

Date 25 August 2011

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**BAM: Increased revenue and improved results in the first six months of 2011**

- Net result for the first six months of 2011: €66 million (2010: €51 million)
- All sectors profitable as forecast
- PPP revenue increased to 6 percent of total revenue (2010: 4 percent)
- Order book at €11.4 billion at end of first half-year (year-end 2010: €12.1 billion)
- Market circumstances difficult; continuing price pressure
- Forecast net profit level for 2011 unchanged: €120 million

(in € million, unless otherwise indicated)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	<b>Full year 2010</b>
Revenue	<b>3,662</b>	3,430	7,611
Result before tax	<b>88.5</b>	66.2	152.9 <sup>1</sup>
Margin before tax	<b>2.4%</b>	1.9%	2.0% <sup>1</sup>
Net result	<b>65.8</b>	50.6	15.3
Order book (close of period)	<b>11,400</b>	12,400	12,100

<sup>1</sup> Before tax and impairment Property

**Nico de Vries, Chairman of the Executive Board of Royal BAM Group:**

'All sectors in which Royal BAM Group operates closed the first six months of the year in profit. They performed well under difficult market conditions. The performances achieved by BAM in this period prove that the Group is a healthy and robust organisation that continues to complete projects successfully in extremely competitive markets.

However, due to the recent unrest on the financial markets, increased pressure on prices and ongoing uncertainty, we are maintaining our previously announced profit forecast.

We remain focused on reducing the amount of capital invested – especially in the Property sector – as well as on being extremely careful when tendering for new projects and ensuring that all our projects are completed to an excellent standard. Continuing – and where possible improving – the successful, fully integrated partnerships between BAM companies will be a crucial part of this process.'

**Profit forecast for 2011**

Barring unforeseen circumstances, Royal BAM Group forecasts a net profit level in 2011 of €120 million. The composition of the forecast net profit level for 2011 is the same as when the forecast was announced with the annual figures published for 2010 and the report on Q1 2011.

**Live audio webcast**

The Executive Board of Royal BAM Group will present the results for the first half of 2011 on 25 August 2011 during a press conference to be held in Dutch from 10 a.m. to 11 a.m. and during an analysts' conference in English from 11.30 a.m. to 1 p.m. Both meetings can be followed via live audio webcast ([www.bam.nl](http://www.bam.nl)).

## Breakdown of revenue and results by sector

(x € million)	1 <sup>st</sup> half-year 2011		1 <sup>st</sup> half-year 2010	
	Result	Revenue	Result	Revenue
Construction	41.7	1,416	46.2	1,461
Property	1.2	305	-20.4	249
Civil engineering	47.3	1,810	30.1	1,667
Public Private Partnerships (PPP)	0.0	229	5.9	121
Mechanical and electrical contracting	4.1	160	5.0	131
Consultancy and engineering	5.2	105	7.2	100
Eliminations and miscellaneous	-0.0	-363	-0.9	-299
<b>Total for sectors</b>	<b>99.5</b>	<b>3,662</b>	73.1	3,430
Group overhead	-6.9		-5.1	
Group interest charge	-13.3		-13.1	
<b>Operational activities</b>	<b>79.3</b>		54.9	
Dredging	9.2		11.3	
<b>Result before tax</b>	<b>88.5</b>	<b>2.4%</b>	66.2	1.9%
Tax	-21.9		-13.6	
Minority interest	-0.8		-2.0	
<b>Net result</b>	<b>65.8</b>	<b>1.8%</b>	50.6	1.5%

## Construction

- Increased revenue in the Netherlands and Germany
- Margin maintained in the United Kingdom despite lower revenues
- Belgium: Good margin from reduced revenues
- Persistent pressure on volume and prices in all markets

(x € million)	1 <sup>st</sup> half-year	1 <sup>st</sup> half-year	Full year
	2011	2010	2010
Revenue	1,416	1,461	3,211
Result before tax	41.7	46.2	95.1
Margin before tax	2.9%	3.2%	3.0%
Order book (close of period)	4,664	5,005	4,657

The Dutch operating companies in the Construction sector achieved a reduced, but still good result from higher revenues in the first half of 2011. Revenues from Dutch non-residential construction increased, while revenues from Dutch residential construction were at a similar level to the first half of 2010. However the good performance in the first half of the year is not representative of current market circumstances; increasing pressure on margins is expected in the second half of the year.

