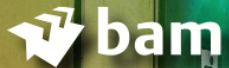


# Trading update Q1 2015



Royal BAM Group nv



Investor presentation

Bunnik, 18 May 2015

# BAM confirms 2015 outlook and is making good progress on Back in Shape



Operational sectors: revenue higher though margins still impacted by older projects



Investment sectors: lower results due to anticipated absence of book profits



Projects in control: better risk profile for new projects and de-risking older projects



Order book: increase in operational sectors due to higher order intake and currency effects



Financial position: ongoing improvement driven by working capital programme

## Revenue and results

<i>(in € million)</i>	Q1 2015		Q1 2014	
	Revenue	Result	Revenue	Result
Construction and M&E services	<b>704</b>	<b>-8.8</b>	623	-7.6
Civil engineering	<b>922</b>	<b>-5.6</b>	843	0.2
Property	<b>70</b>	<b>0.8</b>	118	10.7
PPP	<b>41</b>	<b>2.1</b>	80	5.8
Eliminations and other	<b>-99</b>	-	-93	-
Total sectors	<b>1,638</b>	<b>-11.5</b>	1,571	9.1
Group overhead		<b>-1.6</b>		-3.0
Group interest charge		<b>-1.0</b>		-0.9
Adjusted result		<b>-14.1</b>		5.2
Restructuring		<b>-7.0</b>		-0.6
Impairments		-		-
Result before tax		<b>-21.1</b>		4.6

# Outlook

BAM is on course to deliver cost savings of at least €100 million (annual run rate) and a reduction in trade working capital of at least €300 million by year-end 2015. There will be a Back in Shape restructuring charge of approximately €30 million in 2015. BAM expects the total Group adjusted result before tax for the year 2015 to be higher than the level of 2014, with a larger contribution coming from the operational sectors.







