PRESS RELEASE

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BALLAST NEDAM HALF-YEAR FIGURES 2010: RESULTS ON TARGET, FORECAST FOR 2010 UPHELD

- **Higher operating profit for 1st half-year: € 6 million (1st half-year 2009: € 4 million)**
- **Profit for the 1st half-year up: € 2 million (1st half-year 2009: break even)**
- **1st half-year revenue up: € 625 million (1st half-year 2009: € 601 million)**
- **Order book down in 1st half-year: € 1.7 billion (end 2009: € 1.8 billion)**
- **Forecast upheld: operating profit of approximately € 10 million to € 15 million for 2010.**

Half-year report

Key Figures

x € 1 million	**Half-Year 2010**	Half-Year 2009	2009
Revenue	**625**	601	1 384
EBIT	**6**	4	17
Margin	**1.0%**	0.7%	1.2%
Profit before income tax	**2**	1	8
Profit for the period	**2**	-	6
Orderbook	**1 684**	1 910	1 818
Shareholders' equity	**155**	160	162
Capital ratio	**15%**	16%	16%
Net financing position	**(198)**	(145)	(92)

Results on target

Intensifying competition and pressure on prices have meant that few major projects have been won in the first half-year.

This period was mainly characterized by implementing last year's well-filled order book. The many multiyear projects acquired in the first half of 2009 fit well within the strategy. With these projects Ballast Nedam succeeded in the first half-year in improving the operating profit by € 2 million to € 6 million on a higher revenue of € 625 million. The margin increased from 0.7% for the first half-year 2009 to 1.0%. Ballast Nedam is therefore well on target for achieving the profit forecast for 2010. The Board of Management is upholding the forecast announced in March 2010 of an operating profit for 2010 of between € 10 million and € 15 million on a lower revenue than in 2009.
Market volumes are continuing to decline, with consequent substantial competition for new projects and sustained pressure on the margins. The years ahead will therefore be equally difficult for the construction industry, which operates at the tail-end of the economic cycle.

Financial results

Revenue

x € 1 million	**Half-year 2010**	Half-year 2009	2009
Infrastructure	**292**	300	707
Building and Development	**343**	310	705
	635	610	1 412
Other	**(10)**	(9)	(28)
	625	601	1 384

Revenue rose by 4% to € 625 million.

Infrastructure

The Infrastructure division's revenue was € 292 million, slightly lower than in the first half of 2009. The division achieved a somewhat lower profit than in the first half of 2009.

We observed an increase in the number of major projects, in response to additional central government expenditure. The volume in the infrastructure market remained reasonable, but there was a marked decrease in the volume in the prefabricated concrete market. The price level in the public procurement market for traditional contracts remains under pressure, and is too low. The regional companies continue to be largely dependent on these public procurements for relatively small local authority projects. The regional companies have not contributed positively to the half-year result because of the price pressure and the normal seasonal pattern. Competition for new major projects is also increasing. The major projects under construction booked an excellent result, notably because of the contributions from the niche segments industrial construction, offshore wind turbines and international projects.
The specialized companies and the raw material companies made a good contribution to the result. The prefabricated concrete companies suffered a loss in the first half-year because of a fall in volume in the market, and consequently lower prices.

There is some pressure on the previously announced full-year 2010 forecast for the Infrastructure division, which was for an approximately unchanged operating profit of € 20 million on a likewise unchanged revenue. For the years ahead we foresee a modest decline in volume in the infrastructure market.

Building and Development

The Building and Development division performed better than expected in the first half-year. Revenue was up by € 33 million to € 343 million. The entire increase in revenue was attributable to high first half-year production in the major projects. Building and Development improved the operating result from break even for the first half-year of 2009 to € 4 million.

The construction companies, regional companies and major projects alike, contributed well because of the relatively high production. Both property development and the prefabricated concrete companies obtained a positive result, albeit somewhat low.

In the first half of 2010 the total exposure of unsold real estate declined by € 10 million to € 40 million. The total investment in unsold real estate projects, including those completed and under construction, increased by € 1 million to € 31 million. However, the obligation to complete in relation to the unsold property under construction fell sharply from € 20 million to € 9 million. The number of unsold homes fell from 184 at year-end 2009 to 137. The number of unsold, completed residential properties increased from 21 at year-end 2009 to 41, distributed over 12 projects. The completed and unsold real estate also comprised 712 m2 of leased commercial space and 897 m2 of unleased commercial space. In the first half-year the 2 700 m2 commercial space leased for 15 years was completed and sold.