Revenue in the UK – measured in pounds sterling – fell by 15 percent in the first half of 2011 compared to the same period in 2010, while margins were maintained. Market volumes in the British non-residential construction market fell sharply, resulting in major pressure on prices. The slight recovery in the private sector (mainly in the south-east of England) is not enough to compensate for the fall in public sector activity.

The German non-residential construction company BAM Deutschland posted a good result from higher revenues and managed to increase the size of its order book in a difficult market. The prospects for the second half of the year are good.

A good margin was achieved in Belgium from reduced revenues. Revenue will increase in the short term because of the increased size of the order book, and further growth is predicted for the next few years.

## Property

- Small profit for the first six months of the year in the Property sector, in line with the forecast for the year as a whole
- Good result in Belgium, small loss in the Netherlands, the United Kingdom and Ireland
- Housing sales in the Netherlands from the Group's own development projects: 1,225 homes (first half of 2010: 1,227 homes)
- Focus on reducing the amount of capital invested

(x € million)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Revenue	<b>305</b>	249	593
Result before tax	<b>1.2</b>	-20.4	-59.7
Margin before tax	<b>0.4%</b>	Neg.	Neg.
Order book (close of period)	<b>1,202</b>	1,431	1,394

The Dutch property activities posted a small loss for the first six months of 2011. The number of unsold completed homes fell in Q2 compared to Q1, as a result of several transactions with investors. The volume of transactions on the Dutch housing market remained low. The focus is on reducing the amount of capital invested by selling housing, continuing to develop the work in the order book and selling land positions that have no development potential in the short or medium term. BAM still expects to sell approximately 2,200 homes in the Netherlands in 2011.

1,225 homes were sold from own development projects in the Netherlands in the first half of 2011 (first half of 2010: 1,227 homes). The Group's completed but unsold or unlet stock in the Netherlands increased to 174 homes and approximately 9,400 m<sup>2</sup> of commercial property as at 30 June 2011 (year-end 2010: 111 homes and approximately 2,300 m<sup>2</sup> of commercial property). The increase of commercial property relates to retail shops. The number of unsold homes still under construction fell to 331 as at 30 June 2011 (year-end 2010: 642). Thus the total number of unsold homes under construction or completed as at 30 June 2011 fell by a third compared to the total number at year-end 2010 (505 compared to 753).

In the United Kingdom, BAM Properties posted a small loss for the first half-year due to insufficient coverage of overheads. The Group had approximately 22,175 m<sup>2</sup> of unsold and unlet commercial property in the UK as at 30 June 2011, just less than the amount as at year-end 2010. This is expected to decrease slightly in the second half of the year.

In Ireland there are currently no opportunities on the property market, which was the reason for a small loss due to insufficient coverage of overheads and interest charges.

A good result was achieved in Belgium. BAM expects to maintain these positive results during the rest of 2011 given the well-filled order book and the limited risks involved.

Total investment in the stock of property increased to €1,630 million as at 30 June 2011 (year-end 2010: €1,540 million), primarily because of the investment needed to finalise the development of the projects currently in the order book. €1,307 million of this total amount was invested in the Netherlands, €173 million in the United Kingdom, €47 million in Ireland and €103 million in Belgium. The amount of capital invested in stocks of Dutch property is expected to decrease in the second half of the year. The investments in stock are funded in part by recourse and non-recourse project-related property loans. As at 30 June 2011, the recourse property loans stood at €253 million (year-end 2010: €307 million) and the non-recourse property loans at €411 million (year-end 2010: €402 million).

### Civil engineering

- Higher revenues and improved results in the Netherlands, United Kingdom, Germany and Belgium
- Profit in Ireland despite reduced revenues
- Increased order book at BAM International
- Market development strongly dependent on public and PPP orders

(x € million)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Revenue	<b>1,810</b>	1,667	3,659
Result before tax	<b>47.3</b>	30.1	102.6
Margin before tax	<b>2.6%</b>	1.8%	2.8%
Order book (close of period)	<b>4,985</b>	5,564	5,517

The Dutch civil engineering companies achieved higher revenues and improved results on balance in the first half of 2011. There is significant pressure on the Dutch civil engineering market as result of cuts in spending by local authorities, increased competition from small and medium-sized enterprises as well as from the non-residential and residential construction sectors, and increasing numbers of foreign competitors bidding for large projects. It is not possible to win new contracts with good conditions attached in the current market, which is why the order book contracted in the first six months of 2011.

