



BALLAST NEDAM N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its corporate seat in Nieuwegein, the Netherlands)

14 for 4 Rights Offering of up to 67,672,500 Offer DRs at €0.2955 per Offer DR

Private Placement of up to 132,959,776 Placing DRs at €0.2076 per Placing DR

This document (the "**Prospectus**") relates to (i) the issuance of 67,672,500 new depositary receipts of ordinary shares in the share capital of Ballast Nedam N.V. ("**Ballast Nedam**" or the "**Company**") with a nominal value of €0.01 each (the "**Offer DRs**") at an issue price of €0.2955 (the "**Issue Price**") per Offer DR; and (ii) the private placement to Renaissance Infrastructure B.V. ("**Renaissance Infrastructure**") of 132,959,776 new depositary receipts of ordinary shares in the share capital of the Company with a nominal value of €0.01 each (the "**Placing DRs**") at an issue price of €0.2076 (the "**Private Placement**"). The Offer DRs and the Placing DRs are collectively referred to as the "**Transaction DRs**".

Subject to applicable securities laws and the terms set out in this Prospectus, holders of depositary receipts (the "**DRs**") of ordinary shares in the capital of Ballast Nedam (the "**Ordinary Shares**") and holders of Ordinary Shares other than (i) the Company in respect of DRs it holds in treasury; and (ii) the Ballast Nedam Administration Office (*Stichting Administratiekantoor van Aandelen Ballast Nedam*) (the "**Ballast Nedam Administration Office**") as at the Record Date (as defined below) are being granted transferable subscription rights to subscribe for the Offer DRs (the "**Rights**" and together with the Transaction DRs, the "**Transaction Securities**") pro rata to the amount of DRs and Ordinary Shares they hold. The offer to subscribe for Offer DRs through the exercise of Rights is referred to as the "**Rights Offering**". The Rights Offering and the Private Placement are collectively referred to as the "**Transaction**".

Each person holding DRs other than the Company in respect of the DRs it holds in treasury (each a "**DR Holder**") and each person holding Ordinary Shares other than the Ballast Nedam Administration Office (each a "**Shareholder**") immediately following the close of trading in DRs on Euronext in Amsterdam ("**Euronext Amsterdam**") at 17:40 hours, Central European Time ("**CET**"), on 14 December 2015 (the "**Record Date**") will be granted 1 (one) Right for each DR or for each Ordinary Share held. Eligible Persons (as defined in "*Selling and Transfer Restrictions – General*") will be entitled and will have the right to subscribe at the Issue Price for 14 (fourteen) Offer DRs for every 4 (four) Rights held on the Record Date. Eligible Persons may, subject to applicable securities laws, subscribe for Offer DRs by exercising Rights from 9:00 hours CET on 15 December 2015 until 14:00 hours CET on 28 December 2015 (the "**Exercise Period**"). Any Rights not exercised by the end of the Exercise Period, may no longer be exercised by any Eligible Person. Once an Eligible Person has validly exercised his Rights, that exercise cannot be revoked or modified, except for certain circumstances as set out in "*The Transaction – Rights Offering – Exercise Period*". The statutory pre-emptive rights (*wettelijke voorkeursrechten*) in respect of the Transaction (as defined below) have been validly excluded for the purpose of the Transaction.

Ballast Nedam has applied for admission to trading of the Rights on Euronext Amsterdam. Trading of the Rights is expected to commence under the symbol "BALCR" at 9:00 hours CET on 15 December 2015 and will continue until 14:00 hours CET on 24 December 2015. All transactions in the Rights prior to the settlement date on 29 December 2015 (the "**Settlement Date**") are at the sole risk of the parties involved.

Renaissance Infrastructure has undertaken to underwrite the balance of the Rights Offering up to €20 million, subject to the terms and conditions of the underwriting and placing agreement between Ballast Nedam and Renaissance Infrastructure dated on or around the date of this Prospectus (the "**Underwriting and Placing Agreement**").

