

# Royal BAM Group nv

## Annual results 2011

Investors presentation  
Bunnik, The Netherlands  
8 March 2012



# Highlights

- **Net result of €126 million in line with guidance**
  - Resilient performance from all sectors in difficult conditions
  - Pre-tax margins under pressure, at bottom of 2-4% outlook range
  - Order book down due mainly to selective tendering
- **Good progress on strategic agenda**
  - PPP joint venture transfer and sale of Van Oord in 2011
  - Refinancing and sale of Tebodin in 2012
- **Proposed dividend of €0.16 per share with stock alternative (2010: €0.03)**

## Construction and M&E services

	2011	2010	Δ
Revenue	3,389	3,459	-2%
Result <sup>1)</sup>	76.2	102.6	
Margin	2.2%	3.0%	
Order book	4,440	5,013	-11%

(in € million, unless stated otherwise)

1) Result before tax

- Tightening market conditions with pressure on new business volumes and margins
- Mixed revenue / margin performance
  - NL: good results from existing orders
  - UK: hit by weaker pipeline
  - D and B: resilient results
- New structure as from 1/1/12 will increase operational synergies
- Selective tendering and capacity reduction in NL and UK
  - Year-end order book down

# Civil engineering

	2011	2010	Δ
Revenue	3,834	3,659	+5%
Result <sup>1)</sup>	91.9	102.6	
Margin	2.4%	2.8%	
Order book	5,087	5,517	-8%

(in € million, unless stated otherwise)

1) Result before tax

- Fierce competition on large public sector contracts
- NL, UK, B: higher revenues but lower margins
- D, IE: Positive results on lower revenues
- Intl: growth opportunities in global niche markets
- Lower year-end order book due to selective tendering

# Property

	2011	2010	Δ
Revenue	674	593	+14%
Result <sup>1)</sup>	-23.4	-59.7	
Margin	Neg.	Neg.	
Order book	1,103	1,394	-21%

(in € million, unless stated otherwise)

1) Result before tax

- Gradual worsening in market conditions
- NL: break-even operating result; negative pre-tax result from €20 million disposal/delay provision
  - 2,230 homes sold from own projects
  - Outlook very subdued
- UK, IE break-even; B in profit
- Invested capital down by €134 million (8%) in Q4

# Property Netherlands

	2011	2010
Proprietary property development home sales:		
Q1	662	553
Q2	563	674
Q3	408	557
Q4	597	390
Total	2,230	2,174
Stock of unsold and unlet premises :	2011	2010
- homes under construction (number)	308	642
- homes finished (number)	170	111
- commercial property (m <sup>2</sup> )	10,800	2,300

# Property investments

	2011	2010	2009
Land and building rights	601	688	814
Property development	891	852	900
<b>Total investments (a)</b>	<b>1,492</b>	<b>1,540</b>	<b>1.714</b>
Non-recourse loans	372	402	503
Recourse loans	196	307	302
<b>Total loans (b)</b>	<b>568</b>	<b>709</b>	<b>805</b>
<b>Net investments (a)–(b)</b>	<b>924</b>	<b>831</b>	<b>909</b>

*(in € million, unless stated otherwise)*

## Total investments:

- NL: 1,167 million
- UK: 169 million
- BE: 111 million
- EI: 45 million

## Public private partnerships

	2011	2010	Δ
Revenue	508	311	+63%
Result <sup>1)</sup>	10.5	3.5	
Margin	2.1%	1.1%	
Order book	908	1,288	-30%

(in € million, unless stated otherwise)

1) Result before tax

- Growing but competitive market
- A good performance in 2011, with record revenues
- Book profit of > €10 million on first tranche JV transfers
  - Operating result as expected
  - Next transfer expected in second half of 2012
- Good new tender pipeline



# Public private partnerships: portfolio

	2011	2010	2009
Contracts in portfolio	34	32	27
<i>Of which:</i>			
- Operational	22	21	15
- Under construction <sup>1)</sup>	12	11	12