The increasing number and size of multidisciplinary projects is making the success of fully integrated cooperation between BAM companies even more important. The focus on that cooperation therefore remains crucial in the current market.

UK revenues increased sharply in the first half of 2011 compared to the first half of 2010, due in particular to work starting on a number of contracts that had been awarded in 2010. The result for the first six months of 2011 was similar to the result for the first six months of 2010. There is also pressure on margins in the UK for new contracts. BAM Nuttall's order book contracted slightly compared to year-end 2010. BAM Nuttall is well placed to benefit from any positive movement in the civil engineering market.

The results posted by the Belgian civil engineering companies improved substantially in the first half of 2011, in line with the increased revenues. The Belgian civil engineering companies have well-filled order books, which is promising for the future.

In Ireland, BAM Contractors' revenue continued to fall in the first six months of the year; nevertheless the company managed to post a profit once again. The Irish PPP market is currently suffering from the

lack of confidence in the creditworthiness of the Irish government. For the time being it has been impossible to find private financing for the N17/N18 motorway contract (for which BAM was preferred bidder).

The German civil engineering company Wayss & Freytag Ingenieurbau achieved increased revenues in the first half of 2011 compared to the first half of 2010. The company posted a break-even result. The order book contracted in the first half of the year. Competition in the German civil engineering market is also fierce, but Wayss & Freytag Ingenieurbau is in a good position to bid for a number of larger projects that are expected to be put out to tender in the second half of 2011.

As forecast, BAM International achieved a good result despite reduced revenues. A number of large orders were secured during the first six months of the year, substantially increasing the size of the order book. BAM International is continuing to work on strengthening its position in the three primary market regions, namely South-East Asia, Africa and the Middle East.

### Public-private partnerships (PPP)

- Revenue from the PPP sector now accounts for 6 percent of the Group's total revenue
- Operational results in line with forecasts
- Fifteen bids pending
- Market volume expected to be good for at least the next eighteen months

(x € million)	<b>1<sup>st</sup> half-year</b>	1 <sup>st</sup> half-year	Full year
	<b>2011</b>	2010	2010
Revenue	<b>229</b>	121	311
Result before tax	<b>0.0</b>	5.9	3.5
Margin before tax	<b>0.0%</b>	4.9%	1.1%
Order book (close of period)	<b>1,248</b>	1,257	1,288

As forecast, BAM PPP operations broke even for the first half of 2011. The result was negatively influenced because for the time being it has been impossible to find private financing the N17/N18 contract in Ireland.

BAM PPP achieved financial close on two new accommodation contracts in Belgium in the first half of 2011. The period also saw BAM PPP selected as the preferred bidder for the N11/N7 contract in Ireland (for which the Irish government and BAM are jointly responsible for raising private financing). BAM PPP was also selected as the preferred bidder for the A9 motorway contract in Germany after the end of the first half of the year.

As already announced in the 2011 Q1 report, BAM and pension fund manager PGGM reached agreement in May regarding the establishment of a 50/50 joint venture for investing in current and future PPP contracts after the construction phase. Current and future PPP contracts will be transferred to the joint venture in accordance with a predetermined calculation method (yield). The agreement relates to the transfer of approximately €150 million worth of current PPP contracts to the joint venture between 2011 and 2014 and the investment of approximately €240 million in future PPP contracts by the joint venture. PGGM will acquire 80 percent of the beneficial ownership of the current projects and BAM expects to make approximately €40 million in book profits from those transactions between 2011 and 2014. Of this €40 million, approximately €10 million is expected to relate to the second half of 2011.

The PPP contracts owned by the joint venture will be partially consolidated in BAM's balance sheet and income statement based on beneficial ownership. This will lighten the balance sheet and improve solvency. The first tranche comprising an expected four, now operational, contracts will be transferred later this year and the portion of these contracts that will be sold has been reclassified in the balance sheet as at 30 June 2011 as assets held for sale (€246 million).

The total amount of receivables under PPP contracts (including the current portion) and intangible fixed assets (concessions) fell to €968 million as at 30 June 2011 (year-end 2010: €1,019 million) due to the reclassification of the contracts held for sale. PPP loans stood at €886 million as at 30 June 2011 (year-end 2010: €941 million). The total committed net investment obligation for PPP contracts in the order book, excluding the contracts held for sale, was approximately €232 million (year-end 2010: €240 million). Of this amount, approximately €87 million (excluding the contracts held for sale) had actually been invested as at 30 June 2011 (year-end 2010: €87 million).