Shareholders and DR Holders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 77.5% as a result of the issue of the Offer DRs. The latest date for acceptance under the Rights Offering is expected to be 14:00 hours CET on 28 December 2015. In addition, Shareholders and DR Holders will be diluted as a result of the Private Placement. Shareholders and DR holders who validly exercise their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 59.8% as a result of the Private Placement. Shareholders and DR holders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 91.1% as a result of the Private Placement.

Renaissance Infrastructure intends to acquire all of the outstanding DRs of the Company. See also "*Risk Factors – Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps*".

No action has been or will be taken to permit a public offer of the Transaction Securities in any jurisdiction outside the Netherlands. Ballast Nedam is only offering the Rights and the Offer DRs to those persons to whom, and in those jurisdictions where, the offering of the Rights and the Offer DRs may lawfully be made. The Transaction Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be

offered, issued, sold, taken up, delivered, renounced or transferred in or into the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the Rights or the Offer DRs in the United States. There will be no public offering of the Placing DRs in any jurisdiction. The Rights and the Offer DRs offered outside the United States are being offered in reliance on Regulation S under the Securities Act ("**Regulation S**"). Potential investors in the Transaction Securities should carefully read "*Selling and Transfer Restrictions*".

Ballast Nedam may adjust the dates, times and periods of the Transaction set out in this Prospectus in consultation with Renaissance Infrastructure. If Ballast Nedam should decide to do so, Ballast Nedam will make this public through a press release which will, amongst others, be placed on the Company's website.

The Transaction is subject to a number of conditions. See "*The Transaction – Underwriting and Placing Agreement*". If any or all of the conditions are not met or waived by Renaissance Infrastructure prior to payment for and delivery of the Offer DRs, Renaissance Infrastructure may, at its full discretion, terminate the Transaction including its obligation to underwrite the balance of the Rights Offering. In such event, the Transaction will be withdrawn. Consequently, (i) both the exercised and unexercised Rights will lapse without compensation to their holders; (ii) subscriptions for, and allotments of Offer DRs that have been made, will be disregarded; and (iii) any subscription payments made and received by Ballast Nedam, ING Bank N.V. ("**ING**") in its capacity as subscription, listing and paying agent (the "**Subscription, Listing and Paying Agent**") or Renaissance Infrastructure will be returned without interest or compensation. Any dealings in the Rights or the Offer DRs prior to settlement and delivery are at the sole risk of the parties concerned. The lapsing of Rights will be without prejudice to the validity of any trades in Rights that have been settled. Any non-settled trades in Rights that have occurred on Euronext Amsterdam will be deemed null and void. There will be no refund or compensation in respect of Rights purchased in the market or in any other manner. The Company and its subsidiaries (the "**Group**"), Renaissance Infrastructure, the Subscription, Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability with respect to the withdrawal of the Transaction or the related annulment of any transactions in Rights or Offer DRs on Euronext Amsterdam.

Neither the Group nor Renaissance Infrastructure, nor the Subscription, Listing and Paying Agent has taken, is taking or will take any action to register the Transaction Securities or otherwise to permit a public offering of the Transaction DRs (pursuant to the exercise of Rights or otherwise), or an offer of the Rights, in any jurisdiction other than the Netherlands. The Rights Offering is only made in those jurisdictions in which, and only to those persons to whom, the Rights Offering may be lawfully made.

Distribution of this Prospectus, and the transfer of the Rights and the Offer DRs, into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions. Persons in possession of this Prospectus must therefore inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. The Group, Renaissance Infrastructure and the Subscription, Listing and Paying Agent disclaim all responsibility for any violation of such restrictions by any person. Potential investors in the Transaction Securities and Shareholders and DR Holders (as defined below) who have a registered address in, who are citizens of, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands, should carefully read "*Selling and Transfer Restrictions*".

INVESTING IN OFFER DRs AND TRADING IN RIGHTS INVOLVE RISKS. SEE "RISK FACTORS" FOR A DESCRIPTION OF THE MATERIAL RISKS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE OFFER DRs OR TRADING IN THE RIGHTS.

