Royal BAM Group nv

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Date 21 February 2017
No. of pages 18

BAM reports higher adjusted result of €102.7 million and strong cash flow of €102 million for 2016

- Implementation of ‘Building the present, creating the future’ strategy on track
- Construction and Property: overall result positive; Germany being refocused after loss
- Civil engineering: improved result driven by home markets; International affected by oil and gas markets
- PPP: steady performance from existing portfolio
- Order book quality improving due to tender discipline; lower level due to FX and market conditions
- Dividend per share proposal of €0.09, payout 50% with scrip alternative

Key numbers (in € million, unless otherwise indicated)	**Full year 2016**	Full year 2015
Revenue	**6,976**	7,423
Adjusted result before tax*	**102.7**	88.2
Adjusted result before tax* margin	**1.5%**	1.2%
Restructuring	**-33.5**	-38.6
Impairments	**-50.7**	-39.1
Pension one-off	**41.6**	2.8
Net result	**46.8**	10.2
Earnings per share	**€0.17**	€0.04
Dividend per share	**€0.09**	€0.02
Return on average capital employed	**2.8%**	0.2%
Order book (end of period)	**10,200**	11,500

* Before restructuring, impairments and pension one-off.

Rob van Wingerden, CEO of Royal BAM Group:

‘In 2016, we made good progress implementing the strategy ‘Building the present, creating the future.’ We are focusing our project portfolio by disciplined, data-driven tendering and we have a pipeline with attractive opportunities. Across our business portfolio, we exited some non-core activities, completed the integration of Dutch Construction and property, and are refocusing our International infrastructure and German construction businesses. We are executing our digital strategy by launching a start-up to develop a scalable digital construction platform and using digitalisation to enhance our primary processes. Our One BAM culture is being enhanced through learning and collaboration and employee engagement.

Our inclusion in CDP’s Climate A list is a recognition of our efforts to reduce emissions and to achieve a net positive impact. Ensuring a safe working environment remains a top priority for BAM.

Despite some headwinds, we delivered a robust adjusted result for 2016 ahead of the previous year, in line with our guidance. We continued to derisk and strengthen our financial position, and generated a strong positive cash flow, mainly due to working capital improvement. Our return on capital employed – a leading KPI for how we manage our business – started to move upwards thanks to the higher result and lower capital.

Looking ahead, the external environment is mixed with on the one hand stable or slightly improving economic indicators and on the other hand, uncertainty on Brexit and upcoming elections. Despite these notes of caution, I am confident we will continue our positive momentum on strategy delivery in 2017.
For 2017, we expect revenue to be slightly lower and the adjusted result before tax to be higher than the level of 2016. We anticipate a significantly lower restructuring charge compared to 2016.’

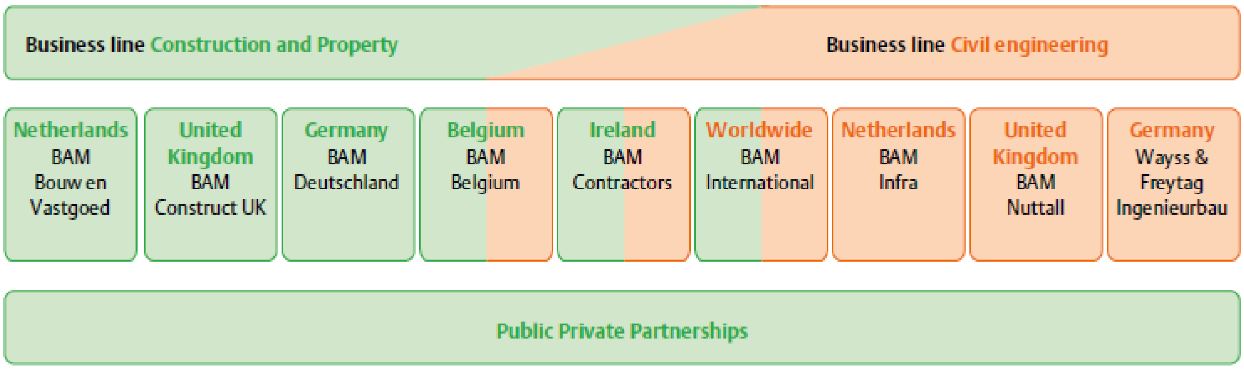
Foreign exchange translation effects

The average exchange rate of the pound sterling versus the euro changed from 0.7265 in 2015 to 0.8130 in 2016. The closing rate as at 31 December 2016 was 0.8594 (31 December 2015: 0.7368). This impacted BAM's reported figures for 2016 as follows.

	Impact FX
Revenue	-€254 million
Adjusted result before tax	-€4.6 million
Order book year-end	-€445 million
Cash position year-end	-€33 million

Changes to reporting

With effect from the fourth quarter of 2016, BAM has changed its reporting sectors to align with its implemented strategy. The ten operating companies now report as three sectors: Construction and Property, Civil engineering and Public-private partnerships (PPP). The Construction and Property activities are now managed and reported as one integrated business line. In addition, some activities in Ireland, Belgium and at BAM International have been reclassified from Civil engineering to Construction and Property. The reporting sector PPP was unchanged. The annex contains restated data for 2015 full year and per quarter in 2016, reconciling the prior and new reporting sectors. Note that the changes to reporting sectors do not affect the disclosure of revenue and results by geography.