### Mechanical and electrical contracting

- Reduced result at BAM Techniek despite higher revenues

(x € million)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Revenue	<b>160</b>	131	281
Result before tax	<b>4.1</b>	5.0	7.5
Margin before tax	<b>2.5%</b>	3.8%	2.7%
Order book (close of period)	<b>330</b>	391	397

BAM Techniek achieved higher revenues in the first half of 2011. However, the result and the margin were both lower compared to the first half of 2010; this was due to reduced volumes in the non-residential construction market and higher tendering costs which are also putting pressure on margins in the Mechanical and Electrical Contracting sector. Mechanical and electrical contracting work is playing an increasing role in large non-residential construction and civil engineering projects (such as the widening of the A12 motorway in the Netherlands). Cooperation between BAM Techniek and other BAM companies is providing valuable synergies and is very important for the successful development of multidisciplinary projects.

### Consultancy and engineering

- Improved margins in the second quarter

(x € million)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Revenue	<b>105</b>	100	210
Result before tax	<b>5.2</b>	7.2	13.6
Margin before tax	<b>5.0%</b>	7.2%	6.5%
Order book (close of period)	<b>109</b>	107	101

Tebodin posted a reduced result despite increased revenues for the first six months of 2011, largely due to high preparation costs for a major project, disappointing results in Poland and Germany and exchange rate fluctuations. The Netherlands, Russia and the Middle East made good contributions to profit. Good progress has been made in establishing business in South East Asia.

## Dredging

The participating interest in the dredging company Van Oord (21.5 percent) made a reduced contribution to the result (€9.2 million) in the first half of 2011 compared to the same period last year (€11.3 million).

## Order book

The total contract value of work in the order book fell in the first six months of 2011 to €11.4 billion (year-end 2010: €12.1 billion), mainly due to the N17/N18 PPP contract not going ahead in Ireland, a reduced order intake in the Civil Engineering sector and a more prudent estimate of the order book in the Property sector. It is expected that work from the order book worth a total of €3.7 billion will be carried out in the remainder of 2011 with a further €7.7 billion in the 2012-2015 period.

The order book comprises orders for the next five years. The Group has also received more than €3 billion in orders for post-2015. These orders are mainly maintenance contracts for PPP projects and concession income.

## Financial position

(x € million)	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Net cash position	<b>571</b>	671	913
Interest-bearing debts	<b>2,191</b>	2,199	2,271
Net debt position	<b>1,615</b>	1,525	1,357
Fixed assets	<b>2,454</b>	2,372	2,560
Net operating capital (excl. cash and cash equivalents and current loans)	<b>683</b>	757	311
Shareholders' equity	<b>1,165</b>	1,125	1,100
Capital base	<b>1,365</b>	1,325	1,302
Balance sheet total	<b>7,144</b>	7,132	7,134
Capital ratio	<b>19.1%</b>	18.6%	18.2%

The net cash position, namely the balance of cash and cash equivalents minus short-term credit from banks, was €571 million as at 30 June 2011 (year-end 2010: €913 million). This decrease relates primarily to the usual seasonal pattern.

Interest-bearing debt stood at €2,191 million as at 30 June 2011 (year-end 2010: €2,271 million) and the net debt position was €1,615 million (year-end 2010: €1,357 million). The majority of the debt consists of non-recourse PPP loans and non-recourse project funding (€1,197 million), recourse project funding (€384 million), a senior loan (€360 million) and a subordinated loan (€200 million). The reduction in the level of debt was due mainly to the reclassification of PPP contracts held for sale.

The reclassification of PPP contracts was also responsible for the reduction in fixed assets in the first half of 2011 to €2,454 million as at 30 June 2011 (year-end 2010: €2,560 million).

Net operating capital (excluding cash and cash equivalents and current loans) stood at €683 million as at 30 June 2011 (year-end 2010: €311 million). The increase in the net operating capital is in line with the usual seasonal pattern.

The Group's capital base was €1,365 million as at 30 June 2011. This increase compared to year-end 2010 (€1,302 million) was caused by the addition of the net result. Solvency based on the capital base was 19.1 percent as at 30 June 2011, which was therefore higher than at year-end 2010 (18.2 percent).