Residential construction activities decreased substantially in the first half-year. The total number of homes under construction decreased by 32% from 2 709 at year-end 2009 to 1 411. Of this figure, the number of homes under construction from in-house project development decreased by 41% from 521 at year-end 2009 to 306. The development potential of the land bank went down by 3% to 15 200 homes. The carrying amount of the land bank rose by € 2 million to € 159 million. Much of the increase was attributable to the existing land positions.

The construction and real estate sector has been hit hard by the economic crisis. The market volume will continue to decline in the next few years. Competition for new projects is strong, with great pressure on prices. The favourable volume in non-residential construction that is still being generated by public and semi-public procurement contracts is also expected to come under pressure. The door to the recovery of the housing market has appeared to close again in recent months, with consumer confidence being undermined by increased uncertainty about the tax-deductibility of mortgage interest in the Netherlands, and the limited availability of financing. The expected fall in the number of newly built homes will exacerbate the long-term shortage of housing, in terms of both quantity and quality. Our outlook on the housing market in the Netherlands therefore remains positive for the longer term.

The current difficult market will have repercussions for the second half-year results and the acquisition of new projects. Nonetheless, it appears that the previously announced forecast for the full-year 2010, that the Building and Development division will approximately break even on a lower revenue, can be improved upon.

EBIT

x € 1 million	**Half-year 2010**	Half-year 2009	2009
Infrastructure	**6**	7	20
Building and Development	**4**	-	4
	10	7	24
Other	**(4)**	(3)	(7)
	6	4	17

The operating profit (EBIT) rose from € 4 million for the first half-year 2009 to € 6 million. The Building and Development division improved the operating result from break even to € 4 million profit. The operating profit of the Infrastructure division was € 1 million down at € 6 million. The Other result was € 1 million lower than in the first half-year of 2009, and consisted mainly of holding company costs.

Margin

	Half-year 2010	Half-year 2009	2009
Infrastructure	**1.9%**	2.3%	2.8%
Building and Development	**1.2%**	0.0%	0.5%
Total	**1.0%**	0.7%	1.2%

The overall margin for the half-year rose from 0.7% to 1.0% on a 4% higher revenue. The margin of the Infrastructure division decreased from 2.3% to 1.9% on a slightly lower revenue. The improvement in the operating profit caused the margin of the Building and Development division to increase from 0% to 1.2% on a 10% higher revenue.

Profit for the period

x € 1 million	Half-year 2010	Half-year 2009	2009
Earnings before interest and taxes (EBIT)	**6**	4	17
Net finance income and expense	**(4)**	(3)	(9)
Profit before income tax	**2**	1	8
Income tax expense	**-**	(1)	(2)
Profit for the period	**2**	-	6

The net interest expense increased relative to the first half-year of 2009 by € 1 million to € 4 million. The interest item consisted of interest expenses of € 7 million and capitalized interest on PPP receivables of € 3 million. The profit before income tax was € 2 million and was up by € 1 million. The profit for the period increased from break even for the first half-year of 2009 to € 2 million.

Order book

x € 1 million	20 June 2010	14 June 2009	31 December 2009
Infrastructure	**846**	772	888
Building and Development	**888**	1 182	977
	1 735	1 954	1 865
Other / elimination	**(50)**	(44)	(47)
Total	**1 684**	1 910	1 818

The order book declined in line with our forecast from € 1 818 million at year-end 2009 to € 1 684 million. This decrease was attributable in particular to the higher production in the first half-year on major projects, such as the Nuon power station in Eemshaven, Groningen, the Komfort PPP project in Utrecht, the new Ministry of Justice and Ministry of the Interior building in The Hague, and the new PGGM pension fund head office in Zeist. Few major projects have been acquired compared with the first half-year of 2009 because of more intense competition.

There have been successes in the niche markets. A contract was signed for the installation in 2011 of 51 foundations for the Walney II Offshore Wind Farm project in the Irish Sea. Several projects for Essent were awarded in the industrial construction niche segment, and the construction of the Meander Medical Centre in Amersfoort was acquired together with Heijmans in the health care niche segment. The quality, composition and size of the total order book continues to provide a firm base in the current difficult market.