## *Balance sheet positions<sup>2)</sup>*

	2011	2010	2009
PPP assets (intangibles, receivables)	1,079	1,019	728
PPP loans	991	941	670
Net PPP equity investment <sup>3)</sup>			
- Actual	88	87	61
- Committed (approx.)	253	240	189
<i>Directors' valuation (approx.)</i>	300	300	-

(in € million, unless stated otherwise)

<sup>1)</sup> 2011: excluding two contracts in preferred bidder stage

<sup>2)</sup> Excluding contracts held for sale

<sup>3)</sup> BAM share in equity of PPP contracts

## Consultancy and engineering

	2011	2010	Δ
Revenue	223	210	+6%
Result <sup>1)</sup>	15.2	13.6	
Margin	6.8%	6.5%	
Order book	n/a	101	

(in € million, unless stated otherwise)

1) Result before tax

- Good performance in 2011
- Classified as discontinued operation at year-end 2011
- Sale of Tebodin in 2012

## Revenue and results per sector

	2011		2010	
	Revenue	Result <sup>1)</sup>	Revenue	Result <sup>1)</sup>
Construction	3,135	68.2	3,211	95.1
M & E contracting	320	8.0	281	7.5
Eliminations	-66	-	-33	-
Construction and M&E Services	3,389	76.2	3,459	102.6
Civil engineering	3,834	91.9	3,659	102.6
Property	674	-23.4	593	-59.7
PPP	508	10.5	311	3.5
Consultancy and engineering <sup>2)</sup>	223	15.2	210	13.6
Eliminations and other	-708	-0.0	-621	-1.8
<b>Total sectors</b>	<b>7,920</b>	<b>170.4</b>	<b>7,611</b>	<b>160.8</b>

(in € million, unless stated otherwise)

1) Result before tax

2) Classified as discontinued operations

## Key figures: income statement

	2011	margin	2010	margin
Total result sectors	170.4	2.2%	160.8	2.1%
Group overhead	-11.3		-10.6	
Group interest	-31.1		-27.6	
Operating activities	128.0		122.6	
Dredging	30.7		30.3	
Result before tax	158.7	2.0%	152.9	2.0%
Impairment at Property	-		-127.0	
Income tax	-31.0		-7.6	
Minority interest	-1.7		-3.0	
Net result	126.0	1.6%	15.3	0.2%

*(in € million, unless stated otherwise)*

## Sale of Van Oord

	2011
Sale price December 2011	200.0
Dividend received in 2011	38.1
Total cash received in 2011	238.1
Book value per 1/1/2011	-191.3
Dividend guarantee provision	-15.0
Other costs	-1.1
Contribution to net result in 2011	30.7

*(in € million, unless stated otherwise)*

## Key figures: balance sheet

	2011	2010	Δ
Balance sheet total	7,218	7,134	+87
Shareholders' equity	1,162	1,100	+62
Capital base	1,362	1,302	+60
Capital ratio	18.9%	18.2%	
Net cash	1,008	913	+95
Interest-bearing debt	2,191	2,271	-80
Net debt position	1,178	1,357	-179
Fixed assets	2,229	2,560	-331
Net operating capital (excl. cash and st-debt)	621	311	+310

