

## PRESS RELEASE

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# Good result for VolkerWessels

*Increased profits despite challenging market conditions*

- EBITDA result: €228 million (2013: €191 million)
- Net result: €121 million profit (2013: €90 million)
- Investment: €95 million (2013: €72 million)
- Revenue: €4.4 billion (2013: €4.5 billion)
- Order book: €5.8 billion (2013: €6.1 billion)

VolkerWessels posted a good result in 2014. Operating profit (EBITDA) grew by €37 million to €228 million, with fractionally lower operating revenue. Net profit rose to €121 million, an increase of €31 million compared to 2013. Multi-year contracts, mainly in management and maintenance, create a stable foundation for the company's future. The liquidity position is also developing well and VolkerWessels has a net positive cash position at the end of 2014.

Despite a slight decrease in volume the quality of our order book has improved, and remains strong. This is due to a good spread of activities combined with a growing number of multi-year contracts. These contracts generate a stable income flow, and are important building blocks for future revenue and results.

Jan van Rooijen, Chief Financial Officer, said: "Our Construction & Property Development Netherlands division is still contending with challenging market conditions. Although we are seeing tentative signs of a recovery in the lower end of the housing market, market conditions remain particularly challenging. The Infrastructure Netherlands division is also operating in tough market conditions. Reduced budgets at local and provincial level are causing overcapacity. This is creating unhealthy pressure on costs, with price differences of more than 25% no longer being unusual in public procurement processes. Heavy losses in the sector therefore come as no surprise."

Henry Holterman, Supervisory Board Chairman, said: "Because unacceptable risks are still being taken in the construction and infrastructure sector in the Netherlands, we expect the issues faced in the sector to persist in the coming years. VolkerWessels refuses to be dragged into these unhealthy market trends and prefers to distinguish itself through quality and innovation. We are pleased that once again we achieved positive operating results in all divisions. This performance is due, in part, to our willingness to innovate in a sustainable way and make selective investments. VolkerWessels focuses on entrepreneurship combined with financial and operational discipline."

### Key figures

(in millions of euros)	2014	2013 <sup>1</sup>
EBITDA	228	191
EBITDA margin	5.2%	4.2%
Net result	121	90
Revenue	4,400	4,519
Order book	5,774	6,085
Solvency	26%	26%

<sup>1</sup> With effect from 2014, the accounting principles applied for valuation and determination of the result were changed from IFRS to accounting principles in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code (Dutch-GAAP). The comparative figures for 2013 have been restated, leading to a change in the net result for 2013 from € 117 to € 90 million.

## **The Netherlands - Building & Property Development**

In Amsterdam, students at the VU University are getting a new, sustainable building, which we will build. The flexible space can be used for teaching, research and leisure. In the Rivierzone project, around 500 homes are being built in Vlaardingen. New build, demolition and renovation are totally transforming various parts of the city - including De Pier in Scheveningen, which we part-own. This historic structure will be re-opening to the public later this year. In 2014 we also delivered The Edge, the most sustainable office building in the world, and completed the renovation of the Oude Luxor theatre. In Amsterdam, we are working on the refurbishment of the Central Station.

## **The Netherlands – Infrastructure**

Near Badhoevedorp, we are enhancing the residents' quality of life by rerouting the A9. The motorway is being relocated to outside the town, which will also improve traffic flows. Improving traffic flows is also the main focus of the work on the Galecopper bridge, the second busiest bridge in the Netherlands which remains open to traffic, whilst we are carrying out extensive renovation. Along our waterways, we are involved in various projects for the national 'Ruimte voor de Rivier' programme, which will enhance the protection of our river regions. The new Máxima Canal and the Tweede Julianasluis sluice were also completed.

## **Energy & Telecoms**

We were awarded three major projects to lay cables to Dudgeon, Westermeerwind and Luchterduinen wind farms. We are also forging onshore connections, through our involvement in Randstad Noordring, the biggest electricity highway in the Randstad region. We are laying Internet connections too: one example being the rollout of 4G. In Eindhoven, we are helping to build the 'city of the future'. Smart City Eindhoven has won a European subsidy for this project. We have also successfully performed four horizontal directional drilling operations for Staatsolie, Suriname's state oil company.

## **VolkerWessels UK**

VolkerWessels UK continued to deliver numerous rail infrastructure projects, including train depots for Thameslink, Crossrail and the Intercity Express Programme, the extension of Gatwick Airport station and various rail upgrades and improvement works. The extension to Birmingham Airport's runway and associated diversion of the A45 were completed, together with highways maintenance and renewals schemes across London and at Junction 10A on the M1 motorway.

Numerous flood alleviation and water management schemes have been delivered for the environment agency and work is underway to deliver Berth 9 at Felixstowe docks. Significant infrastructure and building projects have also been undertaken for major commercial developments at London Gateway (the UK's newest container port), in central London and the South East, and a large multi-modal distribution facility at Daventry was completed.

## **VolkerWessels Canada/United States**

In Calgary, our Highways division successfully renewed the existing highway maintenance contract for a further two years. Our operating company H. Wilson has been awarded a ten-year contract for the maintenance of Fort McMurray International Airport. In the United States, we are undertaking three projects for Boeing. These involve infrastructural work to enable the airline company to expand.

### ***Note for the editors (not for publication):***

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### **About VolkerWessels**

VolkerWessels ([www.volkerwessels.com](http://www.volkerwessels.com)) is a Dutch construction group with a decentralised organisational structure and around 120 different companies. We operate in three geographical areas: The Netherlands, the UK and Canada/United States in three divisions: Construction & Property Development, Infrastructure and Energy & Telecoms. With approximately 15,000 employees, VolkerWessels constructs for living, working, mobility, energy and telecoms. We develop, design, construct, finance, manage and operate for our stakeholders: our customers, employees, shareholders, suppliers and society at large. VolkerWessels is a company that seizes opportunities and introduces sustainable innovation.