## **Covenants**

The Group must meet the conditions of a number of covenants in relation to the credit facility (€475 million), the senior loan (€360 million) and the subordinated loan (€200 million). According to its own calculations, the Group complied with these covenants as at 30 June 2011. The main covenants are the recourse leverage ratio with a limit as at 30 June 2011 of  $\leq 2.75$ , the recourse interest coverage ratio with a limit of  $\geq 4.0$ , the recourse solvency ratio with a limit of  $\geq 15$  percent and the current ratio with a limit of  $\geq 1.0$ . Based on the Group's calculations, the recourse leverage ratio was 1.5, the recourse interest coverage ratio 6.1, the recourse solvency ratio 25.3 percent and the current ratio 1.27 as at 30 June 2011.

## **Result per ordinary share**

The improved results in the first half of 2011 compared to the first half of 2010 caused the net result per ordinary share outstanding on 30 June of the year in question to rise to €0.28 in the first half of 2011 (first half of 2010: €0.22). In respect of the weighted average number of outstanding ordinary shares, the net result fell in the first half of 2011 to €0.28 (first half of 2010: €0.29). This reduction was caused by the relatively low weighting assigned to the new shares issued in June 2010.

## **Conversion of preference shares and delisting**

The Executive Board, with approval of the Supervisory Board, decided to convert the preference shares with a nominal value of EUR 0.10 each in new ordinary shares with a nominal value of EUR 0.10 each. The conversion ratio is 1.27273 new ordinary shares for one preference share. This means that the 346,276 outstanding preference shares will be converted into approximately 440,715 new ordinary shares. The conversion will take effect as of today. The effective date of delisting of the financing preference shares on NYSE Euronext Amsterdam will be 26 August 2011.

## **Risks and uncertainties**

The risks that can have a material impact on the Group's results and its financial position are described in detail in the annual report for the 2010 financial year. On that basis, BAM can see the following risks and uncertainties in particular for the remainder of the 2011 financial year:

- The risk that conditions will deteriorate further on the Group's markets. Any deterioration of the construction and property development markets in the Netherlands, the United Kingdom and Ireland could affect the turnover and result and the valuation of goodwill, the stock of unsold property (property under development, under construction or already completed) and work in progress.  
The order book could also be affected by the consequences of any further market deterioration.
- Turnover, result and the valuation of accounts receivable could be affected by the risk that it will be impossible to continue relationships with suppliers, partners and customers that do not belong to the Group, but are active in the construction process, causing work on projects to stagnate and perhaps making it impossible to collect receivables.
- The availability of funding and/or the operational cash flow could be affected by the risk of a further reduction in the availability of credit on the financial markets, making it more difficult to receive payments (whether or not in advance) and more difficult to finance or refinance investments in land positions or real estate development.



Other risks that are either not currently known or currently considered non-material could prove to have an effect (material or otherwise) in due course on the markets, objectives, turnover, results, assets, liquidity or funding of the Group.

### **Declaration in accordance with the Dutch Financial Supervision Act**

In accordance with their statutory obligations under Article 5:25d(2)(c) of the Dutch Financial Supervision Act, the members of the Executive Board declare that, in so far as they are aware:

- the half-yearly financial report provides a true and fair reflection of the assets and liabilities, the financial position and the profit generated by the Company and by companies included in the consolidated accounts; and
- the half-yearly report by the Executive Board provides a true and fair overview of the information required pursuant to Article 5:25d(8) and (9) of the Dutch Financial Supervision Act.

Bunnik, Netherlands, 25 August 2011

Executive Board, Royal BAM Group nv:

N.J. de Vries, chairman

M.J. Rogers FCIOB, FICE

J. Ruis, CFO

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### **Further information**

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### **Annexes**

1. Condensed consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated balance sheet
4. Consolidated statement of equity
5. Condensed cash flow statement
6. Statement by sector
7. Figures per ordinary share with a par value of €0.10
8. Explanatory notes to the half-yearly report

**1. Condensed consolidated income statement**

(x € million)

