according to plan and is on track to make the transition to a profitable Dutch company with a solid financial basis. Property Development and Residential Building are well on track to benefit from the positive development on the Dutch housing market. This requires the development of sufficient locations to meet the growing

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demand. Non-Residential is seeing an upward trend in volume in the market for new-build projects, but no positive price development as yet, and is maintaining its selective acquisition policy, while Services offers potential for growth. Infra is developing positively thanks to its focus on core competencies and is showing a strong improvement in performance. The completion of a number of projects will continue to require attention, but the impact of these is manageable and steadily declining. The situation at the end of the first half offers perspective for the period ahead and represents a first step towards structural recovery. Heijmans expects all of its business units to be contributing to the company's result towards the end of this year.

Corporate governance

On 10 July, Heijmans announced its intention to appoint Hans Janssen as a member of the Executive Board / chief financial officer (CFO) effective 1 December 2017. Heijmans will present the proposed appointment during an Extraordinary General Meeting of Shareholders to be held at a date yet to be determined. Following this appointment, the Heijmans Executive Board will consist of Ton Hillen, Ruud Majenburg and Hans Janssen. The position of CFO is currently held ad interim by Age Lindenbergh.

Trading update

On 1 November of this year, Heijmans will publish a trading update before the opening of the stock exchange.

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. 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 the public sector and, in partnership with its clients, is building the spatial contours of tomorrow. You will find additional information on www.heijmans.nl.

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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.

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Addenda to the Heijmans N.V. 2017 first half results press release

1. Developments per activity
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The financial statements included in this press release have not been audited.

1. Developments per activity

Property Development and Residential Building

Economic growth, the growing number of (one-person) households and the lagging effect up to this point due to a lack of capacity, delays in spatial planning procedures and therefore the number of locations that have been taken into development, are causing explosive growth in the demand for homes. The supply simply cannot or just barely keep up with that demand – especially in the Randstad and economically strong regions. Heijmans is in a good position to respond to these developments, thanks to both its expertise in the field of inner-city area development and its position in the development of the outskirts of cities and of suburban areas. Heijmans believes that the huge demand cannot possibly be met with inner-city developments alone and that both will be required to ensure a sustainable correlation of supply and demand.

The outlook in the Dutch housing market remains positive for the near future, provided enough new development locations become available to meet demand in the medium and longer term. This requires direction and an acceleration of the cooperation between authorities at various levels on the one hand and the market on the other.

Property development

x € 1 million	H1 2017	H1 2016	2016	Variance 2017-2016
Revenues	186	169	332	10%
Underlying EBITDA	8	6	15	
<i>Underlying EBITDA margin</i>	4,3%	3,6%	4,5%	
Underlying operating result	8	6	15	
Order book	305	275	311	

Heijmans sold 1,106 homes in the first half of 2017, a slight increase compared to the first half of 2016 (first half 2016: 1,069). The number of homes sold to private buyers was 565 (first half 2016: 569). Revenues increased considerably to € 186 million in the first half of 2017 (first half 2016: € 169 million). Underlying EBITDA amounted to € 8 million in the first half of 2017 (first half 2016: € 6 million). The order book amounted to € 305 million at end-June 2017. The total investment commitments (conditional and unconditional) of Property Development and Residential Building had declined to € 205 million at the end-June, from € 238 million at the end of 2016, as a result of a strong decline in unconditional commitments.

Heijmans recently started the construction of 30 private rental sector homes, as part of the Hoog Dalem area development in Gorinchem. Heijmans had already begun the development and realisation of 30 homes for housing corporation Woningstichting Barneveld and in June 27 houses were added to this project. Heijmans started on the second realisation phase following the start of construction of more than 40 homes in the Boszoom neighbourhood of Pijnacker. In Den Bosch, Heijmans delivered 75 rental apartments and 25 owner-occupier apartments in phases to Syntus Achmea, as part of the Willemspoort development. A further 52 rental apartments and 50 owner-occupied apartments are scheduled for delivery from September onwards. On this location the installation of more than 640 solar panels on the roof of the partly covered parking facility is planned. With a total surface of more than 1,000 m² it will be one of the largest indoor solar-powered parking facilities in the Netherlands.