Ballast Nedam is part of the consortium that will submit a final bid in the second half of 2010 for the major infrastructure PPP project A15 Vaanplein – Maasvlakte. Unfortunately, the bid for the PPP project A12 Veenendaal – Utrecht did not result in preferred bidder status. In the medium term the combination of a sustained need for improvements of infrastructure and government buildings, favourable experience with the current PPP projects and increasing pressure on public sector budgets will have a positive effect on the availability of new PPP projects.

Equity and cash flows

Shareholders' equity declined relative to year-end 2009 by € 7 million to € 155 million. The decrease was caused by the formation of an additional hedging reserve for interest rate derivatives of € 7 million. The hedging reserve is for the interest rate derivatives that substitute the variable interest rates of the PPP loans for a fixed interest rate, and amounted to € 17 million at the end of the half-year. The other movements in shareholders' equity included the dividend payout of € 3 million and the addition of the profit for the period of € 2 million for the first half-year.

Total assets remained almost unchanged, and amounted to € 1 037 million. The lower shareholders' equity caused a corresponding decline in solvency from 16% at year-end 2009 to 15%. Capital employed rose from € 279 million at year-end 2009 to € 390 million, mainly because of increased PPP receivables and lower prepayments. The cash flow for the first half-year was € 73 million negative relative to a negative cash flow of € 76 million for the first half of 2009.

The operating cash flow was € 59 million negative compared with a negative operating cash flow of € 52 million for the first half of 2009. This was attributable mainly to the decline in the level of received prepayments on projects, and creditors.

The cash flow from investing activities was € 44 million negative. The investments included € 14 million of property, plant and equipment, € 2 million of intangible assets and € 30 million of financial assets. The investments in financial assets were for PPP receivables. The net investments in property, plant and equipment of € 12 million were approximately in line with the depreciation of € 11 million.

The positive cash flow from financing activities of € 30 million consisted of the € 33 million net drawing of long-term loans, of which € 28 million was for the PPP loans and € 3 million for the dividend payout for 2009.

The manner of presentation of the PPP projects, on which construction is progressing, is having an increasing impact on the consolidated financial statements. Without recognition of the PPP projects in this way, the operating profit would be unchanged at € 6 million, the assets would be lower by € 128 million at € 909 million, capital employed would be lower by € 128 million at € 262 million, shareholders' equity would be higher by € 17 million at € 172 million because of the reversal of temporary differences, and solvency would be up 4 percentage points from 15 per cent to 19 per cent. The corresponding difference at year-end 2009 was still 2 percent, from 16 per cent solvency to 18 per cent.

The results of these PPPs are recognized under finance income and expense and are therefore not part of the operating result. The statements of financial position of these PPPs, which are financed by non-recourse loans, are proportionately consolidated. Interest rate derivatives were taken out in order to substitute a fixed interest rate for the variable interest rates of the loans involved. The separate measurement of these derivatives creates a hedging reserve charged to shareholders' equity for the temporary differences in the period to maturity of the loans.

Ballast Nedam's capital contributions to the PPPs amounted to € 1 million. The outstanding liability for additional capital contributions was € 14 million.

Net financing position

x € 1 million	20 June 2010	14 June 2009	31 December 2009
Net cash	**38**	16	111
Current portion of long-term loans	**(3)**	(1)	(6)
Long-term loans	**(233)**	(160)	(197)
Total	**(198)**	(145)	(92)

Net cash increased by € 22 million from € 16 million at the end of the first half of 2009 to € 38 million. Conversely the net financing position decreased by € 53 million from € 145 million at the end of the first half of 2009 to € 198 million because of the sharp increase in long-term loans, of which € 68 million was attributable to increased PPP loans.

The financing requirement is higher in the course of the year than at year-end. Net cash accordingly decreased relative to year-end by € 73 million to € 38 million. The prepayments on projects decreased from € 132 million at year-end 2009 to € 90 million. The long-term loans increased by € 36 million from € 197 million at year-end 2009 to € 233 million. € 28 million of this increase was for the long-term PPP loans. Based on the current portfolio of PPP projects, these PPP loans which provide no opportunity of recourse on Ballast Nedam, will rise by year-end 2010 to approximately € 190 million.

