

Royal BAM Group nv

First nine months 2010

Press and analysts' meeting

Amsterdam, 18 November 2010



BAM forecasts break-even result for 2010 despite property impairments

- Net result for the first nine months of 2010: -€45.5 million (2009: €65.4 million)
- Revenue for the first nine months of 2010: €5,271 million (2009: €5,954 million)
- All sectors profitable, except Property
- Stable order book: €12.3 billion (+11% on year-end 2009)

Construction

	9M10	9M09	Δ
Revenue	2,190	2,588	-15%
- organic:			-16%
- currency:			+1%
Result ¹⁾	61.8	73.7	
Margin	2.8%	2.8%	
Order book	4,814	4,942	-3%

(in € million, unless stated otherwise)

1) Result before tax

- Good results by the Dutch operating companies with reduced revenues
- Reduced revenues and results in the United Kingdom
- Good margin in Germany with sharply reduced revenues
- Good, but reduced contribution to the result by Belgium

Property

	9M10	9M09	Δ
Revenue	412	584	-30%
- organic:			-30%
- currency:			+0%
Result ¹⁾	-57.0	-81.0	
Margin	Neg.	Neg.	
Order book	1,470	1,657	-11%

(in € million, unless stated otherwise)

1) Result before tax

- Operational loss on Dutch property activities: €50 million
- Impairment of Dutch property portfolio: €127 million
- Housing sales from own developments: 1,784 homes (same period in 2009: 1,104 homes)
- Additional provision in the United Kingdom: €6 million
- Result in Ireland: break-even
- Belgium maintains good result

Property Netherlands

	2010	2009
Proprietary property development home sales:		
Q1	553	195
Q2	674	520
Q3	557	389
Q4		879
Total	1,784	1,983
Stock of unsold and unlet premises :	9M10	2009
- homes under construction (number)	761	727
- homes finished (number)	192	62
- commercial property (m ²)	4,000	5,000

Property investments

	9M10	2009	9M09
Land and building rights	616	814	870
Property development	935	900	944
Total investments (a)	1,551	1,714	1,814
Non-recourse loans	459	503	484
Recourse loans	307	302	334
Total loans (b)	766	805	818
Net investments (a)–(b)	785	909	996

(in € million, unless stated otherwise)

Total investments:

- NL: 1,229 million
- UK: 164 million
- EI: 60 million
- BE: 98 million

Property investments

	Land and building rights*		Property development*		Total
	Commercial	houses	Commercial	houses	
NL	53	523	206	446	1,228
UK	-	-	165	-	165
EI	5	30	10	15	60
BE	5	-	93	-	98
Total	63	553	473	461	1,551

(in € million)

*Combined housing-/commercial developments are broken down

Civil engineering

	9M10	9M09	Δ
Revenue	2,580	2,796	-8%
- organic:			-9%
- currency:			+1%
Result ¹⁾	56.2	72.0	
Margin	2.2%	2.6%	
Order book	5,254	4,774	+10%

(in € million, unless stated otherwise)

1) Result before tax

- Slightly increased revenue from Dutch civil engineering companies
- Strong order book in the United Kingdom
- Improved results from Belgian civil engineering companies
- Modest profit from Irish activities
- German results under pressure because of reduced revenues
- BAM International revenues sharply reduced with a good result

Public private partnerships

	9M10	9M09	Δ
Revenue	197	188	+5%
- organic:			+4%
- currency:			+1%
Result ¹⁾	6.1	1.2	
Margin	3.1%	0.6%	
Order book	1,373	843	+63%

(in € million, unless stated otherwise)

1) Result before tax

- Six new contracts in the first nine months of 2010
- Operational results as forecast
- Large number of tenders in progress

Public private partnerships: portfolio

PPP portfolio

	9M10	2009	9M09
Contracts in portfolio ¹⁾	32	27	28
<i>Of which:</i>			
- Operational	16	15	18
- Under construction	16	12	10

Balance sheet positions

	9M10	2009	9M09
PPS assets (intangibles, receivables)	921	728	771
Non-recourse PPP loans	853	670	705
Net PPP equity investment ²⁾			
- Actual	84	61	69
- Committed (approx.)	264	189	180

(in € million, unless stated otherwise)

¹⁾ Including two contracts in preferred bidder stage

²⁾ Including other assets and liabilities / non-consolidated PPP contracts

Mechanical and electrical contracting

	9M10	9M09	Δ
Revenue	198	180	+10%
- organic:			+10%
Result ¹⁾	4.4	6.4	
Margin	2.2%	3.5%	
Order book	439	427	+3%

in € million, unless stated otherwise)

1) Result before tax

- Reduced result from BAM Techniek with higher revenue

Consultancy and engineering

	9M10	9M09	Δ
Revenue	152	150	+2%
- organic:			+1%
- currency:			+1%
Result ¹⁾	9.9	9.0	
Margin	6.5%	6.0%	
Order book	107	94	+14%

in € million, unless stated otherwise)

1) Result before tax

- Good performance by Tebodin in current market

Dredging (stake 21,5% Van Oord)

	9M10	9M09	2009
Result contribution Van Oord	19,0	16,2	27,3
Book value stake in Van Oord	178,7	160,0	172,0