Residential

x € 1 million	H1 2017	H1 2016	2016	Variance 2017-2016
Revenues	139	152	296	-9%
Underlying EBITDA	2	2	4	
<i>Underlying EBITDA margin</i>	1,4%	1,3%	1,4%	
Underlying operating result	2	2	4	
Order book	342	277	327	

Residential Building recorded revenues of € 139 million in the first half of 2017 (first half 2016: € 152 million). The underlying EBITDA was € 2 million (first half 2016: € 2 million). The order book, at € 342 million, was higher than at the end of 2016.

Heijmans Huismerk homes remain popular and they are the response to the growing demand for good quality affordable homes for suburban areas and areas on the outskirts of cities. Heijmans has already delivered more than 1,000 of these homes and new contracts are ensuring a constant order intake. For instance, Heijmans and housing corporation Elan signed a realisation agreement in the spring of this year for the design and construction of 117 Heijmans Huismerk homes in the Boerhaave neighbourhood of Haarlem. For housing corporation Woonwenz, Heijmans is realising a total of 89 new-build homes (rental and owner-occupier) in five locations in Venlo. Sustainability is an important component of any contract related to both new-build projects and renovation projects. In order to be able to measure and prove the sustainability-performance, Heijmans now makes a GPR Building certificate available for all the homes it realises.

Non-residential

x € 1 million	H1 2017	H1 2016	2016	Variance 2017-2016
Revenues	118	162	315	-27%
Underlying EBITDA	-1	1	-14	
<i>Underlying EBITDA margin</i>	-0,8%	0,6%	-4,4%	
Underlying operating result	-1	0	-15	
Order book	756	825	758	

Revenues at Non-Residential continued to decline in the first half of 2017 and amounted to € 118 million (first half 2016: € 162 million), due to selective acquisition. The underlying EBITDA for the first half of 2017 was € 1 million negative (first half 2016: € 1 million). The Services activities performed well and this positive trend is continuing. The appreciation from clients in this segment for Heijmans' expertise is evident from the long-term contracts with healthy returns. The order book for Non-Residential remained at a comparable level as at year-end 2016, and amounted to € 756 million.

The Non-Residential portfolio comprises larger projects and maintenance projects, such as Hart van Zuid in Rotterdam, the New Amsterdam Court House, the delivery of the new Eurojust offices and the maintenance and management of the buildings of various ministries in The Hague, as well as a large number of smaller projects. Examples of these include the five-year contract for the building maintenance, emergency service and technical installation replacement for the Technical University in Eindhoven, as well as the electro-technical installations and mechanical engineering installations, plus the fire safety facilities for the Canon of Dutch History at the Arnhem Open Air Museum. The Spaarne Gasthuis hospital in Haarlem has contracted Heijmans to renovate a number of areas at its

Women's and Children's Centre (VKC) in Haarlem Zuid, such as the paediatrics department, maternity and neonatal ward, plus the obstetrics ward.

Infra

x € 1 million	H1 2017	H1 2016	2016	Variance 2017-2016
Revenues	301	329	621	-9%
Underlying EBITDA	1	-13	-73	
<i>Underlying EBITDA margin</i>	0,3%	-4,0%	-11,8%	
Underlying operating result	-1	-16	-78	
Order book	987	787	730	

Due to selective acquisition, revenues at Infra declined in the first half year compared to the same period of last year and amounted to € 301 million (first half 2016: € 329 million). The majority of the Infra activities are developing positively and more than compensated for the impact of several loss-making projects. The previously launched cost optimisation measures are paying off. The underlying EBITDA improved strongly compared to the first half of 2016 and amounted to € 1 million (first half 2016: € 13 million negative). The orderbook amounted to € 987 million at end-June 2017, a considerable increase compared to year-end 2016. The main focus of Infra's strategy is on a tightened commercial focus, risk management and selective acquisition of projects with healthy margins and manageable risks, which has resulted in an order book that has a good strategic fit.

Infra's operational profile will going forward reflect the increased emphasis on regional projects, maintenance and management and specialist companies. One example of such projects is the framework contract with the Haarlem city council under which Heijmans will carry out a range of maintenance projects over a period of four years. 1 June saw the official opening of the safe cycling circuit at Sportzone Limburg in Sittard-Geleen. This circuit has been named after the cyclist who conducted the opening ceremony: Tom Dumoulin Bike Park. One example of the specialist companies' activities is the placement of a new rail tunnel for the Hoekse Lijn metro link in Vlaardingen. Heijmans initially built the metro rail bed next to the rail connection, after which it was installed in its definitive location in a single day. On the innovation front, Heijmans recently applied its new asphalt product Recoflex Vélo for the first time in the Nijmegen municipality. The sustainable asphalt was developed in-house and makes it possible to build new (fast) cycle routes or renovate existing cycle paths efficiently and with minimal disruption.