Financing

There will be no need to refinance the long-term loans in the years ahead. The general loan of € 50 million now matures on 1 April 2014 and the other large loan of € 33 million matures in August 2015. The loan conditions involve no financial covenants. The other long-term loans of € 150 million comprised € 121 million of PPP loans, which provide no opportunity of recourse on Ballast Nedam.

Ballast Nedam's shares

The earnings per share based on average number of shares in issue increased from € 0.02 for the first half of 2009 to € 0.17. The average number of shares in issue was 9 700 959. At the end of the half-year 2010 the number of shares in issue was 9 700 000.

Strategy

Ballast Nedam is a developer and builder that delivers sustainable total solutions in the built environment. We identify, develop, design, build, manage, maintain and operate our products and services. We are able to perform our processes both individually and as an integrated whole.

Our strategy is oriented to activities that cover both the horizontal chain, from development and implementation to management, and the vertical chain. In providing sustainable total solutions the companies in the horizontal chain are supported by the specialized and supply companies in the vertical chain. The specialized and supply companies deliver innovation, cost leadership and procurement expertise.

We aim to enhance the value of the business by improving the structural margin, which is to be achieved through a different activity mix. This will entail more development and the management of maintenance and operation relative to construction. We are also sharpening our focus on niche segments, strengthening the vertical chain and improving operating performance.

Specifically this means that we will strengthen the front and back ends of the horizontal value chain by acquiring development positions, intensifying project development activities, strengthening the management of maintenance and operation, and occupying a leading position in the PPP market. We will also increase the share of activities in niche segments, such as offshore wind farms, industrial construction, international projects, large complex projects, high-rise construction and CNG filling stations. The supply companies in the vertical value chain are being strengthened by enhancing the product range and expanding the specialized companies, continuing to improve the operating performance of the prefabricated concrete companies and of the regional companies, and replacing and if possibly expanding the raw-material concessions.

Risks

There are no major changes in the risks mentioned in the 2009 Annual Report, such as the financing risk, the reputation risk, the sector risk, operating risks and the housing market risk.

The financing risk is not an issue in the short term. The most important loans mature in 2014 and 2015. The financing risk is also limited because these loans involve no financial covenants.

The reputation risk: in 2010 the internal code of conduct was updated and an accompanying compliance programme was rolled out.

Sector risk: the construction and real estate market has not yet shown improvement and this will possibly not be the case during 2011.

Operating risk: the broad spread in the order book and our existing risk management policy remain the foundation of controlling the operating risks. In the first half of 2010 no additional operating risks occurred.

Housing market risk: sales of the homes developed by Ballast Nedam are still under heavy pressure. Few new projects are being developed and only one small project started in the first half of 2010. Still, long-term housing market prospects are good. For this reason, together with the underlying high quality and the valuation method, we consider the risk of material impairment on the land positions to be limited.

In the case of a number of specific risks no significant changes have occurred. This concerns the tax demands from Saudi Arabia and Canada, the UK Office of Fair Trading fine and the civil proceedings against a former director, and a number of persons associated with this director, in connection with fraud.

The result in the remaining period of 2010 could be strongly influenced by the outcome of claims on a limited number of projects and judgments in appeals against fines imposed by competition authorities.

Statement of the Board of Management

As far as the Board of Management is aware the semi-annual financial statements give a true and fair view of the assets, liabilities, financial position and profit of Ballast Nedam and the undertakings included in the consolidation taken as a whole. As far as the Board of Management is aware the semi-annual financial report gives a fair review of the most important developments in the first half-year and its effects on the semi-annual financial statements, the principal risks that Ballast Nedam faces in the rest of the year and a fair review of the most important transactions with associated parties.