Ballast Nedam has applied for admission to listing and trading of the Transaction DRs on Euronext Amsterdam. Trading in the Transaction DRs is expected to commence on 29 December 2015. The DRs are listed on Euronext Amsterdam under the symbol "BALNE". On 9 December 2015, the closing price of the DRs on Euronext Amsterdam was €0.25. The Transaction Securities will be delivered in book-entry form through the facilities of the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**").

This Prospectus is dated 14 December 2015 and constitutes a prospectus for the purposes of article 3 of Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**Financial Supervision Act**") and the rules promulgated thereunder. It contains the information required under the proportionate disclosure regime referenced in article 7 paragraph (2) subparagraph (g) of the Prospectus Directive and article 21 paragraph (3) of Regulation (EU) No. 809/2004, as amended from time to time (the "**Prospectus Regulation**"). The level of disclosure of this Prospectus is proportionate to this type of offer. See "*Important Information – General*" and "*Important Information – Responsibility statement*". This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**").

Subscription, Listing and Paying Agent

ING

Underwriter

RENAISSANCE INFRASTRUCTURE

Date of this Prospectus: 14 December 2015 (the "**Publication Date**")

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SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary alongside an indication that such Element is "not applicable". Certain capitalised terms used in this summary are defined in "*Defined Terms*".

Section A - Introduction and Warnings		
A.1	Introduction and warnings	<p>This summary should be read as an introduction to this Prospectus relating to (i) the issuance of 67,672,500 new depositary receipts of ordinary shares in the share capital of Ballast Nedam N.V. ("Ballast Nedam" or the "Company") with a nominal value of €0.01 each (the "Offer DRs") at an issue price of €0.2955 (the "Issue Price") per Offer DR; and (ii) the private placement to Renaissance Infrastructure B.V. ("Renaissance Infrastructure") of 132,959,776 new depositary receipts of ordinary shares in the share capital the Company with a nominal value of €0.01 each (the "Placing DRs") at an issue price of €0.2076 (the "Private Placement"). The Offer DRs and the Placing DRs are collectively referred to as the "Transaction DRs".</p> <p>Subject to applicable securities laws and the terms set out in this Prospectus, holders of depositary receipts (the "DRs") of ordinary shares in the capital of Ballast Nedam (the "Ordinary Shares") and holders of Ordinary Shares other than (i) the Company in respect of the DRs it holds in treasury; and (ii) the Ballast Nedam Administration Office (<i>Stichting Administratiekantoor van Aandelen Ballast Nedam</i>) (the "Ballast Nedam Administration Office") as at the Record Date (as defined in Section E4) are being granted transferable subscription rights to subscribe for the Offer DRs (the "Rights" and together with the Transaction DRs, the "Transaction Securities") pro rata to their shareholding in the DRs and the Ordinary Shares. The offer to subscribe for Offer DRs through the exercise of Rights is referred to as the "Rights Offering". The Rights Offering and the Private Placement are collectively referred to as the "Transaction".</p> <p>Any decision to invest in the Transaction Securities should be based on a consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is being brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area ("EEA"), have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Transaction Securities.</p>
A.2	Consent, indication, conditions and notice	Not applicable
Section B - Issuer		
B.1	Legal and commercial name	Ballast Nedam N.V. and Ballast Nedam
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a public limited liability company (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands, with its corporate seat (<i>statutaire zetel</i>) in Nieuwegein, the Netherlands.

