

**PRESS RELEASE - interim figures for 2014**

Amersfoort, 11 September 2014

## **Stable result for VolkerWessels in first six months**

### *Financial position further strengthened*

- Operating profit (EBITDA) in first semester: € 74 million (1<sup>st</sup> semester 2013: € 63 million)
- Net profit in first semester: € 35 million (1<sup>st</sup> semester 2013: € 32 million)
- Revenue in first semester: € 2.0 billion ( 1<sup>st</sup> semester 2013: € 2.0 billion)
- Order book at 30 June 2014: € 5.9 billion (year-end 2013: € 6.1 billion).

VolkerWessels posted a solid result in the first six months, despite the still worrying market conditions in a number of sectors in the Netherlands. Although there appear to be some prospects of improvements on the housing market in the Netherlands, Building & Property Development and the Infrastructure market are still affected by overcapacity, which continues to depress prices.

The robust overall performance is attributable to operational and financial discipline, an approach which combines capitalising on opportunities, whilst placing the focus on margin rather than volume, cost management and a healthy risk/return ratio. Once again, a number of new, high-profile contracts were secured, such as the construction of a university building for the VU University Amsterdam, work on 'Room for the River' programme, and the Dudgeon and Westermeerwind offshore projects.

Jan van Rooijen, CFO, said: "All sectors at VolkerWessels once again achieved a positive operating result. Our solid financial position enables us to exploit opportunities and invest in activities which impact positively on the future progression of our results. Agreement has been reached with seven banks on the continuation of our working capital financing until mid-2019. We are very pleased that the terms of this financing reflect our healthy financial position."

#### **Financing**

Net debt was again reduced in the first half of 2014. VolkerWessels' financial position was also further strengthened by the renewal of our working capital facilities. VolkerWessels has agreed a committed credit facility with a syndicate of seven banks. This new credit facility runs until 12 August 2019 and replaces a number of existing facilities of similar proportions, which were due to expire in 2015. The conditions for the new facility are largely the same as the conditions that applied to the existing facilities.

#### **Investments and acquisitions**

VolkerWessels stepped up its investment programme and invested € 48 million in equipment in the first six months of 2014. In addition to substantial investments in equipment for our UK rail activities and in Canada, we also purchased two new workboats for our offshore activities. We also commenced production at a new asphalt plant in Harderwijk and invested in our construction and supply companies for our new "future living" concept, MorgenWonen.

On the Dutch market for highway engineering consultancy and research, we consolidated our position with the acquisition of Surface Cracks. This company provides consultancy, undertakes research and carries out surveys for roads, airports, cycle paths and pedestrian zones.

We also took over the activities of PRS International. PRS works mainly for the petro-chemical industry and oil refineries, and specialises in cleaning, inspecting and calibrating pipe systems.

A letter of intent has been signed to take over the Meulen Groep's construction and development activities. Meulen is being merged with Aannemersbedrijf Louis Scheepers. Meulen Groep, comprising Meulen Projectontwikkeling and Meulen Bouw, was founded in 1928. The Weert-based company operates in the Southeast Netherlands and Belgium.

In Canada, we acquired the activities of Mainline Construction Ltd. Mainline Construction operates chiefly in the northwest of the province of Alberta. The company specialises in underground infrastructure and area development and is also active in the oil and gas industry around Grande Prairie.

## Key figures

(in millions of euros)	1st semester 2014	1st semester 2013*	Year-end 2013*
Revenue	2,034	1,978	4,324
EBITDA	74	63	197
EBITDA margin	3.6%	3.2%	4.6%
Net result	35	32	100
Order book	5,920	6,473	6,084
Employees	14,634	14,610	14,751

\* Figures adjusted for the purposes of comparison due to the deconsolidation of VBMS (previously VSMC) at year-end 2013.

### The Netherlands - Building & Property Development

Our future living concept MorgenWonen marks an innovative leap in residential building. Inspired by the car industry, we produce all the building blocks for these "zero energy" homes under ideal conditions in the factory. On site, the dwelling is then erected in a single day. 21 new operating theatres are being built for the UMC hospital, where the current operating theatre complexes are being replaced by two new complexes. In Rotterdam, we are working on the renovation of the old Luxor, a famous theatre that is fully restored to its former glory. We also work on the completion of the new passageways of Amsterdam central station. Once the work is complete, passengers will have more space and a wider choice of food and shopping outlets.

### The Netherlands – Infrastructure

We have commenced the realignment of track at Utrecht Central Station, as part of a project to improve the flow of trains on the country's busiest stretch of line. Also in Utrecht we are renovating the Galecopperbrug. A technically and logistically complex project that combines various disciplines. We are also doing our bit to protect our country from flooding. As part of the Room for the River programme, for instance, we are involved in various projects to increase water storage capacity and protect structures against floods. Our other activities included the introduction of a smarter traffic light system (BRIK) and a new sustainable type of low-noise asphalt (KonwéCity).

### The Netherlands – Energy & Telecoms

In the offshore market, we have been awarded two contracts - Dudgeon and Westermeerwind - for 2015 up to 2017. For these projects, we are delivering, installing, excavating, connecting and testing the inter array power cables for the wind turbines. Our telecoms division has reached a milestone with the completion of the five hundred thousandth fibre optic connection. In the sphere of trenchless techniques, our activities included drilling four horizontal directional boreholes (4.4 km) in Suriname, for the expansion of the Staatsolie state oil refinery.

### **VolkerWessels UK**

Results in the UK are positive, despite poor weather conditions caused by heavy rainfall in the first few months of the year. The order book developed very well. Long-term frameworks with Network Rail as well as our highways maintenance activities contributed to this result. For example, the contract for the maintenance and management of the roads in the London borough of Hackney has been renewed for a further four years. We were also appointed as a construction delivery partner in a major framework for water and waste water works in North West England and we continue to carry out coastal defence projects. Other prominent projects include huge infrastructure changes to connect Luton airport to the M1 motorway, the delivery of rail depots for Thameslink, changes to the Stafford area rail network and the building of a new waste facility at Milton Keynes.

The long-term outlook is good, due to government investments in transport, water and energy infrastructure.

### **VolkerWessels Canada/United States**

Due to strong economic growth in the region in which we operate the outlook in Canada in particular remains favourable. Our operating company H.Wilson has been awarded a ten-year contract for the maintenance of Fort McMurray International Airport. We have also won a major road contract from Alberta Drive Rehabilitation.

In the United States (Seattle) we secured three infrastructure contracts for Boeing, which will support the expansion of activities for the aerospace company.

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

For more information, please contact:

Gjalt Rameijer, VolkerWessels Press Officer.

T: +31 (0)88 1866176 or M: +31 (0)6 50225175. E: [grameijer@volkerwessels.com](mailto:grameijer@volkerwessels.com)

### About VolkerWessels

VolkerWessels is a Dutch group with a decentralised structure and around 120 companies. We operate in three geographical areas: the Netherlands, the UK and Canada/US and in three market sectors: building & property development, infrastructure and energy & telecom. With approximately 14,500 employees, VolkerWessels constructs for living, working, mobility, energy and telecom. We develop, design, construct, finance, manage, operate and maintain. We do this for our stakeholders: our customers, financiers, employees, suppliers and society at large. VolkerWessels is a group that exploits opportunities and introduces sustainable innovations.

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