Nieuwegein, 15 July 2010

Board of Management,
T.A.C.M. Bruijninckx
R.L.M. Jacobs
R. Malizia

Half-year accounts

Consolidated statement of financial position

x € 1 million	**20 June 2010**		31 December 2009		14 June 2009	
Non-current assets						
Intangible assets	**29**		28		28	
Property, plant and equipment	**184**		184		178	
Financial assets	**133**		103		66	
Investments in associates	**2**		-		1	
Deferred tax assets	**42**		37		36	
		390		352		309
Current assets						
Inventories	**233**		230		215	
Work in progress	**113**		105		116	
Receivables	**243**		221		320	
Cash and cash equivalents	**58**		126		67	
	647		682		718	
Current liabilities						
Bank overdrafts	**(20)**		(15)		(51)	
Current portion of long-term loans	**(3)**		(6)		(1)	
Prepaid on inventories	**(6)**		(12)		(23)	
Work in progress	**(159)**		(191)		(206)	
Trade payables	**(222)**		(237)		(230)	
Income tax payable	**-**		(1)		-	
Other liabilities	**(167)**		(151)		(136)	
Provisions	**(32)**		(31)		(32)	
	(609)		(644)		(679)	
Current assets minus current liabilities		**38**		38		39
		428		390		348
Non-current liabilities						
Loans	**233**		197		160	
Derivatives	**23**		14		10	
Deferred tax liabilities	**3**		3		3	
Employee benefits	**3**		4		3	
Provisions	**11**		10		12	
		273		228		188
Total equity						
Equity attributable to owners of the company	**155**		162		160	
Minority interest	**-**		-		-	
		155		162		160
		428		390		348

The notes on pages 14 through 16 are an integral part of this semi-annual financial report. Unaudited figures; 1st half 2010 up to 20 June 2010 (1st half 2009 up to 14 June 2009).

Consolidated income statement

x € 1 million	**Half-year 2010**		Half-year 2009		2009	
Revenue		**625**		601		1 384
Raw materials and subcontractors	**(469)**		(439)		(1 026)	
Personnel expenses	**(124)**		(136)		(277)	
Other operating expenses	**(14)**		(12)		(39)	
		(607)		(587)		(1 342)
Share in results of associates		**-**		-		-
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**18**		14		42
Depreciation and amortisation		**(12)**		(10)		(25)
Impairment of tangible and intangible assets						
Earnings before interest and taxes (EBIT)		**6**		4		17
Financial income	**3**		1		5	
Financial expenses	**(7)**		(4)		(14)	
Net finance income and expense		**(4)**		(3)		(9)
Profit before income tax		**2**		1		8
Income tax benefit / (expense)		**-**		(1)		(2)
Profit for the period		**2**		-		6
Attributable to:						
Owners of the company		**2**		-		6
Minority interest		**-**		-		-
Profit for the period		**2**		-		6
Attributable to owners of the company:						
Basic earnings per share (€)		**0.17**		0.02		0.62
Diluted earnings per share (€)		**0.17**		0.02		0.62

Consolidated statement of comprehensive income

x € 1 million	**Half-year 2010**		Half-year 2009		2009	
Profit for the period		2		-		6
Foreign currency translation differences	-		-		1	
Net change in hedging reserve	(7)		4		1	
Other comprehensive income		(7)		4		2
Total comprehensive income for the period		**(5)**		**4**		**8**
Attributable to:						
Owners of the company	(5)		4		8	
Minority interest	-		-		-	
Total comprehensive income for the period		**(5)**		**4**		**8**

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Consolidated statement of changes in equity

x € 1 million	*Issued share capital*	*Share premium*	*Repurchased own shares*	*Exchange differences reserves*	*Associates reserves*	Hedging reserve	*Other reserves*	*Result*	***Equity attributable to shareholders***	*Minority interests*	***Total shareholder equity***
31 December 2008	**60**	**52**	**(2)**	**(3)**	**26**	**(11)**	**22**	**24**	**168**	**-**	**168**
Profit for the period for the year								-	**-**		**-**
Exchange differences				-					**-**		**-**
Effective portion of changes in fair value of cash flow hedges						4			**4**		**4**
Net change in fair value of cash flow hedges transferred to profit or loss											
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**4**	**-**	**4**
Dividend paid							(12)		**(12)**		**(12)**
Option scheme							1		**1**		**1**
Repurchased own shares			(1)						**(1)**		**(1)**
Transactions with shareholders			**(1)**				**(11)**		**(12)**		**(12)**
Appropriation of 2007 result							24	(24)	**-**		**-**
Other	-	-			2		(2)		**-**	-	**-**
14 June 2009	**60**	**52**	**(3)**	**(3)**	**28**	**(7)**	**33**	**-**	**160**	**-**	**160**
Profit for the period for the year								6	**6**		**6**
Exchange differences				1					**1**		**1**
Effective portion of changes in fair value of cash flow hedges						(5)			**(5)**		**(5)**
Net change in fair value of cash flow hedges transferred to profit or loss						2			**2**		**2**
Comprehensive income	**-**	**-**	**-**	**1**	**-**	**(3)**	**-**	**6**	**4**	**-**	**4**
Dividend paid											
Option scheme											
Repurchased own shares			(2)						**(2)**		**(2)**
Transactions with shareholders	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Appropriation of 2007 result											
Other	-	-			(11)		11		**-**	-	**-**
31 December 2009	**60**	**52**	**(5)**	**(2)**	**17**	**(10)**	**44**	**6**	**162**	**-**	**162**
Profit for the period for the year								2	**2**		**2**
Exchange differences											
Effective portion of changes in fair value of cash flow hedges						(8)			**(8)**		**(8)**
Net change in fair value of cash flow hedges transferred to profit or loss						1			**1**		**1**
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**(7)**	**-**	**2**	**(5)**	**-**	**(5)**
Dividend paid							(3)		**(3)**		**(3)**
Option scheme							1		**1**		**1**
Repurchased own shares			-						**-**		**-**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**-**	**(2)**
Appropriation of 2007 result							6	(6)	**-**		**-**
Other	-	-			3		(3)		**-**	-	**-**
20 June 2010	**60**	**52**	**(5)**	**(2)**	**20**	**(17)**	**45**	**2**	**155**	**-**	**155**