	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
<b>Revenue</b>	<b>3,662</b>	3,430	7,611
Operating result before depreciation, amortisation and impairments	<b>141.3</b>	99.0	206.2
Depreciation and amortisation	<b>-55.6</b>	-54.2	-109.5
Property impairments	-	-	-127.0
<b>Operating result</b>	<b>85.7</b>	44.8	-30.3
Finance income	<b>34.3</b>	39.2	87.2
Finance expense	<b>-43.2</b>	-30.5	-64.7
Result from associates	<b>11.7</b>	12.7	33.7
<b>Result before tax</b>	<b>88.5</b>	66.2	25.9
Income tax	<b>-21.9</b>	-13.6	-7.6
<b>Net result for the period</b>	<b>66.6</b>	52.6	18.3
Minority interest	<b>-0.8</b>	-2.0	-3.0
<b>Net result attributable to shareholders</b>	<b>65.8</b>	50.6	15.3
(x € 1)			
Per ordinary share with par value of €0.10 <sup>1</sup>	<b>0.28</b>	0.29 <sup>1</sup>	0.08 <sup>1</sup>
Per ordinary share with par value of €0.10 (fully diluted) <sup>1</sup>	<b>0.28</b>	0.29 <sup>1</sup>	0.08 <sup>1</sup>

<sup>1</sup> Average numbers of shares adjusted to take into account the rights issue

**2. Consolidated statement of comprehensive income**

(x € million)

	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
<b>Net result for the period</b>	<b>66.6</b>	52.6	18.3
Fair value cash flow hedges	<b>21.3</b>	-73.6	-38.9
Exchange rate differences	<b>-20.7</b>	46.4	23.3
<b>Other not-realized result</b>	<b>0.6</b>	-27.2	-15.6
<b>Total comprehensive income</b>	<b>67.2</b>	25.4	2.7
<b>Attributable to:</b>			
Minority interest	<b>0.7</b>	1.9	2.9
Shareholders of the company	<b>66.5</b>	23.5	-0.2

**3. Consolidated balance sheet**

(x € million)

	<b>30 June 2011</b>	<b>31 December 2010</b>	<b>30 June 2010</b>
Property, plant and equipment	385.1	409.1	420.0
Intangible assets	841.2	850.1	852.0
PPP receivables	697.0	753.3	618.4
Associates	182.9	210.8	191.6
Other financial assets	66.8	48.4	61.3
Derivative financial instruments	3.3	1.7	-
Pension plan assets	127.4	112.0	96.5
Deferred tax assets	149.8	174.1	132.1
<b>Non-current assets</b>	<b>2,453.5</b>	<b>2,559.5</b>	<b>2,372.0</b>
Inventories	1,653.5	1,564.2	1,767.4
Trade and other receivables	2,205.8	2,085.9	2,271.4
Current income tax receivable	8.2	8.6	44.6
Derivative financial instruments	1.5	1.7	1.4
Cash and cash equivalents	575.8	913.8	674.5
Non-current assets held for sale	246.0	0.1	0.1
<b>Current assets</b>	<b>4,690.8</b>	<b>4,574.3</b>	<b>4,759.4</b>
<b>Total assets</b>	<b>7,144.3</b>	<b>7,133.8</b>	<b>7,131.5</b>
Share capital	713.3	709.5	709.5
Reserves	-196.2	-196.9	-208.5
Retained earnings	646.0	587.3	622.7
<b>Equity attributable to the Company's shareholders</b>	<b>1,163.1</b>	<b>1,099.9</b>	<b>1,123.7</b>
Minority interest	1.8	1.7	1.5
<b>Group equity</b>	<b>1,164.9</b>	<b>1,101.6</b>	<b>1,125.3</b>
Borrowings	1,874.2	1,904.0	1,705.0
Derivative financial instruments	98.1	149.3	197.9
Employee benefit obligations	121.4	120.9	134.6
Provisions	70.5	75.5	83.9
Deferred tax liabilities	66.1	66.3	62.0
<b>Non-current liabilities</b>	<b>2,230.3</b>	<b>2,316.0</b>	<b>2,183.3</b>
Borrowings	316.9	367.0	494.4
Trade and other payables	3,117.9	3,267.6	3,264.2
Derivative financial instruments	2.4	4.0	1.0
Provisions	49.1	55.0	43.4
Income tax payable	20.7	22.6	19.8
Liabilities non-current assets held for sale	242.1	-	-
<b>Current liabilities</b>	<b>3,749.1</b>	<b>3,716.2</b>	<b>3,822.9</b>
<b>Total equity and liabilities</b>	<b>7,144.3</b>	<b>7,133.8</b>	<b>7,131.5</b>
<b>Capital base</b>	<b>1,364.8</b>	<b>1,301.5</b>	<b>1,325.3</b>