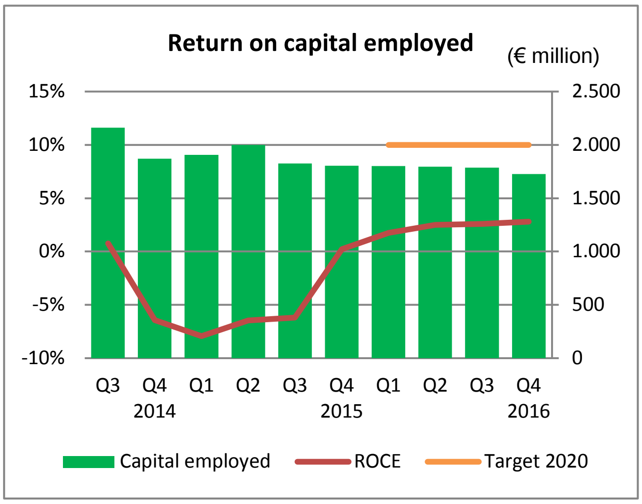
Strategy execution

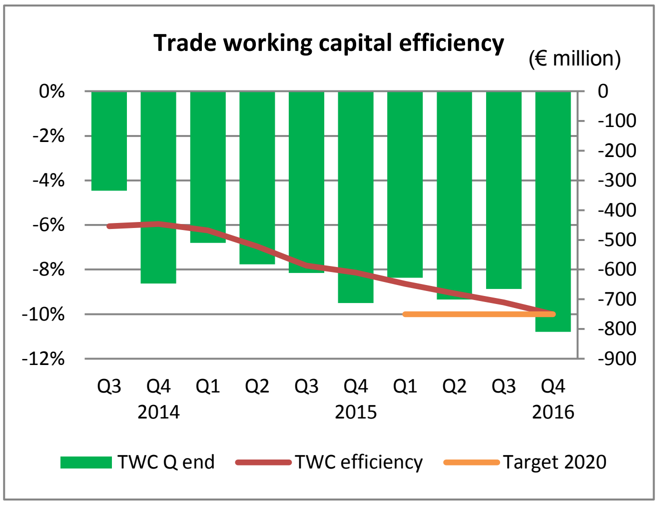
BAM's top priority in 2016 was implementing the strategy 'Building the present, creating the future.' This progress is reflected in the development of the key performance indicators against the targets for the period 2016-2020:

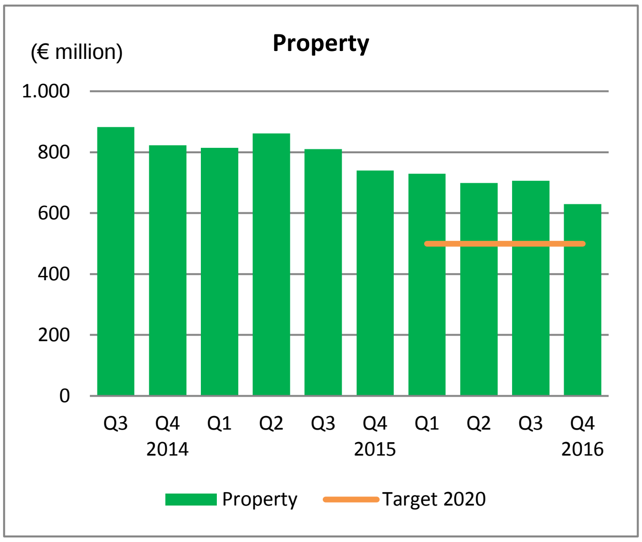
- Return on Capital Employed[1] was 2.8% compared to 0.2% in 2015 (target: > 10%). The improvement was mainly due to higher results.
- The adjusted pre-tax margin[2] improved to 1.5% from 1.2% in 2015 (target: between 2% and 4%). This reflected the improving quality of new order intake, de-risking of older projects and better cost efficiency. The margin in civil engineering expanded to 2.9% in 2016.
- Trade working capital efficiency[3] improved by 1.9% points to reach the 2020 target of -10%. This was mainly driven by new contracts with better conditions and continued focus on working capital in the business.
- The property portfolio reduced by €110 million to €630 million (target: below €500 million). This resulted from divestments, impairments and ongoing development of existing and new equity light projects.
- The capital ratio[4] at year end was 19.7% versus 21.2% a year earlier (target: towards 25%) due to pound sterling translation and actuarial losses on pensions caused by lower interest rates.
- The Incident Frequency[5] for 2016 was 4.8 (target: <3.5) compared to 4.5 in the previous year.
- CO2 emissions reduced by 12% to 203 kilotonnes (2015: 230 kilotonnes) and Construction and office waste reduced by 8% to 148 kilotonnes (2015: 161 kilotonnes).