The notes on pages 14 through 16 are an integral part of this semi-annual financial report. Unaudited figures; 1st half 2010 up to 20 June 2010 (1st half 2009 up to 14 June 2009).

Ballast Nedam

Consolidated statement of cash flows

x € 1 million	**Half-year 2010**		Half-year 2009		2009	
Net cash - opening balance		**111**		92		92
Profit for the period	**2**		-		6	
Depreciation	**11**		9		23	
Amortisation	**1**		1		2	
Impairment	**-**		-		-	
Interest expenses	**7**		4		14	
Interest income	**(3)**		(1)		(5)	
Equity-settled share-based payment transactions	**1**		1		1	
Income tax expense / (benefit)	**-**		1		2	
Share in results of associates	**-**		-		-	
Book result on fixed assets sold	**(1)**		-		-	
Movements in other investments	**-**		-		-	
Movements in other receivables	**-**		-		1	
Movement in work in progress	**(40)**		76		72	
Movement in inventories	**(9)**		(22)		(48)	
Movement in provisions and employee benefits	**1**		(6)		(8)	
Interest paid	**(7)**		(4)		(13)	
Interest received	**-**		-		-	
Income taxes paid	**(1)**		(1)		(1)	
Change in other current assets and current liabilities	**(21)**		(110)		15	
Net cash from (used in) operating activities		**(59)**		(52)		61
Intangible assets						
investments	**(2)**		(3)		(5)	
disposals	**-**		-		-	
Property, plant and equipment						
investments	**(14)**		(13)		(32)	
disposals	**2**		2		3	
Financial fixed assets						
investments	**(30)**		(32)		(65)	
disposals	**-**		3		3	
dividends received	**-**		-		-	
Acquisitions of subsidiaries	**-**		(2)		(1)	
Cash acquired in acquisitions					-	
Net cash used in investing activities		**(44)**		(45)		(97)
Proceeds from long-term loans	**36**		36		90	
Repayment of long-term loans	**(3)**		(2)		(19)	
Dividend paid	**(3)**		(12)		(12)	
Repurchase of own shares	**-**		(1)		(3)	
Net cash from financing activities		**30**		21		56
Effect of exchange rate fluctuations on cash held		**-**		-		(1)
Net cash - closing balance		**38**		16		111

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Net cash

x € 1 million	20 June 2010	14 June 2009	31 December 2009
Cash and cash equivalents	**58**	67	126
Bank overdrafts	**(20)**	(51)	(15)
	38	16	111
Unrestricted cash balances	**14**	(24)	86
Proportionately consolidated	**24**	40	25
	38	16	111

Net financing position

x € 1 million	20 June 2010	14 June 2009	31 December 2009
Net cash	**38**	16	111
Current portion of long-term loans	**(3)**	(1)	(6)
Long-term loans	**(233)**	(160)	(197)
Total	**(198)**	(145)	(92)

Operating segments

Revenue

x € 1 million	**Half-year 2010**	Half-year 2009	2009
Infrastructure	**292**	300	707
Building and Development	**343**	310	705
	635	610	1 412
Other	**19**	12	26
Intersegment revenue	**(29)**	(21)	(54)
	625	601	1 384