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2. Consolidated Income Statement

(x € 1 million)

	Six months to 30 June 2017			Six months to 30 June 2016			Full 2016		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Revenues	646	85	731	705	241	946	1,370	514	1,884
Gross profit	66	7	73	48	21	69	35	47	82
Operating result	7	31	38	-21	6	-15	-104	10	-94
Financial result	-4	0	-4	-4	1	-3	-9	1	-8
Share of profit of joint ventures and associates	-11	0	-11	3	1	4	-5	3	-2
Result before tax	-8	31	23	-22	8	-14	-118	14	-104
Income tax	-1	-2	-3	5	-3	2	0	-6	-6
Result after tax	-9	29	20	-17	5	-12	-118	8	-110
<i>Earnings per share (in €):</i>									
Basic earnings per share	-0,47	1,39	0,92	-0,79	0,22	-0,57	-5,52	0,36	-5,16
Diluted earnings per share	-0,47	1,39	0,92	-0,79	0,22	-0,57	-5,52	0,36	-5,16

The result after tax is entirely attributable to shareholders.

The book profit related to the divestment of the foreign activities of € 31 million, is included in the operating result of discontinued operations.

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3a. Consolidated statement of comprehensive income

x € 1 million

	Six months to 30 June 2017	Six months to 30 June 2016	Full 2016
Result after tax	20	-12	-110
<i>Other comprehensive income that is never reclassified to the statement of profit or loss:</i>			
Changes in actuarial results on defined benefit plans	0	-12	-18
Tax-effect of other comprehensive income that is never reclassified to the statement of profit or loss	0	3	4
Other comprehensive income (after tax)	0	-9	-14
Total comprehensive income	20	-21	-124

The total comprehensive income is entirely attributable to shareholders.

3b. Consolidated statement of changes in equity

2017	Paid-up and called-up share	Share premium reserve	Reserve for actuarial results	Hedging reserve	Retained earnings	Result for the year after tax	Total equity
Balance at 31 December 2016	6	243	-28	0	31	-110	142
Result after tax						20	20
Other comprehensive income			0	0			0
Comprehensive income for the reporting period	-	-	0	0	-	20	20
<i>Result appropriation 2016</i> Transferred to retained earnings					-110	110	0
Balance at 30 June 2017	6	243	-28	0	-79	20	162
2016	Paid-up and called-up share	Share premium reserve	Reserve for actuarial results	Hedging reserve	Retained earnings	Result for the year after tax	Total equity
Balance at 31 December 2015	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> Transferred to retained earnings					-27	27	0
Balance at 30 June 2016	6	243	-24	0	32	-12	245

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4. Condensed consolidated statement of financial position

x € 1 million

Assets	30 June 2017	31 December 2016	30 June 2016
Non-current assets			
Property, plant and equipment	50	55	87
Intangible assets	81	82	112
Joint ventures and associates	69	66	77
Other fixed assets	94	88	98
	294	291	374
Current assets			
Strategic land portfolio	147	147	162
Residential properties in preparation or under construction	41	58	58
Other inventory	11	11	17
Work in progress	82	60	153
Trade and other receivables	151	176	313
Cash and cash equivalents	50	30	78
	482	482	781
Assets held for sale	0	283	0
Total assets	776	1.056	1.155
Equity and liabilities	30 June 2017	31 December 2016	30 June 2016
Equity	162	142	245
Non-current liabilities			
Interest-bearing ¹	83	58	134
Non-interest-bearing	20	16	32
	103	74	166
Current liabilities			
Interest-bearing loans and other current financing liabilities	12	119	21
Trade and other payables	331	370	566
Work in progress	137	118	134
Other	31	18	23
	511	625	744
Liabilities held for sale	0	215	0
Total equity and liabilities	776	1.056	1.155
Solvancy rate based on guarantee capital²	27%	18%	25%

1. Non-current interest-bearing liabilities includes € 45 million cumulative preference shares

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

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5. Condensed consolidated statement of cash flow