B.3	Current operations and principal activities	<p>Ballast Nedam is a Dutch construction company operating mainly in the Netherlands. The Company and its subsidiaries (the "Group Companies" and together with the Company, the "Group") offer integrated construction solutions. Currently, the Group operates with three divisions: Infrastructure, Building & Development and Specialised Companies & Supplies. The Group's customers' needs are concentrated around two areas of work: housing, and mobility. Within these areas, the Group's divisions focus on integrated construction projects.</p> <p>The Group serves a large number of customers across various segments, thereby limiting customer concentration. The Group's customers include: public customers, semi-public customers, private customers and consumers.</p> <p>The Group's approach is based on life-cycle thinking and acting: the Group develops, constructs, manages and recycles. The Group is involved in long-term management, maintenance and operation of projects and organises the projects' financial feasibility.</p> <p>The strategic focus of the Group has evolved in recent years from that of a major player in traditional markets to one of a knowledge-intensive project organisation with a differentiated market approach. Currently, the Group's strategic focus is aimed at acquiring and executing integrated projects in housing and mobility and projects where the Group can add value for the customer through the Group's specialist knowledge and expertise in the Netherlands and abroad. In particular, the Group directs its strategy towards (i) a differentiated market approach for each of its three divisions; (ii) the expansion of the Group's position in, and development of, industrialised construction processes by using innovative modular concepts and a more standardised approach; (iii) the increased use of a life-cycle management approach by expanding activities in the fields of long-term management, renovation and maintenance; and (iv) the further improvement of operational excellence and operational and financial control.</p> <p>In its offer memorandum dated 17 September 2015, the Renaissance Group stated its support of the business strategy of the Group to (i) focus on major, integrated complex projects and the development within this niche operations such as industrial construction and modular construction; (ii) improve operational excellence; and (iii) export expertise gained in major integrated complex projects, whereby the speed at which the Group is reducing exposure to loss-making traditional markets, aligning the key activities to major integrated complex projects, and structuring the organisation accordingly, is being stepped up. Furthermore, through the merger with Renaissance Group the Group expects to become part of a successful construction group which operates internationally and will get access to additional resources, management support and best practices which should enable the Group to enhance its organisation and processes in a sustainable manner, all subject to the terms of the merger agreement between the Company and Renaissance Construction dated 21 July 2015 and an amendment agreement in relation thereto dated 9 September 2015 (together, the "Merger Agreement") and the Group's applicable approval policies and (financial) parameters as applicable from time to time.</p>						
B.4a	Significant recent trends	<p>The Group expects the conditions in the construction industry to remain difficult and the Group does not expect the construction industry to recover significantly in 2016. However, the housing market appears to be recovering slowly. Furthermore, demand from housing corporations for the renovation of rented housing is expected to increase. The office market will take longer to recover, in view of the current number of vacant properties and the 'New Way of Working' by which the work force no longer by definition works from office buildings. Most of the opportunities for utilities construction are expected in renovations and transformations of property. It is expected that infrastructure will require improvement, maintenance or replacement, whereas demographic trends on balance suggest a structural shortage of housing in the Netherlands. However, the offer of infrastructure construction services continues to exceed the demand for such services with a direct impact on project pricing.</p>						
B.5	Description of the Group and the Company's position therein	<p>The Company is the holding company of the Group, with no material direct business operations. The Group mainly operates through a number of operating subsidiaries. The principle assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries.</p>						
B.6	Major DR Holders	<p>On the date of this Prospectus, as far as the Company is aware of, the following DR Holders have a significant direct or indirect interest in the Company's share capital:</p> <table><tr><th>DR Holder</th><th>Percentage</th></tr><tr><td>Renaissance Infrastructure B.V.</td><td>79.86%</td></tr><tr><td>G.M. Fegel</td><td>3.09%</td></tr></table>	DR Holder	Percentage	Renaissance Infrastructure B.V.	79.86%	G.M. Fegel	3.09%
DR Holder	Percentage							
Renaissance Infrastructure B.V.	79.86%							
G.M. Fegel	3.09%							