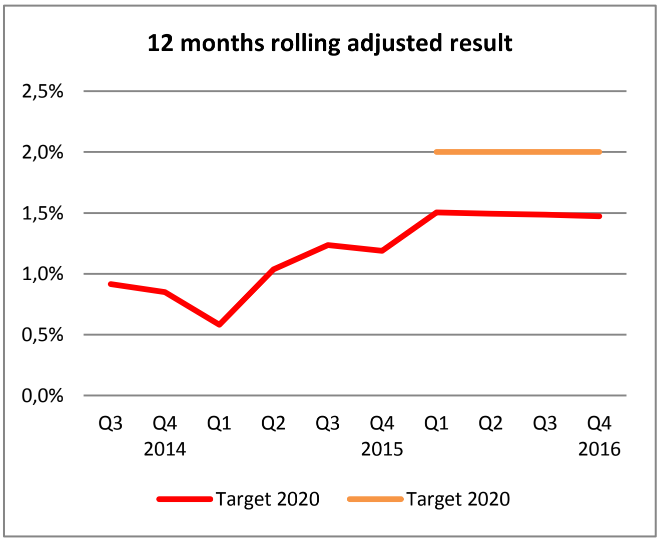
[1] *Rolling year EBIT divided by the average capital employed.*
[2] *Result before tax excluding restructuring costs and other exceptional costs, impairment charges and pension one-off as percentage of revenue.*
[3] *The average four quarters' trade working capital divided by rolling year revenue.*
[4] *Capital base (shareholder equity plus subordinated convertible bonds) divided by total assets.*
[5] *The total number of industrial accidents leading to absence from work per million hours worked on construction sites.*

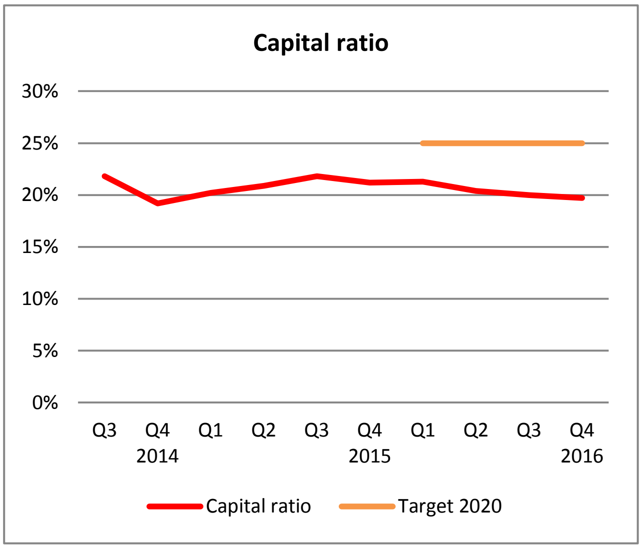
KPIs

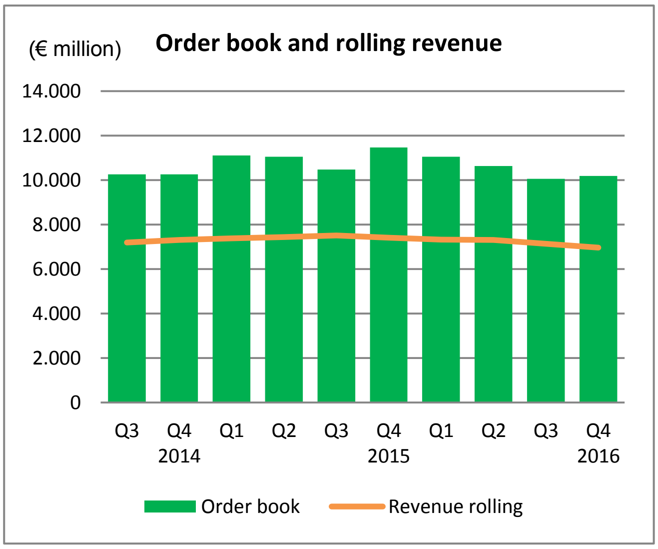

Return on capital employed
(€ million)
15%
10%
5%
0%
-5%
-10%
2.500
2.000
1.500
1.000
500
0
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
Capital employed
ROCE
Target 2020


Trade working capital efficiency
(€ million)
0%
-2%
-4%
-6%
-8%
-10%
-12%
0
-100
-200
-300
-400
-500
-600
-700
-800
-900
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
TWC Q end
TWC efficiency
Target 2020


(€ million)
Property
1.000
800
600
400
200
0
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
Property
Target 2020


12 months rolling adjusted result
2,5%
2,0%
1,5%
1,0%
0,5%
0,0%
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
Target 2020
Target 2020


Capital ratio
30%
25%
20%
15%
10%
5%
0%
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
Capital ratio
Target 2020


(€ million)
Order book and rolling revenue
14.000
12.000
10.000
8.000
6.000
4.000
2.000
0
Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2014 2015 2016
Order book
Revenue rolling

Market conditions

- Netherlands non-residential construction and property: demand for offices and retail space was weak with signs of stabilisation and opportunities for redevelopment going forward.
- Netherlands residential construction and property: despite growing demand, new build residential volumes are lagging because of the reduced capacity for zoning and permitting at local governments. The markets continue to develop along the twin track.
- UK: markets were generally stable during 2016. So far, Brexit has had limited impact on civil engineering and construction markets.
- Germany: construction and civil engineering markets improved slowly during the year. The longer term outlook for public infrastructure, including PPP, remains promising.
- Belgium: civil engineering remains subdued with long lead times and delays for public infrastructure. Other markets are stable.
- Ireland: positive momentum; construction activity recovering faster than civil engineering.
- International: continuing weak demand oil and gas market; opportunities in selected on-shore markets.