#### 4. Consolidated statement of equity

(x € million)

	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Position as at 1 January	<b>1,101.6</b>	881.2	881.2
Net result for the period	<b>66.6</b>	52.6	18.3
Fair value cash flow hedges	<b>21.3</b>	-73.6	-38.9
Exchange rate differences	<b>-20.7</b>	46.4	23.3
Total comprehensive income	<b>67.2</b>	25.4	2.7
New shares rights issue	<b>-</b>	240.1	240.1
Dividend paid	<b>-4.0</b>	-13.5	-13.9
Other changes	<b>0.1</b>	-7.9	-8.5
Total change	<b>63.3</b>	244.1	220.4
Position as at period-end	<b>1,164.9</b>	1,125.3	1,101.6

#### 5. Condensed cash flow statement

(x € million)

	<b>1<sup>st</sup> half-year 2011</b>	1 <sup>st</sup> half-year 2010	Full year 2010
Net result for the period	<b>66.6</b>	52.7	18.3
Adjustments for:			
- Taxation	<b>21.9</b>	13.6	7.6
- Depreciation and amortisation	<b>55.3</b>	53.9	108.2
- Impairments property	<b>-</b>	-	127.0
- Other impairments	<b>0.3</b>	0.3	1.2
- Result on sale of property, plant and equipment	<b>-1.8</b>	-1.0	-2.6
- Finance income and expense	<b>9.1</b>	-8.8	-22.5
- Result from associates	<b>-11.7</b>	-12.7	-33.7
Investment ppp-receivables	<b>-204.0</b>	-87.0	-250.1
Changes in provisions	<b>-25.8</b>	-43.2	-69.1
Changes in working capital (excl. net cash position)	<b>-316.8</b>	-264.2	14.9
Cash flow from operations	<b>-406.9</b>	-296.4	-100.8
Interest paid	<b>-59.2</b>	-51.3	-101.3
Income tax paid	<b>-32.6</b>	2.3	-3.5
Net cash flow from operating activities	<b>-498.7</b>	-345.4	-205.6
Net cash flow from investing activities	<b>32.8</b>	2.5	15.1
Net cash flow from financing activities	<b>137.1</b>	272.4	376.0
Increase/decrease in net cash position	<b>-328.8</b>	-70.5	185.5
Net cash position at beginning of the year	<b>912.9</b>	715.2	715.2
Exchange rate differences on net cash position	<b>-13.4</b>	26.9	12.2
Net cash position at period-end	<b>570.7</b>	671.6	912.9
Of which in construction consortiums and other partnerships	<b>193.5</b>	222.7	214.8

## 6. Statement by sector

(x € million)

	1 <sup>st</sup> half-year 2011		1 <sup>st</sup> half-year 2010	
	Result	Revenue	Result	Revenue
Construction	41.7	1,416	46.2	1,461
Property	1.2	305	-20.4	249
Civil engineering	47.3	1,810	30.1	1,667
Public-private partnerships	0.0	229	5.9	121
Mechanical and electrical contracting	4.1	160	5.0	131
Consultancy and engineering	5.2	105	7.2	100
Eliminations and others	-0.0	-363	-0.9	-299
<b>Total for sectors</b>	<b>99.5</b>	<b>3,662</b>	<b>73.1</b>	<b>3,430</b>
Group overhead	-6.9		-5.1	
Group interest	-13.3		-13.1	
<b>Operating activities</b>	<b>79.3</b>		<b>54.9</b>	
Dredging	9.2		11.3	
<b>Result before tax</b>	<b>88.5</b>	<b>2.4%</b>	<b>66.2</b>	<b>1.9%</b>
Income tax	-21.9		-13.6	
Minority interest	-0.8		-2.0	
<b>Net result</b>	<b>65.8</b>	<b>1.8%</b>	<b>50.6</b>	<b>1.5%</b>

## 7. Figures per ordinary share with par value of €0.10

(x €1, unless indicated otherwise)