EBIT

x € 1 million	**Half-year 2010**	Half-year 2009	2009
Infrastructure	**6**	7	20
Building and Development	**4**	-	4
	10	7	24
Not allocated to segments	**(4)**	(3)	(7)
Intersegment revenue	**-**	-	-
Share in profits of associates	**-**	-	-
	6	4	17

Margin

	Half-year 2010	Half-year 2009	2009
Infrastructure	**1.9%**	2.3%	2.8%
Building and Development	**1.2%**	0.0%	0.5%
Total	**1.0%**	0.7%	1.2%

Profit for the period

x € 1 million	**Half-year 2010**	Half-year 2009	2009
Earnings before interest and taxes (EBIT)	**6**	4	17
Net finance income and expense	**(4)**	(3)	(9)
Profit before income tax	**2**	1	8
Income tax expense	**-**	(1)	(2)
Profit for the period	**2**	-	6

Order book

x € 1 million	**20 June 2010**	14 June 2009	31 December 2009
Infrastructure	**846**	772	888
Building and Development	**888**	1 182	977
	1 735	1 954	1 865
Other / elimination	**(50)**	(44)	(47)
Total	**1 684**	1 910	1 818

Assets

x € 1 million	**20 June 2010**	14 June 2009	31 December 2009
Infrastructure	**504**	452	485
Building and Development	**606**	547	617
	1 110	999	1 102
Not allocated to segments	**198**	206	222
Associates	**2**	1	-
Elimination and unallocated assets	**(273)**	(180)	(290)
Total	**1 037**	1 026	1 034

Notes to the semi-annual financial report

Significant accounting policies

Ballast Nedam N.V. is established at Nieuwegein in the Netherlands. The semi-annual financial report of Ballast Nedam N.V. covers the first six periods of the 2010 fiscal year from 1 January 2010 to 20 June 2010 (2009: 1 January 1 to 14 June). This report includes Ballast Nedam N.V., head of the group and its subsidiaries, collectively called Ballast Nedam and Ballast Nedam's participation in associated businesses and entities that are controlled jointly.

The consolidated financial statement of Ballast Nedam N.V. for the year 2009 is available through www.ballast-nedam.nl.

Statement of compliance

The semi-annual financial report has been prepared in conformity with International Financial Reporting Standards IAS 34 "Interim Financial Reporting" as adopted by the European Union (hereinafter: 'EU-IFRS'). This report has not been audited. The semi-annual financial report does not contain all information required for complete annual financial statements and should be read in conjunction with the consolidated financial statements for the year 2009.

This half-yearly financial report was prepared and approved by the Board of Management on 15 July 2010.

Accounting policies used in the preparation of the semi-annual financial report

The semi-annual financial report has been prepared in accordance with the financial reporting principles as used for the 2009 financial statements. The following amendments have been made since 1 January 2010.

IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised)

The IASB has issued a new standard for business combinations (IFRS 3), and made consequent changes in IAS 27. For the purpose of measuring goodwill, as from January 1, 2010, Ballast Nedam includes the fair value of any non-controlling interest in the acquiree in the consideration transferred. Ballast Nedam determines per transaction whether non-controlling interests held by third parties are recognized at fair value or as a proportion of the recognized net-assets of the acquire per the acquisition date. Transaction costs that the Group incurs in connection with a business combination are expensed as incurred. Further, under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognized for the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired. In accordance with the transition requirements of this standard, it has been applied on a prospective basis. The implementation of this standard may have a material impact on the profit per share in the event of a substantial transaction.

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 15 provides guidance on the application of IAS 11 Construction contracts and IAS 18 Revenue. Each contract is assessed to determine whether it meets the definition of construction contracts on behalf of third parties, the rendering of services, or the sale of goods. Based on IFRIC 15, residential building projects often do not meet the definition of a construction contract because of a lack of specific negotiation with the buyer about the design and the specifications of the major elements of the homes concerned. Ballast Nedam recognizes the revenue of residential building projects of this kind in accordance with IAS 18 criteria. Where there is continuous transfer of control and the significant risks and rewards of ownership of the work in progress (continuous transfer), revenue is accordingly recognized on a pro rata basis as construction or completion progresses. The implementation of this standard has had no material impact on Ballast Nedam's comparative figures or shareholders' equity.