Order book development

(x € million)	**31 December 2016**	31 December 2015*
Construction and Property	**6,264**	6,559
Civil engineering	**3,950**	4,895
PPP	**342**	558
Eliminations and miscellaneous	**-356**	-512
Total	**10,200**	11,500

* Restated for new sectors

Of the reported decrease in the total order book, €0.4 billion related to currency effects and €0.2 billion to a civil engineering project cancellation in Belgium in the first quarter. Other factors in the development of the order book over the year were adverse market conditions in: Dutch non-residential construction and Property; Belgian (Wallonia) civil engineering; and International oil and gas. So far, Brexit has not had any material impact on the UK order book in local currency. The percentage of the UK revenue for 2017 secured at year end was slightly lower compared to prior year. BAM continues to monitor developments related to Brexit closely.

The overall quality of the order book continued to improve during 2016 due to ongoing tender discipline. The backlog of older projects was €0.3 billion at the end of 2016 (end-2015: €1.3 billion) and the costs of these projects are de-risked. The final accounts of the older projects are in the process of being settled with the clients.

Income statement

(x € million)	**Full year 2016**		Full year 2015*	
Analysis by sector	**Revenue**	**Result**	Revenue	Result
Construction and Property	**4,124**	**3.5**	4,202	15.1
Civil engineering	**2,899**	**83.4**	3,260	66.6
Public Private Partnerships (PPP)	**197**	**17.1**	185	18.7
Eliminations and miscellaneous	**-244**	**-**	-224	-
Total sectors	**6,976**	**104.0**	7,423	100.4
Group overhead		**0.5**		-9.6
Group interest charge		**-1.8**		-2.6
Adjusted result before tax		**102.7**		88.2
Restructuring		**-33.5**		-38.6
Impairments		**-50.7**		-39.1
Pension one-off		**41.6**		2.8
Result before tax		**60.1**		13.3
Income tax		**-10.9**		-2.3
Non-controlling interest		**-2.4**		-0.8
Net result		**46.8**		10.2

* Restated for new sectors

(x € million)	**Full year 2016**		Full year 2015	
Analysis by geography*	**Revenue**	**Result**	Revenue	Result
The Netherlands	**2,615**	**35.7**	2,542	6.5
United Kingdom	**2,106**	**42.9**	2,297	25.2
Belgium	**742**	**6.7**	839	15.1
Ireland	**360**	**21.7**	384	9.9
Germany	**836**	**-17.8**	930	7.2
PPP	**197**	**17.1**	185	18.7
International	**323**	**-2.3**	446	17.8
Eliminations and miscellaneous	**-203**	**-**	-200	-
Total sectors	**6,976**	**104.0**	7,423	100.4

* Geography defined on where the operating company is based

BAM's total revenue of €6,976 million was €447 million (6%) below the level of 2015, of which €254 million was attributable to the weaker pound sterling and €45 million to divestments of non-core activities in the Netherlands and Belgium.

The adjusted result before tax improved to €102.7 million, up by €14.5 million despite an adverse foreign exchange effect of €4.6 million. The main driver for the improvement was Civil Engineering where the margin was 2.9%, despite the small loss at International. Results at Construction and Property were supported by commercial property transactions and the turnaround in the Netherlands. This offset the negative result at non-residential construction in Germany of €33.3 million. PPP showed a steady performance from the existing portfolio. Group overhead included the release of a dividend provision in the first quarter of 2016 (€9.7 million) related to the divestment of BAM's 21.5% stake in Van Oord in 2011.

The total restructuring costs were €33.5 million (2015: €38.6 million). Two thirds of these costs were for strategy implementation and one third for mixed market conditions. In the Netherlands, Construction and Property have been integrated into one operating company. In Germany, the construction activities are being refocused from operating nationwide to targeted regions. Adjustments for market conditions were made in Belgium civil engineering, non-residential construction in the Netherlands and at BAM international.

The total non-cash impairments in 2016 of €50.7 million, of which €43.9 million on Dutch property. Of this, €13.7 million results from the strategic divestment of 47 positions in north east of the Netherlands announced in November. The rest is attributable to lower rental prices for retail property (€13 million) and municipality changes in zoning. Other impairments of €6.8 million were for the Irish land bank and fixed assets.

The pension one-off benefit was predominantly due to changes in BAM's UK and Irish pension schemes to reduce future liabilities.