*(in € million, unless stated otherwise)*

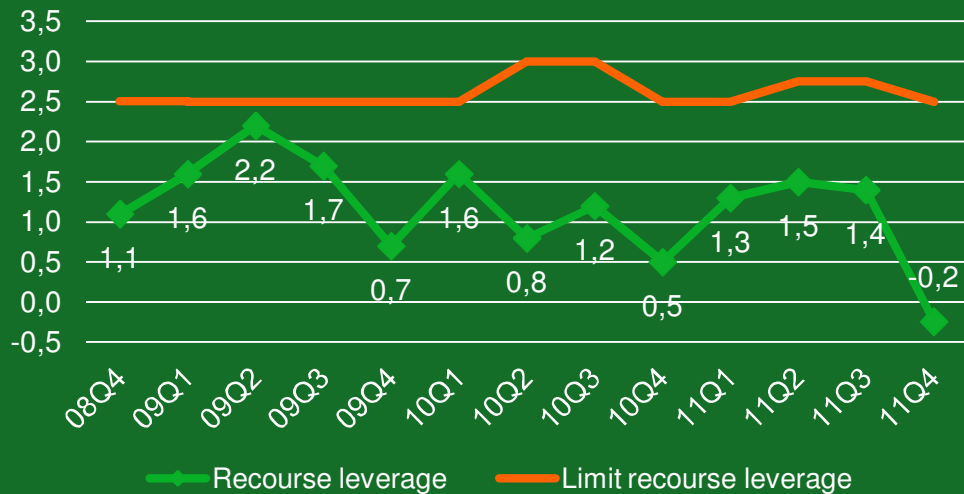
- Fixed assets lower due to sale of Van Oord and classification of PPP and Tebodin into 'held for sale'
- Increase in net operating capital partly due to expected PPP milestone payment and classification of PPP and Tebodin into 'held for sale'

## Breakdown of net debt position

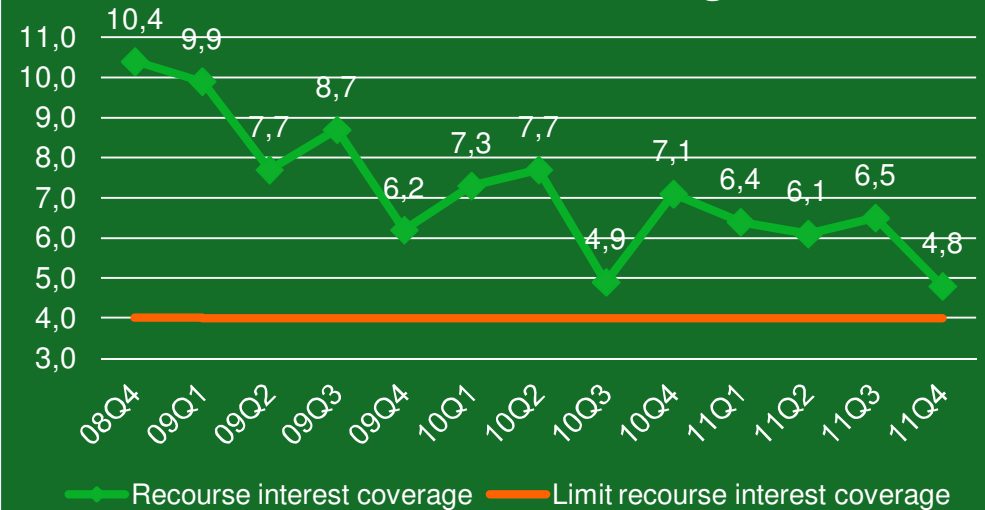
	2011	2010	2009
Non-recourse PPP loans	860	825	670
Non-recourse project financing	375	420	503
Other project financing	351	424	302
<b>Total 'project related'</b>	<b>1,586</b>	<b>1,669</b>	<b>1,475</b>
Subordinated loan	200	202	202
Loan BAM	360	360	360
Financial lease liabilities	36	38	48
Bank overdrafts and other loans	9	2	22
<b>Total interest-bearing debts</b>	<b>2,191</b>	<b>2,271</b>	<b>2,107</b>
Less: cash	-1,013	-914	-/- 719
<b>Net debt position</b>	<b>1,178</b>	<b>1,357</b>	<b>1,388</b>
<b>Recourse net debt position</b>	<b>-56</b>	<b>112</b>	<b>214</b>

(in € million, unless stated otherwise)