## Annexes based on year end 2014

**Back in Shape**

**Property Netherlands**

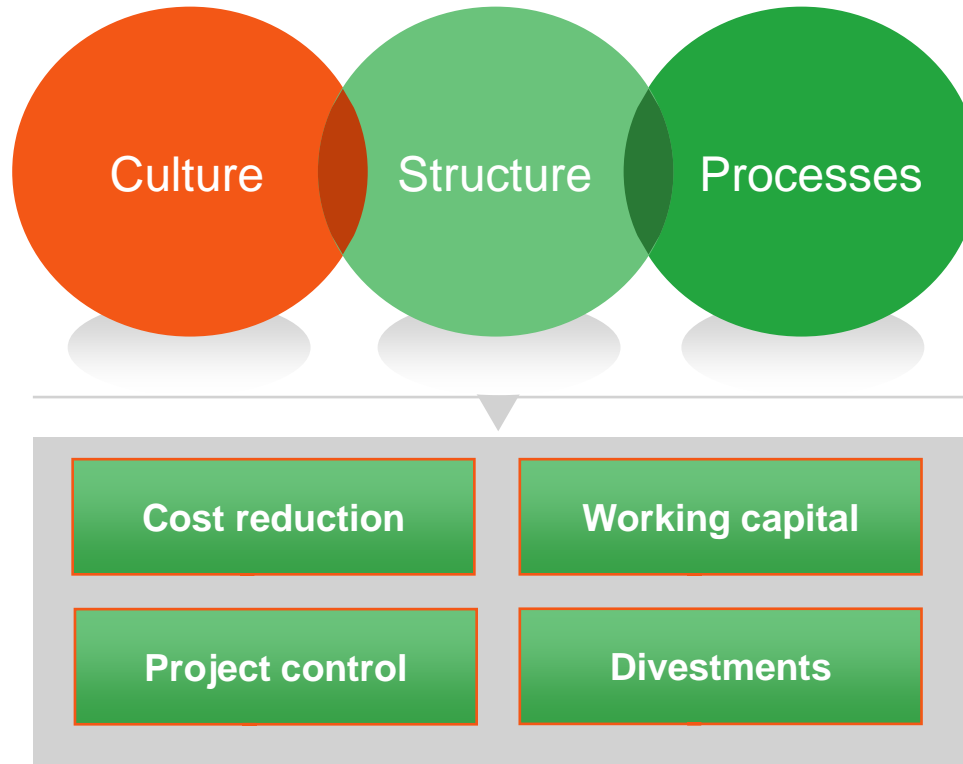
**Property investments**

**PPP investments**

**Net debt analysis**

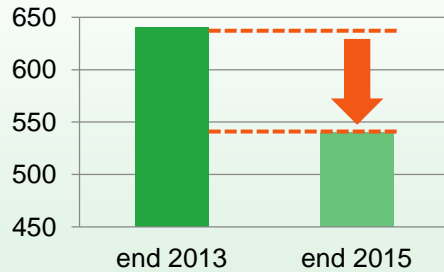
**Revenue sector/country**

# 'Back in Shape' programme



# Cost reduction

## (in € million) Overhead



## Simplification