Cash flow[1]

(x € million)	**Full year 2016**	Full year 2015
Group: net cash result[2]	**90**	85
Investments (in)tangible fixed assets	**-55**	-53
Trade working capital[3]	**116**	31
Net Investment:		
Property	**-1**	71
PPP	**7**	-6
Other changes in working capital	**27**	-33
Business cash flow	**184**	95
Dividend	**-2**	-
Restructuring	**-33**	-54
Pensions (additional)	**-12**	-36
Other	**-35**	8
Increase in cash position	**102**	13

[1] These metrics are not directly compatible with the IFRS-based condensed cash flow statement.
[2] Net cash result is net result excluding depreciation, impairments, cash out related to restructuring, movements of provisions and book profit on sale of PPP projects.
[3] Working capital excluding property positions, PPP receivables, assets and liabilities held for sale, derivatives, provisions, taxes, other receivables and other payables.

The business cash flow almost doubled in 2016. This was mainly driven by the continuous improvement of the trade working capital in the sectors Construction and Property and Civil engineering. The trade working capital efficiency (defined as average four quarter-end trade working capital as a percentage of rolling four quarters revenue) improved to -10% at year-end 2016 (year-end 2015: -8.1%).

Cash flow from property reduced in 2016, after the successful divestments in 2014 and 2015 of most of BAM's non-residential finished properties.

The other changes in working capital relate mainly to joint operations, where there was a cash outflow at the end of 2015 which reversed in 2016.

The cash outflow from restructuring in 2016 relates mainly to the successful completion of the Back in shape programme. The additional pension payments decreased reflecting the reduced risks of BAM's UK pension schemes.

The Other cash included a €33 million negative translation effect of the pound sterling (2015: positive effect €10 million).

Financial position

(x € million)	**31 December 2016**	31 December 2015
Cash position	**739**	637
Interest-bearing debts	**612**	597
Net cash position	**127**	40
Recourse cash position	**495**	359
Shareholders' equity	**834**	902
Capital base	**947**	1,026
Balance sheet total	**4,812**	4,852
Capital ratio	**19.7%**	21.2%
Capital employed year end	**1,728**	1,804
Return on average capital employed	**2.8%**	0.2%

The net cash position improved further in 2016 due to the strong cash flow for the year, despite the €33 million cash out for restructuring and €33 million translation loss on the pound sterling.

In November 2016 the revolving credit facility was refinanced until 2022 for the amount of €400 million on improved terms. At year-end 2016, the use of the revolving credit facility was nil (2015: nil).

The capital base reduced due to the weaker pound sterling (€66 million) and actuarial losses on pensions (€53 million) as interest rates were lower. In combination with a somewhat lower balance sheet total, the capital ratio was 19.7% at year end. During the year the subordinated bank loan of €125 million was replaced by subordinated convertible bonds (due in 2021) for the same amount.

The improvement in return on capital employed was mainly due to the higher result for the year, as well as a slightly lower capital employed.

The Group was within the limits of all its banking covenants as at 31 December 2016; the recourse leverage ratio was negative 3.84 (limit ≤ positive 2.5), the recourse interest coverage ratio 8.62 (≥ 4.0) and the recourse solvency ratio 29% (≥ 15%).

Sector performance

At Construction and Property revenue was €4,124 million, which was lower by €78 million compared to 2015 due to the impact of the pound sterling (-€157 million). Revenue rose in the UK, Ireland and the Netherlands. There was a shortfall in revenues in Germany due to project postponements and refocusing the activities on targeted regions. Revenue in Belgium reduced because of fewer property transactions.
The total sector result was €3.5 million including a property development result of €26.7 million (see annex 9), mainly from commercial property in the UK and Ireland. The Dutch non-residential Construction and Property restored profitability in 2016. In Germany, there was a loss of €33.3 million from lower volumes, settlements at older projects and subcontractor bankruptcies. This business is expected to be profitable in 2017. At Dutch residential Construction and Property, house sales (2,158) were broadly in line with the prior year (2,187). Despite growing demand for new build houses, development opportunities were limited by reduced planning and zoning capacity at municipalities. Margins here remained low.
The year-end order book was lower by €295 million, mostly caused by the weaker pound (-€236 million), and market conditions in Dutch non-residential. The order book in the UK was slightly down on a constant currency basis. The order book in other countries was higher.

The total investment in property reduced by €110 million to €630 million at the end of 2016. These investments were financed by €69 million recourse property loans (year-end 2015: €80 million) and €86 million non-recourse property loans (year-end 2015: €116 million).

In Civil engineering, revenue reduced by €361 million to €2,899 million, of which €94 million currency effect. This was due to lower revenue from large multi-disciplinary projects in the UK, BAM International and in Belgium. Revenue in the Netherlands grew by 6%. Margins in BAM's home markets were above 2%. At BAM International, although total project results were positive, there was a loss due to lower revenue and increased tender cost linked to refocusing to selected on-shore markets. The movement in the sector order book of -€945 million mainly came from negative currency effects, the project cancellation in Belgium in the first quarter and adverse market conditions in Belgium and International oil and gas. The order book in the UK reduced; the percentage of the UK revenue for 2017 secured at year end was slightly lower compared to prior year.