(x € 1 million)

	YTD June 2017	YTD June 2016	FY 2016
Operating result	38	-15	-94
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6	9	17
Amortisation of intangible assets	1	1	2
Bookresult on sale of subsidiaries	-31	0	6
Adjustment of valuation of property investments and land portfolios, excluding joint ventures	3	1	18
Change in work in progress	-11	-15	29
Change in in other working capital and non-current provisions	-11	-37	-33
Cash flow from operating activities before interest and tax	-5	-56	-55
Interest paid/received	-7	-6	-9
Tax expense paid	0	-4	-4
Cash flow from operating activities	-12	-66	-68
Cash flow from investment activities	90	-2	-22
Cash flow from financing activities	-82	21	43
Net cash flow in the period	-4	-47	-47
Cash and cash equivalents at 1 January	30	125	125
Adjustment/reclassification cash and cash equivalents related to assets held for sale	24	0	-48
Cash and cash equivalents at the end of the period	50	78	30

The cash flow from investment activities includes the net cash proceeds of approx. € 97 million related to the sale of the foreign activities (see also section 7.4).

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6. Segment information

Summary statement of profit or loss by business segment

x € 1 million	Property Development	Residential Building	Non-residential	Infra	Other	Discontinued operations	Eliminations	Total
1st half 2017								
Third parties	186	46	115	297	2	85		731
Intercompany		93	3	4	0	0	-100	0
Total Revenue	186	139	118	301	2	85	-100	731
Operating result	5	2	-4	10	-6	31		38
Net financing costs								-4
Result of joint ventures and associates								-11
Result before tax								23
Tax result								-3
Result after tax								20
Operating result as percentage of revenues	2,7%	1,4%	-3,4%	3,3%		36,5%	-	5,2%

x € 1 million	Property Development	Residential Building	Non-residential	Infra	Other	Discontinued operations	Eliminations	Total
1st half 2016								
Third parties	169	66	149	321		241		946
Intercompany		86	13	8	37	0	-144	0
Total Revenue	169	152	162	329	37	241	-144	946
Operating result	3	2	0	-19	-7	6		-15
Net financing costs								-3
Result of joint ventures and associates								4
Result before tax								-14
Tax result								2
Result after tax								-12
Operating result as percentage of revenues	1,8%	1,3%	0,0%	-5,8%		2,5%	-	-1,6%

7. Selected notes

7.1 Reporting entity

Heijmans N.V. (referred to as the “Company”) has its registered office in the Netherlands. The Company’s interim consolidated financial statements for the first six months of 2017 include the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and joint arrangements.

7.2 Accounting principles

7.2.1 Statement of compliance

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Interim Financial Reporting as adopted by the European Union (IAS 34). The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Heijmans’ consolidated financial statements for the year 2016.

The Executive Board prepared the interim consolidated financial statements on 15 August 2017.

7.2.2 Use of estimates and judgements

The preparation of the interim report requires the management to form judgements and make estimates and assumptions that may have an impact on the reported value of assets and liabilities and of income and expenses. The estimates and 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 2016, in view of the fact that there were no special circumstances that required any change.

7.3 Main accounting principles for financial reporting

The accounting principles adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2016. Changes in IFRS effective as of 1 January 2017 onwards had no material impact on the interim results.

7.3.1 Impact of new directives

Heijmans is assessing the effects of the new directives IFRS 9 (financial instruments) and IFRS 15 (revenue recognition) as adopted by the EU, which are not yet compulsory.

Heijmans will apply IFRS 15, which is related to revenue recognition, as of 1 January 2018. The current assessment is that this new directive will have a limited impact on the financial results.

Heijmans will continue to realise the result from projects on a pro rata basis according to the progress made, in accordance with current ruling.

The new rules may lead to adjustments in some instances. For instance, this applies to the way in which tender payments, mobilisation costs and the identification (or not) of separate performance obligations. Heijmans is currently assessing these effects at contract level in greater detail. The current view is that these are not expected to have material impact on the financial figures. Heijmans will apply the new directive as of 1 January 2018.

Heijmans expects IFRS 9, regarding financial instruments, to have only a limited impact on its figures.