## FTE reduction





# Project control

Stage gate



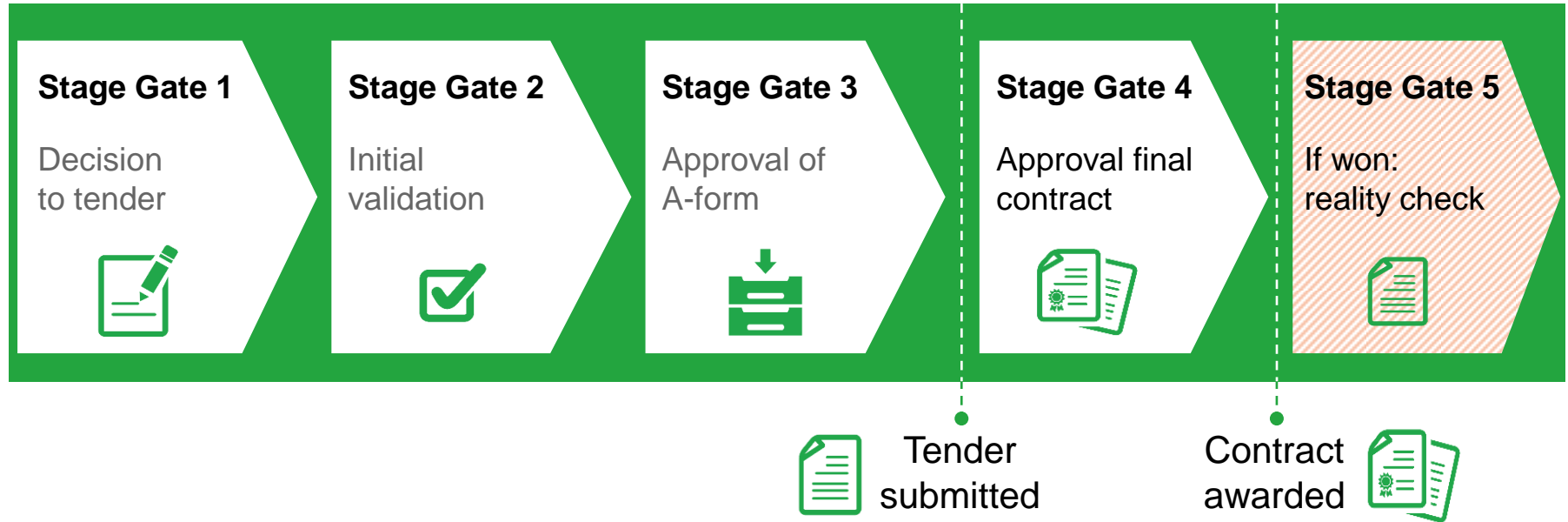
Peer review



Operational audit

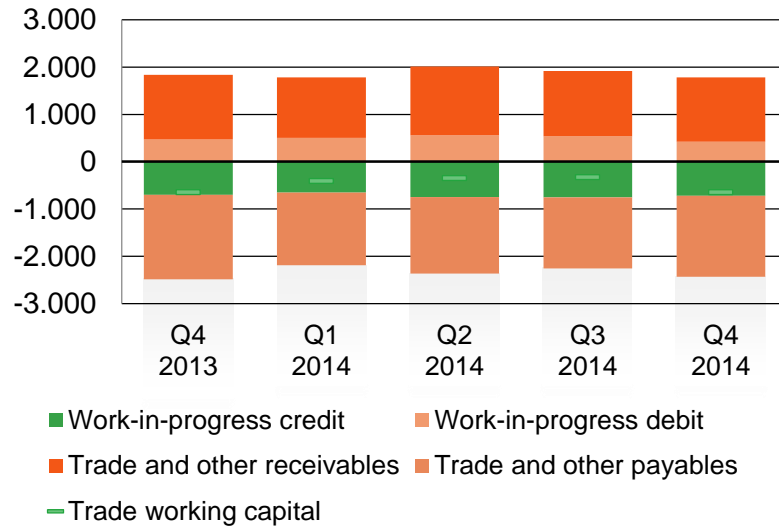


# Stage gate tendering

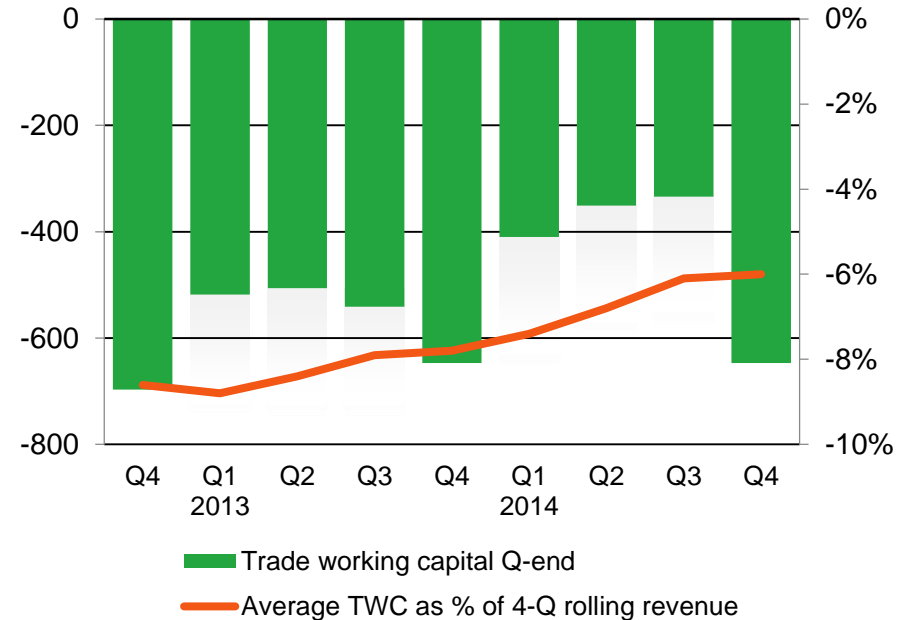


# Trade working capital

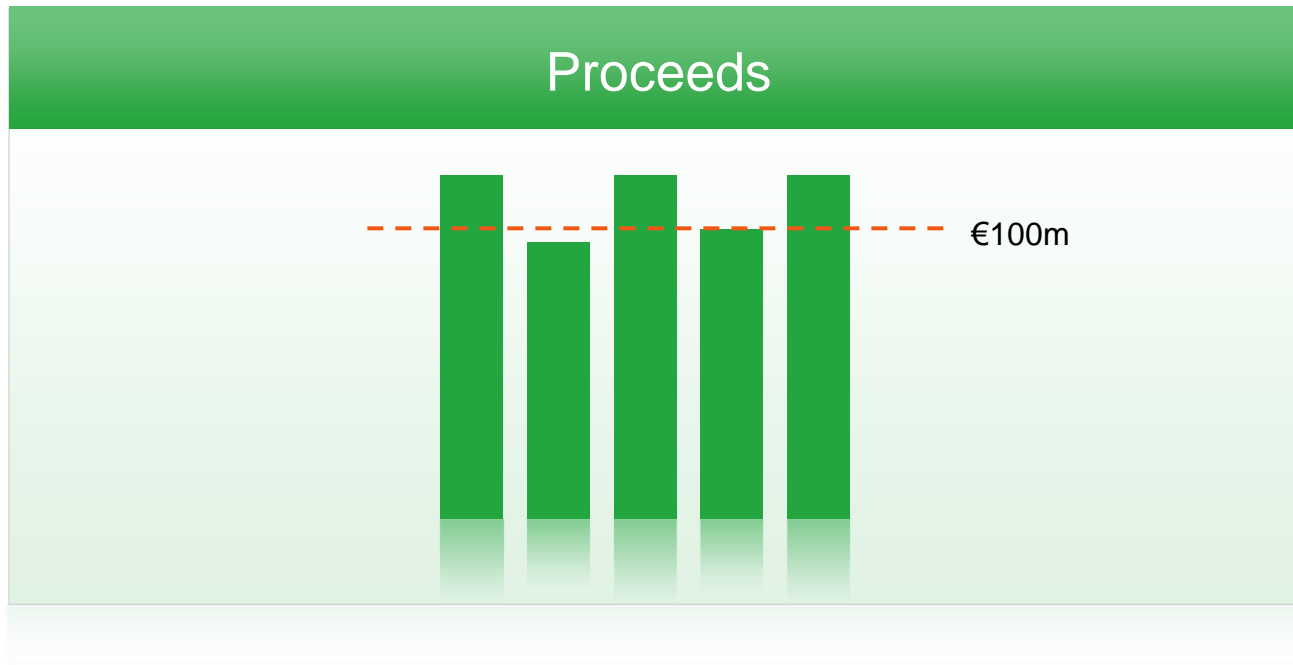
**Trade working capital**  
(in € million)