	1 <sup>st</sup> half-year 2011	1 <sup>st</sup> half-year 2010	Full year 2010
Net result attributable to shareholders	0.28	0.29 <sup>1</sup>	0.08 <sup>1</sup>
Net result attributable to shareholders (fully diluted)	0.28	0.29 <sup>1</sup>	0.08 <sup>1</sup>
Cash flow <sup>1</sup>	0.52	0.60 <sup>1</sup>	1.23 <sup>1</sup>
Equity attributable to shareholders	5.00	4.85 <sup>1</sup>	4.75 <sup>1</sup>
Highest closing share price	5.76	6.19 <sup>2</sup>	6.19 <sup>2</sup>
Lowest closing share price	4.08	3.81 <sup>2</sup>	3.62 <sup>2</sup>
Closing share price at period-end	4.32	3.81	4.60
Number of shares ranking for dividend (x 1,000)	232,497	231,766	231,766
-Average number of shares ranking for dividend (x 1,000)	231,948	141,599	187,053
-Average number of shares ranking for dividend (fully diluted) (x1,000)	232,388	141,945	187,399
Adjusted for rights issue:			
-Average number of shares ranking for dividend (x 1,000)	231,948	176,144	204,184
-Average number of shares ranking for dividend (fully diluted) (x1,000)	232,388	176,585	204,624

<sup>1</sup> Average numbers of shares adjusted to take into account the rights issue.

<sup>2</sup> Share prices before rights issue are adjusted to the theoretical value based on the rights issue.

## 8. Explanatory notes to the half-yearly report 2011

### 1. General information

Royal BAM Group nv ('the Company') was incorporated under Dutch law and is domiciled in the Netherlands. This interim financial report contains the financial data for the first six months of 2011 for the Company and its subsidiaries (jointly referred to as 'the Group') and for its share in joint ventures.

The financial data in the annexes to this interim report (pages 11–15) was drawn up in accordance with IAS 34 'Interim Financial Reporting' and does not contain all the information and explanatory notes that are prescribed for financial statements. This financial data should therefore be read in conjunction with the Annual Report 2010.

This interim report was approved by the Supervisory Board and released for publication by the Executive Board.

### 2. Accounting principles

The accounting principles applied in this interim financial report are consistent with the principles applied and described in the consolidated financial statements for the financial year 2010. There have been no changes as a result of applying the new standards, revised standards and/or interpretations. A reclassification has been made in the cash flow statement.

The euro exchange rates for the main currencies in which the Group operates are as follows:

	1 <sup>st</sup> half-year 2011	Year 2010	1 <sup>st</sup> half-year 2010
<b>Spot rate on balance sheet date</b>			
Pound sterling	0,89823	0,85653	0,80985
<b>Average rate</b>			
Pound sterling	0,87125	0,85756	0,86565

### 3. Seasonal influences

Weather conditions can create seasonal influences in a number of the sectors in which the Group operates. Consequently, the turnover for the first half of the year is often lower than in the second half.

### 4. Estimates and assessments in the interim financial report

Estimates and assessments are continually evaluated and are based on historical experience and other factors, such as expectations regarding future events that it is reasonable to believe may occur in light of the current circumstances.

The Group makes estimates and assumptions about the future with regard to the value of work in progress and provisions. The reality may subsequently prove to be different from the estimates.

### 5. Withdrawal of non-convertible financing preference shares

In accordance with the resolution adopted by the General Meeting of Shareholders, BAM started the procedure to withdraw the non-convertible financing preference shares during the second quarter. These shares were withdrawn on 28 June, after the end of the objection period. In accordance with the Articles of Association, the holders of these shares were paid the nominal value plus the dividend accrued as at 20 July.

### 6. Distributed dividends

Holders of ordinary shares were assigned a dividend of €0.03 in cash or 1 new share per 166 shares already held during the first six months of 2011. Holders of convertible preference shares and holders of non-convertible preference shares were paid a cash dividend of €0.37 and €0.38, respectively, per share.

### 7. Events after the balance sheet date

There were no significant events impacting on this interim financial report for the first half of 2011 after the balance sheet date.

To the Executive Board, Supervisory Board and Audit Committee of Royal BAM Group nv

## **Review report**

### **Introduction**

We have reviewed the accompanying, as set out on page 11 to 16, condensed consolidated interim financial information for the six-month period ended 30 June 2011 of Royal BAM Group nv, Bunnik, which comprises the consolidated balance sheet as at 30 June 2011, the condensed consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of equity, the condensed cash flow statement and the selected explanatory notes for the six-month period then ended. The Executive Board is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope**

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 24 August 2011

PricewaterhouseCoopers Accountants N.V.

J.G. Bod RA