The Group is currently assessing the impact of the newly-issued directive IFRS 16 regarding leases, which has yet to be adopted by the EU. This directive will have a material impact, especially on the balance sheet. If IFRS had been applied to the interim results, an item "Usage rights leased assets" (under fixed assets) would appear on the balance sheet and an item of comparable size would be created on the liabilities side of the balance sheet (Financial lease commitments). This would result in an increase in the balance sheet total of approximately 10%.

The impact would include a movement in the profit and loss statement between the items in the operating result and interest (net result unchanged) in which the operating result would increase by several million euro and the interest expenses by a comparable amount. The impact on the shareholders' equity is expected to be limited in scope at the time of the change in the accounting standards. The scope of the impact on the financial results for 2018 and beyond is likely to be comparable.

7.4 Sold entities / terminated activities

Franki

On 17 January 2017, Heijmans sold its subsidiary Franki to PORR Deutschland GmbH. The acquisition price of € 14 million was paid in cash on 16 January 2017. In 2016, Franki recorded a result after taxes of approximately € 0.4 million (before amortisation of goodwill and tangible fixed assets). Of the book loss of € 6.1 million related with this sale, € 2.0 million has already been charged as an impairment of the intangible assets and € 4.1 million as an impairment of the tangible assets in 2016.

Belgian activities

On 25 April 2017, Heijmans sold all the shares in its Belgian subsidiaries Heijmans Bouw, Heijmans Infra, Van den Berg and Heijmans (B) NV to BESIX. The net cash proceeds for Heijmans (proceeds realised less bank balances sold) amounted to approximately € 40 million. Up to the time of the sale, the Belgian entities had realised a result after taxes of approximately € 0.5 million in 2017 and a negative cash flow of approximately € 41 million: negative operational cash flow of approximately € 17 million, investment cash flow of approximately € 0 million, negative financing cash flow of approximately € 24 million (first half 2016 negative cash flow of approximately € 3 million, negative operational cash flow of approximately € 2 million, negative investment cash flow of approximately € 1 million, financing cash flow of approximately € 0 million). The book profit on the sale was approximately € 14 million.

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Oevermann

On 21 April 2017, Heijmans sold all its shares in Heijmans Oevermann GmbH to PORR Deutschland GmbH. The net cash proceeds for Heijmans (proceeds realised less bank balances sold) was € 43 million. Up to the time of the sale, Oevermann had recorded a negative result after taxes of approximately € 2.5 million and negative cash flow of approximately € 18 million: negative operational cash flow of approximately € 18 million, investment cash flow of approximately € 0 million, financing cash flow of approximately € 0 million (first half 2016: negative operational cash flow of approximately € 11 million, negative operational cash flow of approximately € 11 million, investment cash flow of approximately € 0 million, financing cash flow of approximately € 0 million). The book profit on the sale amounted to approximately € 17 million.

Terminated activities

The results of these sold activities and the book profits on the sale of same have been recognised in the statement of profit or loss under 'Terminated activities'. The comparative figures have been adjusted accordingly.

7.5 Share Matching Plan

In April 2014, Mr. Van der Els (50%) and Messrs. Van den Biggelaar and Hillen (20%) purchased depositary receipts of shares in Heijmans from the allocated net short-term bonus for 2013. A conditional share was allocated for every share purchased - in total 2,289 – in the context of the Share Matching Plan. These shares were granted unconditional after three years. In April 2018, the Group issued 2,289 shares and granted same to Messrs. Hillen, Van der Els and Van den Biggelaar; these shares are subject to a compulsory lock-up period of two years.

7.6 Fair values

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

	30 June 2017	
	Book-value	Fair value
<i>Loans and receivables</i>		
Other investments	35	36
Trade and other receivables	151	151
Cash and cash equivalents	50	50
Cumulative financing preference shares	-45	-49
Syndicated bank financing	-25	-25
Project financing	0	0
Other non-current liabilities	-22	-22
Bank overdrafts	-3	-3
Trade and other payables	-331	-331
Total	-190	-193

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

7.7 Seasonal pattern

The usual seasonal pattern in the construction industry has an impact on the reported results, balance sheet and cash flows. Revenues and the operating result 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.

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8. Statement from the Executive Board

The Executive Board hereby states, taking into consideration what is stated in this report, that to the best of its knowledge the interim financial information related 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 2017 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, 15 August 2017

Ton Hillen, Chairman of the Executive Board
Ruud Majenburg, member of the Executive Board