Seasonal Patterns

Ballast Nedam's activities are subject to seasonal patterns. In general, the majority of production takes place in the second half of the year.

Acquisition of subsidiaries

In the first half of 2010 no material acquisitions have taken place.

Transactions with associated parties

The parties associated with Ballast Nedam are its key management (Board of Management/Supervisory Board), its subsidiaries, associates, joint ventures, Stichting Pensioenfonds Ballast Nedam Pension Fund and their managers and senior officials of these companies. The main task of the Ballast Nedam Pension Fund is to implement the pension scheme for the employees of Ballast Nedam. Ballast Nedam Pension Fund makes use of the services of employees of Ballast Nedam companies. Actual expenses are charged on. Ballast Nedam buys and sells goods and services to various associated parties in which Ballast Nedam holds an interest of 50% or less. These transactions are conducted on commercial terms similar to those for transactions with third parties. Other than the interests in joint ventures described below, during the period no material transactions with associated parties have taken place.

Interests in joint ventures

Joint ventures, consisting primarily of construction or development consortia, are consolidated on a proportional basis. For a list of the main joint ventures, please see the organizational chart in the annual report. Ballast Nedam has recognized the following interests in joint ventures in the consolidated balance sheet.

x € 1 million	**20 June 2010**	31 December 2009
Non-current assets	**151**	116
Current assets	**149**	181
Non-current liabilities	**(158)**	(129)
Current liabilities	**(139)**	(161)
Balance of assets and liabilities	**3**	7

The proportionally consolidated revenue and the cost of sales amounted to about 29% (2009: 18%) of total revenues and cost of sales.

The total liabilities to third parties of companies for which Ballast Nedam holds joint and several liability, such as partnerships, excluding bank guarantees issued by those companies, amounted to € 926 million as of balance sheet date (€ 788 million at year end 2009), of which the € 297 million portion of Ballast Nedam (€ 290 million at year end 2009) is included in the consolidated balance sheet.

Segmented information

The amounts for transactions between segments are determined on an arm's length basis. The results, assets and liabilities are determined in accordance with the financial reporting principles as used for the financial statements.

Liabilities

Guarantees

Declarations of intent and guarantees issued on Ballast Nedam's behalf by financial institutions in connection with the execution of projects and for prepayments received are recognized in 'Guarantees'.

x € 1 million	**20 June 2010**	31 December 2009
Guarantees	**271**	275
Total	**271**	275

Estimates and judgements by management

In preparing the semi-annual financial report, management of Ballast Nedam has made estimates and judgements which affect the amounts recognized for assets, liabilities, revenue, costs and the related remarks.

Project results
The valuation of work in progress is based on forecasts of the final project results. The ultimate outcome may differ from these forecasts.

Recognition of income tax
Ballast Nedam makes an assessment of the tax position of all fiscal entities at the end of each period. This involves making estimates of the actual short-term tax charges and income as well as of the temporary differences between the fiscal valuation and carrying amounts of assets and liabilities for financial reporting purposes. A decision is taken on the balance sheet date as to whether unused tax losses and deferred tax assets due to temporary differences may be recognized. Ballast Nedam recognizes deferred tax assets if these are likely to be realized. The utilization of carry-forward losses depends on future taxable profits and tax planning opportunities. If the actual anticipated taxable profits differ from the estimates, and depending on the tax strategies which Ballast Nedam may introduce, capitalized unused deferred tax assets which have been recognized may not be realized, thus affecting the financial position and results of Ballast Nedam.

Provisions
Provisions relating to actual obligations are based on estimates and judgements as to whether the criteria for treatment as a provision have been met, including an estimate of the size of the actual obligation. Actual obligations are disclosed if it is likely that an obligation will arise and its size can be reasonably estimated. If the actual outcome differs from the assumptions as to anticipated costs, the estimated provisions will be revised, and this could have an effect on the financial position and results of Ballast Nedam.

Subsequent events

After the balance sheet date Ballast Nedam has taken over the minority shareholders' interest in Kicking Horse Mountain Resort. This transaction has a limited impact on the shareholders' equity and no material impact on the comprehensive income. Apart from this, no noteworthy subsequent events occurred that could affect this semi-annual financial report.

Nieuwegein, 15 July 2010

Board of Management,
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