PPP had another good year, with a result of €17.1 million coming mostly from existing portfolio. Three projects were transferred to the joint venture with PGGM with a small book profit. During the year, PGGM increased its commitment to the joint venture making the total funding commitment to the joint venture €775 million. At year end, €387 million of this had been invested and €107 million committed to projects. The order book reduced due to progress on the construction of projects and the absence of new project wins in 2016. The pipeline of active bids remains healthy with decisions expected in 2017 and beyond. The total directors' valuation of the PPP portfolio as at the end of 2016 was €238 million, which included €73 million of unrealised value.

Dividend

BAM proposes a dividend of 9 euro cents per ordinary share for 2016 (2015: 2 cents). This equates to a payout ratio of 50% (2015: also 50%) in line with BAM's policy to pay out 30 to 50% of the net result for the year. For the proposal of the dividend, the company takes into account the balance sheet structure supporting the strategic agenda 'Building the present, creating the future' and the interests of the shareholders. Subject to approval by the Annual General Meeting on 19 April 2017, this will be paid in cash with a scrip alternative on 17 May 2017.

Outlook 2017

For 2017, BAM expects the revenue to be slightly lower and the adjusted result before tax to be higher than the level of 2016. BAM anticipates a significantly lower restructuring charge compared to 2016.

Bunnik, the Netherlands, 20 February 2017

Executive Board, Royal BAM Group nv:
R.P. van Wingerden, CEO
T. Menssen, CFO
E.J. Bax, COO

Live webcast

The Executive Board of Royal BAM Group will present the full year results 2016 on 21 February 2017 during an analysts' meeting at 10 a.m. (in English). This meeting can be followed via a live video webcast.

Further information

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Analysts: Joost van Galen, +31 (0)30 659 87 07, joost.van.galen@bam.com

Annexes

1. Condensed consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated balance sheet
4. Condensed consolidated statement of changes in equity
5. Condensed consolidated cash flow statement
6. Statement by sector
7. Figures per ordinary share with a par value of €0.10
8. Explanatory notes
9. Reconciliation new reporting sectors

Royal BAM Group nv

1. Condensed consolidated income statement

(x € million)

	Full year 2016	Full year 2015
Continuing operations		
Revenue	**6,976.1**	7,422.9
Operating result before depreciation, amortisation and impairment charges and restructuring costs	**181.5**	139.5
Depreciation and amortisation charges	**-64.4**	-70.5
Impairment charges	**-50.7**	-41.1
Restructuring costs	**-33.5**	-38.6
Operating result	**32.9**	-10.7
Finance income	**31.8**	34.5
Finance expense	**-24.5**	-23.5
Total finance income and expense	**7.3**	11.0
Share of results of investments	**19.9**	11.0
Share of impairment charges in investments	**-**	2.0
Result before tax	**60.1**	13.3
Income tax	**-10.9**	-2.3
Result from continuing operations	**49.2**	11.0
Discontinued operations		
Result from discontinued operations	**-**	-
Net result for the period	**49.2**	11.0
Attributable to:		
Non-controlling interests	**2.4**	0.8
Net result attributable to shareholders of the Company	**46.8**	10.2
	49.2	11.0
Net result attributable to ordinary shareholders of the company	**0.17**	0.04
Net result attributable to shareholders of the company (diluted)	**0.17**	0.04

2. Condensed consolidated statement of comprehensive income
(x € million)

	Full year 2016	Full year 2015
Net result for the period	**49.2**	11.0
Items that will be reclassified to profit or loss, net of tax		
Cash flow hedges	**-0.1**	4.1
Exchange rate differences	**-65.9**	26.4
Items that will not be reclassified to profit or loss, net of tax		
Remeasurements of post-employment benefit obligations	**-53.2**	37.1
Other comprehensive income	**-119.2**	67.6
Total comprehensive income	**-70.0**	78.6
Attributable to:		
Non-controlling interests	**2.1**	1.1
Shareholders of the Company	**-72.1**	77.5
	-70.0	78.6

3. Consolidated statement of financial position

(x € million)

	31 December 2016	31 December 2015
Non-current assets		
Property, plant and equipment	**270.2**	292.2
Intangible assets	**390.0**	416.1
PPP receivables	**296.4**	279.1
Investments	**85.9**	94.1
Other financial assets	**92.0**	98.3
Derivative financial instruments	**-**	1.0
Employee benefits	**62.8**	74.7
Deferred tax assets	**248.8**	251.7
	1,446.1	1,507.2
Current assets		
Inventories	**645.4**	758.7
Trade and other receivables	**1,934.5**	1,891.8
Income tax receivable	**6.2**	9.3
Derivative financial instruments	**1.0**	6.2
Cash and cash equivalents	**738.6**	637.2
	3,325.8	3,303.2
Assets held for sale	**40.2**	41.8
Total assets	**4,812.1**	4,852.2
Equity attributable to the shareholders of the Company		
Share capital	**839.3**	839.3
Reserves	**-170.2**	-104.5
Retained earnings	**165.2**	167.4
	834.3	902.2
Non-controlling interests	**5.1**	3.6
Total equity	**839.4**	905.8
Non-current liabilities		
Borrowings	**463.5**	511.9
Derivative financial instruments	**20.3**	33.9
Employee benefits	**144.7**	151.7
Provisions	**86.1**	84.9
Deferred tax liabilities	**26.3**	31.0
	740.9	813.4
Current liabilities		
Borrowings	**148.1**	85.5
Trade and other payables	**3,004.4**	2,895.7
Derivative financial instruments	**4.4**	16.7
Provisions	**55.8**	65.3
Income tax payable	**14.8**	23.3
	3,227.5	3,086.5
Liabilities held for sale	**4.3**	46.5
Total equity and liabilities	**4,812.1**	4,852.2
Capital base	**946.7**	1,026.5

