

TRADING UPDATE MAY 2013

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First quarter performance in line with expectations given hard winter conditions

- Construction and M&E services: continued deterioration in the Dutch market
- Civil engineering: mixed performance, with most businesses impacted by seasonality
- Property: Dutch residential market continues to fall as expected
- PPP: financial close on two projects; another two projects transferred to the joint venture
- Order book unchanged at €10.7 billion
- Financial position follows normal seasonal pattern
- New accounting standards adopted per 1 January 2013; comparable figures restated

(in € million, unless otherwise indicated)			
Key trading results	First quarter 2013	First quarter 2012*	Full year 2012*
Revenues	1,426	1,486	7,225
Result before tax	5.2	3.5	108.9
Margin before tax	0.4%	0.2%	1.5%
Order book (period-end)	10,700		10,700

* Before impairments, for continuing operations; 2012 restated

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

'Compared to Q1 2012 (restated for the new accounting standards), total revenue in Q1 2013 was down by 4%. This fall was due mainly to the longer winter period reducing working days in Civil engineering and ongoing difficult conditions in Construction and M&E services and Property in the Netherlands. The total result before tax was up slightly to €5.2 million, a pre-tax margin of 0.4%. We are continuing with the implementation of the restructuring measures announced last year.

After the seasonally weak first quarter, we expect results to improve in the rest of 2013 despite ongoing difficult conditions in our home markets. We continue to closely monitor conditions in our markets, in particular in the Netherlands, and especially our construction-related activities. Although it is still too early to give an outlook for the full year, at this stage we have no reason to expect that performance for the full year 2013 will be significantly different from our operational performance for 2012.'

Live audio webcast

On 16 May 2013, at 10.00 hrs CET, there will be a conference call in English for analysts. This can be followed via live audio webcast (www.bam.eu).

Further information

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This trading update serves as an interim statement as referred to in Section 5:25e of the Financial Supervision Act [Wet financieel toezicht].

Analysis by sector

(x € million)	First quarter 2013		First quarter 2012*	
	Result	Revenue	Result	Revenue
Result and revenue				
Construction and M&E services	-0.2	655	6.7	680
Civil engineering	2.9	777	1.2	769
Property	-2.8	42	0.2	99
Public Private Partnerships (PPP)	8.6	60	1.8	66
Eliminations and miscellaneous	-0.1	-108	-	-128
Total sectors	8.4	1,426	9.9	1,486
Group overhead	-2.0		-1.7	
Group interest charge	-1.2		-4.7	
Result before tax	5.2	0.4%	3.5	0.2%

* Before impairments, for continuing operations; 2012 restated

Sector performance

At Construction and M&E services, revenue fell by €25 million (-4%). Most of this was due to lower activity in the Netherlands, partly offset by Belgium and the United Kingdom. Conditions in Dutch construction markets remain extremely difficult with no signs yet of a recovery, especially for residential. In the tough UK construction market, BAM's operations are starting to see the benefits of earlier capacity reduction actions. The closing order book was down due to lower order intake in all countries except the United Kingdom.

Revenue at Civil engineering was up by 1% in total; lower mainly in the Netherlands but higher in Germany, Ireland and BAM International. Revenue growth was held back by the harder winter conditions. In the Dutch market which is hindered by uncertainty regarding future Government spending, BAM is focusing on large project opportunities. BAM continues to see opportunities in the other home countries and the worldwide niche markets of BAM International.

In Property, total revenue fell by €48 million (60%). This was due to the expected slump in the number of homes sold in Q1 2013 in the Netherlands to 265. Conditions in the Dutch residential housing and commercial property markets developed in line with the assumptions set as per Q2 2012. Total invested capital in Property at the end of March 2013 was approximately the same as at end-December 2012.

At Public-Private Partnerships (PPP), revenue in Q1 2013 was €60 million. The relatively high pre-tax result of €8.6 million includes the book profits on the transfers of two projects to the joint venture with PGGM. BAM PPP reached financial close on the High Court (The Hague) in January and on the N11/N7 Irish roads project in April. Total equity investment in PPP at the end of March 2013 was in line with end-December 2012. The tender pipeline remains healthy.

Financial position and balance sheet

- The effect of seasonality on working capital in Q1 2013 was approximately in line with Q1 2012.
- As noted, total invested capital in Property and total equity investments in PPP at end-Q1 2013 were in line with end-December 2012.
- The Group was within the limits of all its banking covenants as at end Q1 2013.