(in € million, unless stated otherwise)

Revenue and results per sector

	9M 2010		9M 2009	
	Revenue	Result ¹⁾	Revenue	Result ¹⁾
Construction	2,190	61.8	2,588	73.7
Property	412	-57.0	584	-81.0
Civil engineering	2,580	56.2	2,796	72.0
PPP	197	6.1	188	1.2
M & E contracting	198	4.4	180	6.4
Consultancy and engineering	152	9.9	150	9.0
Eliminations and other	-458	-1.3	-541	-1.0
Total sectors	5,271	80.1	5,945	80.3

(in € million, unless stated otherwise)

1) Result before tax

Key figures income statement

	9M10	margin	9M09	margin
Total result sectors	80.1	1.5%	80.3	1.3%
Group overhead	-12.1		8.7	
Group interest	-20.0		-28.3	
Operating activities	48.0		60.7	
Dredging	19.0		16.2	
Result before tax and impairment	67.0	1.3%	76.9	1.3%
Impairment property positions	-127.0		-44.0	
Impairment goodwill	0.0		-40.0	
Income tax	16.8		76.5	
Minority interest	-2.3		-4.0	
Net result	-45.5	-0.8%	65.4	1.1%

(in €1,-, unless stated otherwise)

Earnings per ordinary share

	9M10	9M09	2009
Net result	-0.23	0.38	0.18
Net result (fully diluted)	-0.23	0.38	0.18
Number of shares <small>(x 1,000)</small>	231,766	135,196	135,197
Average number of shares <small>(x 1,000)</small>	171,985	135,195	135,197
- idem; fully diluted	172,331	135,543	135,543
Adjusted for rights issue:			
Average number of shares <small>(x 1,000)</small>	194,888	172,193	172,193
- idem; fully diluted	195,329	172,636	172,636

(in €1,-, unless stated otherwise)

Key figures balance sheet

	9M10	2009	9M09
Balance sheet total	6,929	6,809	6,940
Shareholders' equity	967	875	873
Capital base	1,167	1,077	1,075
Capital ratio	16.8%	15.8%	15.5%
Cash	702	719	507
Net cash	700	715	316
Interest-bearing debt	2,240	2,107	2,341
Net debt position	1,538	1,388	1,835
Working capital (excl. net cash position)	72	71	494

(in € million, unless stated otherwise)

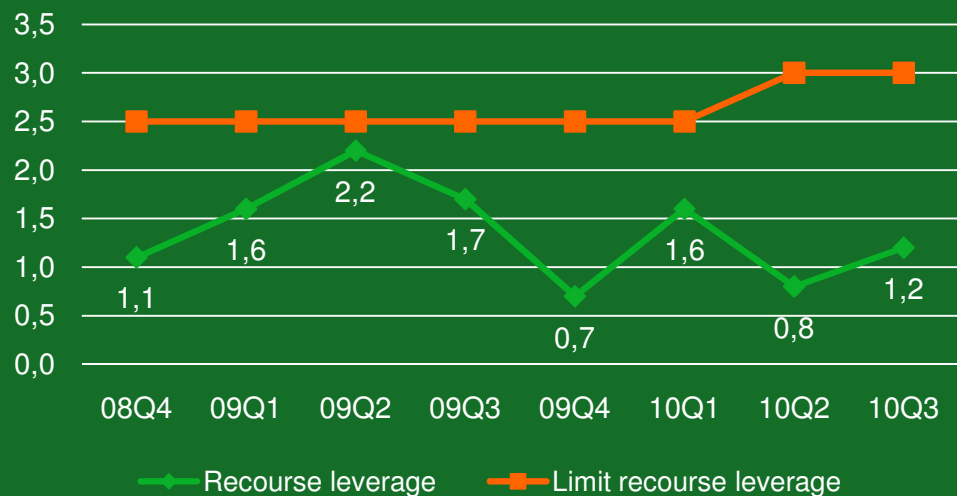
- Net cash:
 - Higher due to rights issue
 - Lower due to seasonal pattern
- Increase net debt position due to increase in non-recourse PPP loans
- Working capital
 - Higher due to seasonal pattern
 - Lower due to impairment property development