4. Condensed consolidated statement of changes in equity

(x € million)

	Full year 2016	Full year 2015
As at 1 January	**905.8**	830.7
Net result for the period	**49.2**	11.0
Fair value cash flow hedges	**-0.1**	4.1
Remeasurements of post-employment benefit obligations	**-53.2**	37.1
Exchange rate differences	**-65.9**	26.4
Other comprehensive income	**-119.2**	67.6
Total comprehensive income	**-70.0**	78.6
Dividends paid (including non-controlling interests)	**-2.5**	-0.7
Other changes	**6.0**	-2.8
Total change	**-66.5**	75.1
Position as at period-end	**839.3**	905.8

5. Condensed consolidated statement of cash flows
(x € million)

	Full year 2016	Full year 2015
Net result for the period	**49.2**	11.0
Adjustments for:		
- Income tax	**10.9**	2.3
- Depreciation and amortisation charges	**64.4**	70.5
- Impairment charges	**50.7**	41.1
- Impairments in associates and joint ventures	**-**	-2.0
- Result on sale of subsidiaries	**-0.3**	-
- Result on sale of PPP projects	**-4.4**	-5.2
- Result on sale of property, plant and equipment	**-6.3**	-4.6
- Share based payments	**0.6**	0.3
- Share of result of investments	**-19.8**	-11.0
- Finance income and expense	**-7.3**	-11.0
- Interest received	**10.9**	11.8
- Dividends received from investments	**13.0**	13.3
Changes in provisions and pensions	**-62.5**	-69.6
Changes in working capital (excluding cash and cash equivalents)	**176.4**	91.1
Cash flow from operations	**275.5**	138.0
Interest paid	**-38.4**	-38.2
Income tax received / (paid)	**-14.5**	-10.0
Net cash flow from ordinary operations	**222.6**	89.8
Investments in PPP receivables	**-189.8**	-195.4
Repayments of PPP receivables	**35.1**	63.8
Net cash flow from operating activities	**67.9**	-41.8
Investments in non-current assets	**-94.6**	-103.4
Divestments and repayments of non-current assets	**31.2**	33.1
Sale of subsidiaries	**-2.3**	-
Sale of PPP projects	**16.6**	35.0
Other investment activities	**-0.9**	-
Net cash flow from investing activities	**-50.0**	-35.3
Proceeds from borrowings	**312.2**	214.2
Repayments of borrowings	**-190.0**	-130.1
Dividends paid (including non-controlling interests)	**-2.5**	-0.7
Repurchase of ordinary shares for performance share plan	**-2.5**	-3.1
Net cash flow from financing activities	**117.2**	80.3
Change in net cash and cash equivalents	**135.1**	3.2
Cash and cash equivalents at beginning of the year	**637.2**	624.3
Change in cash and cash equivalents assets and liabilities held for sale	**-0.6**	-0.4
Exchange rate differences on cash and cash equivalents	**-33.1**	10.1
Net cash position at period-end	**738.6**	637.2
Cash and cash equivalents	**738.6**	637.2
Bank overdrafts	**-**	-
Net cash position at period-end	**738.6**	637.2
Of which in joint operations:	**223.0**	181.2

6. Segment information

(x € million)

Results and revenue from continuing operations	Full year 2016 Result	Full year 2016 Revenue	Full year 2015 Result	Full year 2015 Revenue
Construction and Property	**3.5**	**4,124**	15.1	4,202
Civil engineering	**83.4**	**2,899**	66.6	3,260
Public Private Partnerships (PPP)	**17.1**	**197**	18.7	185
Eliminations and miscellaneous	**-**	**-244**	-	-224
Total for continuing operations	**104,0**	**6,976**	100.4	7,423
Group overhead	**0.5**		-9.6	
Group interest charge	**-1.8**		-2.6	
Adjusted result before tax	**102.7**		88.2	
Restructuring	**-33.5**		-38.6	
Impairment charges	**-50.7**		-39.1	
Pension one off	**41.6**		2.8	
Result before tax	**60.1**		13.3	
Income tax	**-10.9**		2.3	
Net result from continuing operations	**49.2**		11.0	
Net result from discontinued operations	**-**		-	
Net result for the period	**49.2**		11.0	
Non-controlling interests	**-2.4**		-0.8	
Net result attributable to shareholders	**46.8**		10.2	

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

(x €1, unless indicated otherwise)