**Trade working capital**  
(in € million and TWC as %)



# Divestments



## Back in shape timing, costs and benefits

<i>(in € million)</i>	Actual H2 2014	H1 2015	H2 2015	Beyond 2015
Cost reduction				
P&L restructuring cost	€53m	~ €30m		
Cash costs	€9m	~ €60m		~ €15m
Cost saving	€8m			> €100m
Project margins				Towards 2-4%
Working capital reduction				> €300m
Divestments	€170m	> €100m		> €100m

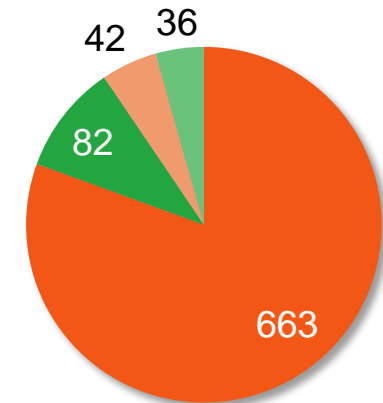
# Property Netherlands

	2015	2014
Number of home sold from own development:		
Q1	<b>496</b>	444
Q2		492
Q3		488
Q4		453
<b>Total</b>		<b>1,877</b>
Stock of unsold and unlet premises :	<b>FY14</b>	<b>FY13</b>
- homes under construction (number)	<b>363</b>	288
- homes finished (number)	<b>116</b>	161
- commercial property (m2)	<b>17,800</b>	18,300

# Property investments

<i>(in € million, unless stated otherwise)</i>	Q4 2014	Q4 2013
Land and building rights	<b>420</b>	484
Property development	<b>403</b>	544
<b>Total investments (a)</b>	<b>823</b>	1,028
Non-recourse loans	<b>161</b>	271
Recourse loans	<b>57</b>	71
<b>Total loans (b)</b>	<b>218</b>	342
Property associates/JV (c)	<b>92</b>	163
<b>Net investments (a)–(b)+(c)</b>	<b>697</b>	849

**Total investments**  
(in € million)



- Netherlands
- United Kingdom
- Belgium
- Ireland



# Public private partnerships investments

<i>(in € million, unless stated otherwise)</i>	Q4 2014	Q4 2013
PPP assets (intangibles, receivables)	<b>318</b>	424
Non-recourse PPP loans	<b>-206</b>	-295
Recourse PPP loans (equity bridges)	<b>-63</b>	-76
PPP associates/JV/other	<b>10</b>	56
Investment equity <sup>1)</sup>	<b>59</b>	109
Committed equity <sup>2)</sup>	<b>147</b>	126
Total invested & committed equity	<b>206</b>	235
NPV Total invested & committed equity (A)	<b>144</b>	225
NPV Future equity cash inflows (B)	<b>222</b>	319
Estimated unrealised value (B) – (A)	<b>78</b>	94

## Net debt analysis

<i>(in € million, unless stated otherwise)</i>	FY14	FY13
Non recourse PPP loans	206	295
Non recourse project financing	170	276
Other project financing	135	157
<b>Total 'project related'</b>	<b>511</b>	<b>727</b>
Subordinated loan	124	124
Financial lease liabilities	22	43
Bank overdrafts and other loans	7	37
<b>Total interest-bearing debts</b>	<b>664</b>	<b>931</b>
Less: cash	624	548
<b>Net debt position</b>	<b>40</b>	<b>383</b>
<b>Recourse net debt position</b>	<b>-336</b>	<b>-187</b>

## Revenue sector/country

	Construction and M&E Services	Civil engineering	Property development	PPP	Total
Netherlands	15%	17%	4%	2%	<b>38%</b>
United Kingdom	14%	13%	1%	0%	<b>28%</b>
Belgium/L'bourg	3%	8%	1%	0%	<b>12%</b>
Germany/Swiss	7%	5%	-	0%	<b>12%</b>
Ireland	-	5%	0%	1%	<b>6%</b>
International	-	4%	-	-	<b>4%</b>
<b>Total</b>	<b>39%</b>	<b>52%</b>	<b>6%</b>	<b>3%</b>	<b>100%</b>

## Contact details

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