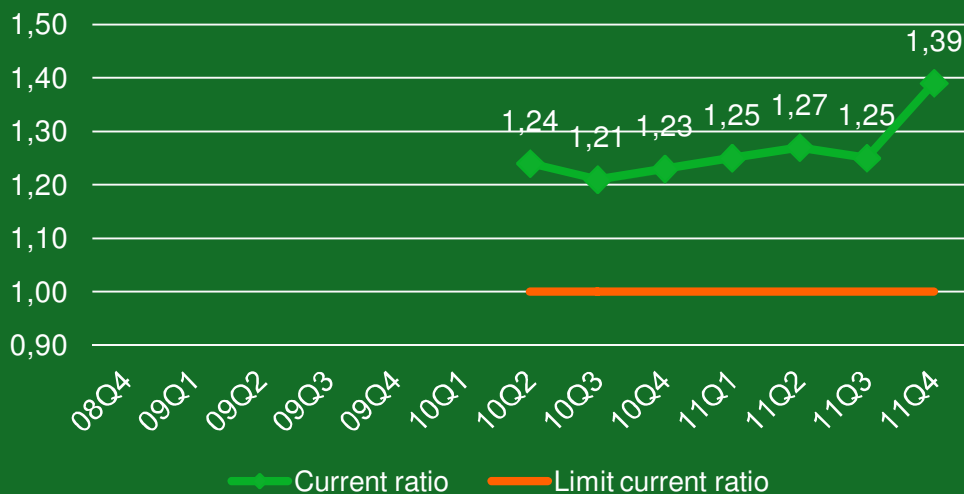
### Recourse leverage ratio



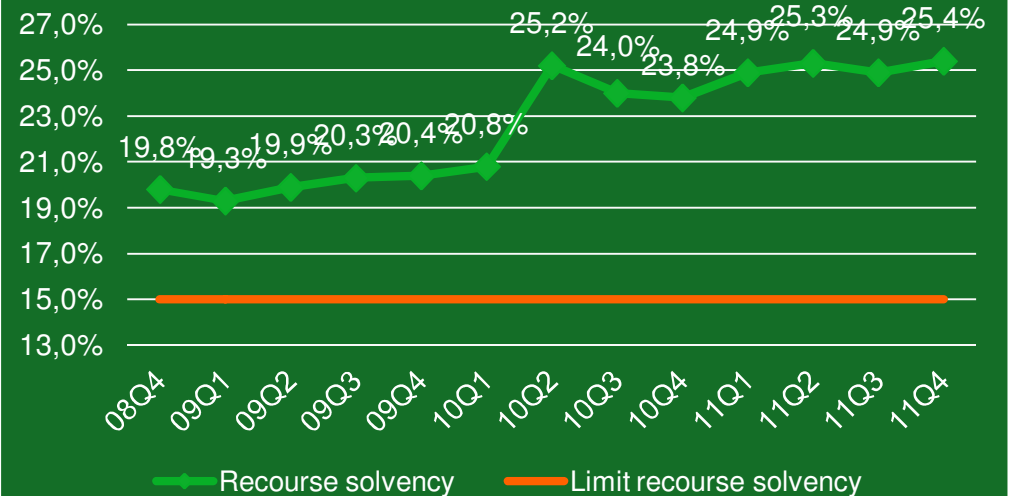
### Recourse interest coverage ratio



### Current ratio



### Recourse solvency ratio





# Post balance sheet events

## Renewal banking facilities

- Renewal announced early February
- Senior revolving credit facility of €500 million
- Subordinated term loan of €125 million
- Tailored to current and expected corporate financing needs
- Will lead to more efficient use of cash

## Sale of Tebodin

- Sale announced late February
- Completion expected in Q2
- Cash proceeds of €145 million
- Expected book profit approx. €65 million
- Proceeds to be used mainly for debt reduction

# Order book

	2011	2010	Δ
Order book	10,400	12,100	-14%
To be executed:			
- Coming year	5,800	6,300	
- Years after	4,600	5,800	
Expected revenue for next year in the order book	Approx. 80%	Approx. 80%	

*(in € million, unless stated otherwise)*

Main factors causing order book decrease:

- Selective tendering in Construction and M&E services and Civil Engineering
- More cautious estimate of Property order book
- Reclassification of Consultancy and engineering as discontinued

# Outlook

Royal BAM Group is confident about its prospects based on a sharp focus on its core business activities, its scope to promote synergies across the Group, its strengthened financial position and its prospects for growth in new markets. However, BAM is not yet issuing any profit guidance for 2012.