	Full year 2016	Full year 2015
Net result attributable to shareholders of the company	**0.17**	0.04
Net result attributable to shareholders of the company (diluted)	**0.17**	0.04
Cash flow (net result plus depreciation, amortisation and impairment charges divided by number of shares ranking for dividend)	**0.60**	0.44
Equity attributable to shareholders of the company	**3.08**	3.34
Highest closing share price	**5.02**	5.16
Lowest closing share price	**2.97**	2.22
Closing share price at period-end	**4.39**	5.13
Number of shares ranking for dividend (x 1,000)	**270,622**	270,394
Average number of shares ranking for dividend (x 1,000)	**270,503**	270,957
Number of shares ranking for dividend diluted (x 1,000)	**294,547**	270,394
Average number of shares ranking for dividend diluted (x 1,000)	**283,643**	270,957

8. Explanatory notes

The financial summaries on pages 11 to 16 inclusive are drawn from the audited financial statements of Royal BAM Group nv for 2016 (the 'financial statements'). An unqualified auditor's opinion was issued on these financial statements on 20 February 2017. The financial summaries must be read in conjunction with the financial statements from which they are derived, and also in conjunction with the unqualified auditor's opinion. The financial statements will be available on the company's website (www.bam.com) in digital format by 8 March 2017 at the latest.

8.1 Explanatory note on the cash flow analysis

The business cash flow analyses in this press release is an Alternative Performance Measure (APM) that is used by management and that BAM wishes to use, because BAM is of the opinion that this business cash flow provides additional insight for stakeholders in the Group's cash movements on top of the cash flow statement according to IFRS. This business cash flow cannot be fully reconciled to the IFRS cash flow statement. Explanations of the line items in our business cash flow are given below.

- Group: net cash result: cash flow from net result, excluding non-cash items in net result such as depreciation, amortization, impairment, and excluding cash flows relating to restructuring activities, but including interest and tax cash flows.
- Investment tangible fixed assets: net investment in (in)tangible fixed assets.
- Trade working capital: cash flow from working capital. Cash flow from trade working capital excludes cash flows from land and building rights, property development, PPP receivables, other financial assets, other receivables, taxes, derivative financial instruments, provisions, other liabilities and assets and liabilities held for sale.
- Net investment in:
    - Property: net cash investment in land and building rights and property development, taking into account the cash flow from property financing (project specific funding). Also included are the cash flows resulting from our investments in property development associates and joint ventures.
    - PPP: net cash investment in PPP projects, taking into account the cash flow from PPP loans (project specific funding). Also included are the cash flows resulting from our equity investments in PPP joint ventures, as well as the cash inflows from the transfers of operational PPP projects to the BAM PPP/PGGM joint venture.
- Other changes in working capital: cash flow from other working capital items that are not included in trade working capital.
- Dividend: payment of cash dividend to the shareholders of the company.
- Additional pension payments: cash payments relating to the contractually agreed repair deficit contributions.
- Restructuring: cash flow from restructuring activities.
- Other: other cash flow items, such as the currency translation effects of the Pound sterling, the net proceeds from divestment of subsidiaries, repurchase of shares relating to our Performance Share Plan, and corporate funding activities (funding that is not project specific).

9. Reconciliation new reporting sectors

(x € million)	3M16		6M16		9M16		FY16		FY15		FY16	FY15
	Revenue	**Result**	**Revenue**	**Result**	**Revenue**	**Result**	**Revenue**	**Result**	**Revenue**	**Result**	**Order book**	
Construction and M&E services	708	-15,4	1,620	-23,8	2,441	-30,4	3,299	-32,2	3,266	-9,2	4,182	4,608
Property development	115	8,0	204	18,2	253	25,1	363	26,7	474	15,5	870	797
Transfer from Civil engineering	139	2,1	311	1,1	449	1,2	625	9,0	666	7,8	1,500	1,377
Elimination	-42	0,0	-88	0,0	-126	0,0	-163	0,0	-204	1,0	-288	-223
Construction and Property	**920**	**-5,3**	**2,047**	**-4,5**	**3,017**	**-4,1**	**4,124**	**3,5**	**4,202**	**15,1**	**6,264**	**6,559**
Civil engineering	758	3,5	1,671	35,8	2,531	52,6	3,524	92,4	3,926	74,4	5,450	6,272
Transfer to Construction and Property	-139	-2,1	-311	-1,1	-449	-1,2	-625	-9,0	-666	-7,8	-1,500	-1,377
Civil engineering	**619**	**1,4**	**1,360**	**34,7**	**2,082**	**51,4**	**2,899**	**83,4**	**3,260**	**66,6**	**3,950**	**4,895**
PPP	**61**	**4,0**	**116**	**6,8**	**163**	**11,1**	**197**	**17,1**	**185**	**18,7**	**342**	**558**
Other / Eliminations	-100	0,0	-207	0,0	-314	0,0	-407	0,0	-428	1,0	-644	-735
Change in elimination	42	0,0	88	0,0	126	0,0	163	0,0	204	-1,0	288	223
Other / Eliminations	**-58**	**0,0**	**-119**	**0,0**	**-188**	**0,0**	**-244**	**0,0**	**-224**	**0,0**	**-356**	**-512**
Total sectors	**1,542**	**0,1**	**3,404**	**37,0**	**5,074**	**58,4**	**6,976**	**104,0**	**7,423**	**100,4**	**10,200**	**11,500**