

Royal BAM Group nv

Analysts' meeting

7 July 2014



- BAM expects project losses of approximately €75 million
- Announces major cost reduction and working capital improvement programmes

Reasons for project losses approx. €75 million

- German civil project
 - Further deterioration of a large project which is one of the handful of loss-making projects reported last year
 - Problems due to adverse ground conditions
 - Project back on schedule but at higher than expected cost
- UK civil project
 - Unexpected problems at a mid-sized project (bid for in 2012)
 - Due to adverse ground conditions and bad weather
 - Extra costs incurred for equipment and personnel

Actions being taken

- Urgent and decisive steps led by Executive Board with support from external consultants
- Cost reduction and restructuring
 - Intended to deliver at least €100 million annual saving by end-2015
 - Likely focus: fixed overheads, bidding costs, streamlining operating company structure
- Working capital
 - Intended to improve working capital by at least €300 million by end-2015
 - Scaling up a recently completed successful pilot scheme in the Netherlands

Actions being taken (cont'd)

- Divestments and financial position
 - Continue property divestment programme (already exceeded €100m in Q1)
 - Investigate all other opportunities to further strengthen financial position
 - Actively investigate opportunities to realise value by divesting other assets

Actions

Cost reduction / restructuring	Improve working capital	Divestments	Financial position
<i>'Stop all avoidable costs'</i>	<i>'Bring in every penny'</i>	<i>Property and other assets</i>	<i>Investigate all other opportunities</i>
€100m +	€300m +	€100m	> 20%
Bain & Co	REL	Various	Various

Operational excellence / In control

Timing

Planning

- Plans will be finalised in the coming weeks
- BAM will update the market with its 6-month results on 21 August

Implementation

- Actions to commence now
- Restructuring costs in the second half of 2014

Results

- First benefits will be evident by end-2014
- Full run-rate of benefits by end-2015

Q&A