Breakdown of net debt position

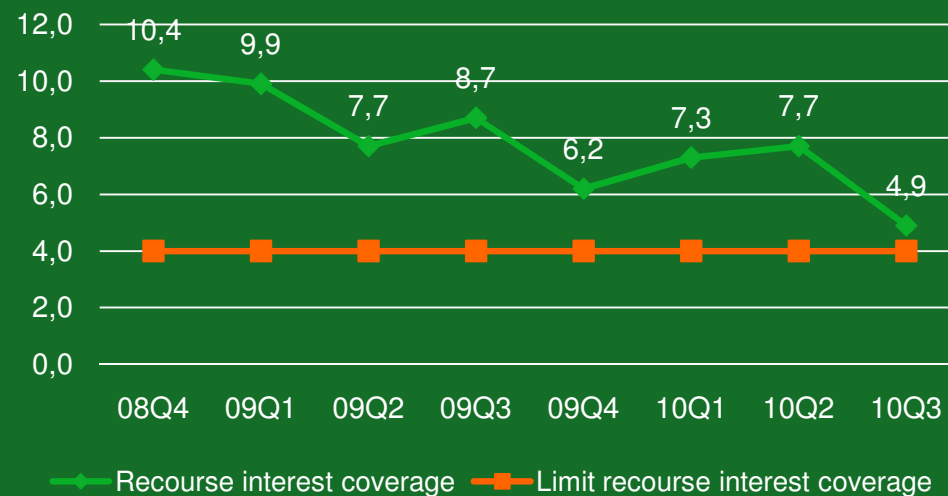
	9M10	2009	9M09
Non-recourse PPP loans	853	670	705
Non-recourse project financing	459	503	484
Other project financing	307	302	335
Total 'project related'	1,619	1,475	1,524
Subordinated loan	202	202	202
Loan BAM	360	360	360
Financial lease liabilities	38	48	49
Bank overdrafts and other loans	21	22	206
Total interest-bearing debts	2,240	2,107	2,341
Less: cash	-/- 702	-/- 719	-/- 507
Net debt position	1,538	1,388	1,834
Recourse net debt position	226	214	645

(in € million, unless stated otherwise)

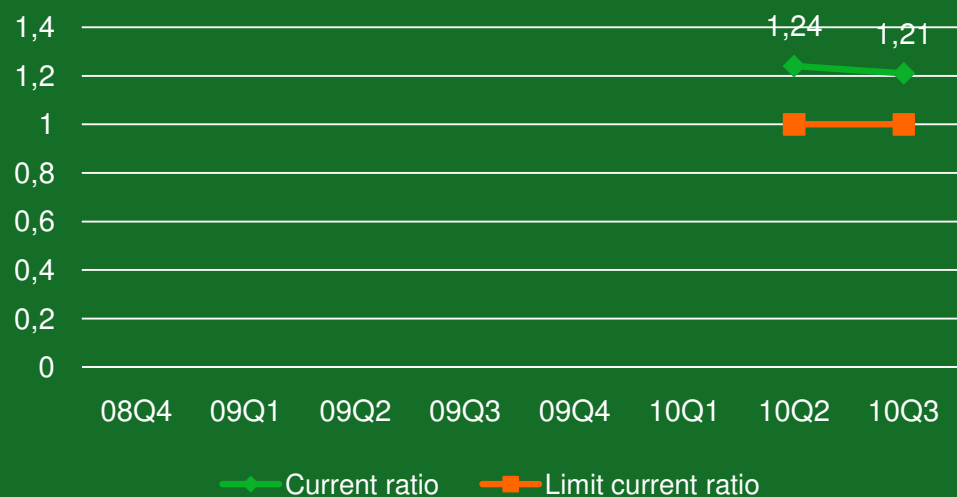
Recourse leverage ratio



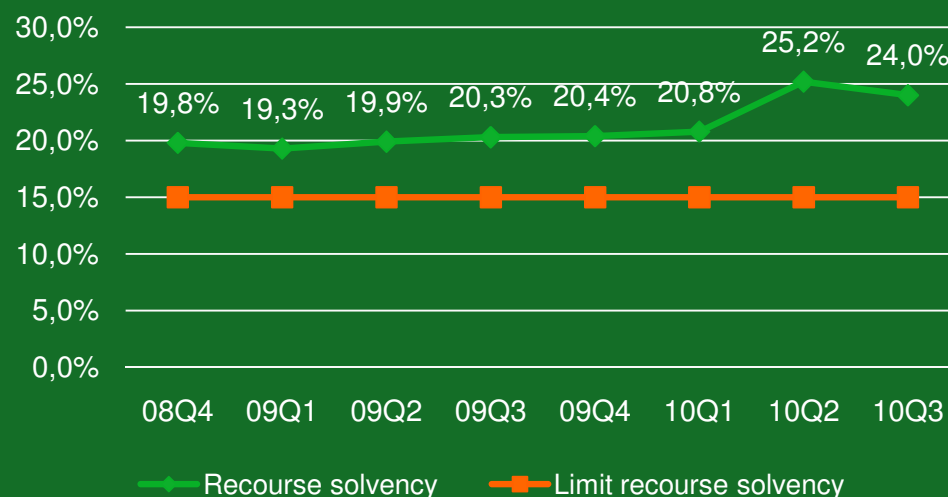
Recourse interest coverage ratio



Current ratio



Recourse solvency ratio



Order book

	Sept. 2010	Dec. 2009	Δ
Order book	12,300	11,100	+11%
- Organic			+10%
- Currency			+1%
To be executed*:			
- 2010	2,400	6,300	
- 2011 and after	9,900	4,800	
Expected revenue for remainder of the year in order book	Approx. 100%	Approx. 80%	

(in € million, unless stated otherwise)

* Approximate figures

- Increase primarily achieved in PPP, United Kingdom and Belgium

Turnover and result outlook 2010

Royal BAM Group forecasts a turnover of approximately €7.7 billion for 2010.

As forecast, BAM will report an approximately break-even net result for 2010 as a whole.

Questions & Answers