		<p>The percentages are as shown in the register of the AFM. The Company's major DR Holders as set out in the table above do not have other voting rights than other DR Holders, except for Ballast Nedam which cannot vote on the DRs it holds in treasury.</p> <p>Ballast Nedam is not aware of any arrangement that may, at a subsequent date, result in a change of control.</p>																																																																																					
B.7	Selected key historical financial information	<p>The following selected historical consolidated financial information as at and for the years ended 31 December 2014 ("FY 2014") and 31 December 2013 ("FY 2013") is derived from the audited consolidated financial statements of Ballast Nedam N.V. for the financial year ended 31 December 2014 (the "2014 Financial Statements").</p> <p>The following unaudited condensed consolidated interim financial information as at and for each of the first half years of 2015 ("H1 2015") and 2014 ("H1 2014") (periods ended 14 June 2015 and 15 June 2014, respectively) is derived from the unaudited condensed consolidated interim financial statements of Ballast Nedam N.V. for the first half year 2015 (the "H1 2015 Interim Financial Statements").</p> <p>The financial information should be read in conjunction with the consolidated financial statements, the unaudited condensed consolidated interim financial information and the related notes that have been incorporated in this Prospectus by reference, and with the rest of this Prospectus, including "<i>Reasons for the Transaction and Use of Proceeds</i>", "<i>Capitalisation and Indebtedness</i>" and "<i>Operating and Financial Review</i>".</p> <p>The 2014 Financial Statements have been prepared in accordance with IFRS and comply with Title 9 of Book 2 of the Dutch Civil Code (<i>Burgerlijk Wetboek</i>; the "Dutch Civil Code"), and have been audited by Ernst & Young Accountants LLP ("EY"), our independent auditors. The H1 2015 Interim Financial Statements have been prepared in accordance with IAS 34 (as adopted by the European Union), and have been reviewed by EY, our independent auditors. The financial information for the period 1 January through 6 September 2015, which is included in "<i>Operating and Financial Review – Current trading</i>", has not been prepared in accordance with IAS 34 (as adopted by the European Union) and has not been audited or reviewed.</p> <p>Consolidated income statement (€ million)</p> <table><tr><th></th><th>Period 1 January 2015 through 14 June 2015</th><th>Period 1 January 2014 through 15 June 2014</th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2013⁽¹⁾</th></tr><tr><td>Revenue</td><td>420</td><td>515</td><td>1,166</td><td>1,230</td></tr><tr><td>Other operating income</td><td>1</td><td>22</td><td>76</td><td>3</td></tr><tr><td>Costs of raw materials and subcontractors</td><td>(317)</td><td>(450)</td><td>(984)</td><td>(918)</td></tr><tr><td>Personnel expenses</td><td>(93)</td><td>(119)</td><td>(229)</td><td>(267)</td></tr><tr><td>Other operating expenses</td><td>(16)</td><td>(3)</td><td>(71)</td><td>(57)</td></tr><tr><td>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</td><td>(5)</td><td>(35)</td><td>(42)</td><td>(9)</td></tr><tr><td>Depreciation and amortisation of property, plant and equipment and intangible assets</td><td>(5)</td><td>(7)</td><td>(16)</td><td>(20)</td></tr><tr><td>Impairment of tangible and intangible assets</td><td>-</td><td>(3)</td><td>(7)</td><td>(3)</td></tr><tr><td>Earnings before interest and taxes (EBIT)</td><td>(10)</td><td>(45)</td><td>(65)</td><td>(32)</td></tr><tr><td>Finance income</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Finance expense</td><td>(2)</td><td>(5)</td><td>(7)</td><td>(7)</td></tr><tr><td>Net finance income and expense</td><td>(2)</td><td>(5)</td><td>(7)</td><td>(7)</td></tr><tr><td>Profits of consolidated entities</td><td>(3)</td><td>-</td><td>3</td><td>1</td></tr><tr><td>Profit before income tax</td><td>(15)</td><td>(50)</td><td>(69)</td><td>(38)</td></tr><tr><td>Income tax expense</td><td>-</td><td>(1)</td><td>(34)</td><td>(3)</td></tr><tr><td>Profit for the period</td><td>(15)</td><td>(51)</td><td>(103)</td><td>(41)</td></tr></table>		Period 1 January 2015 through 14 June 2015	Period 1 January 2014 through 15 June 2014	Year ended 31 December 2014	Year ended 31 December 2013 ⁽¹⁾	Revenue	420	515	1,166	1,230	Other operating income	1	22	76	3	Costs of raw materials and subcontractors	(317)	(450)	(984)	(918)	Personnel expenses	(93)	(119)	(229)	(267)	Other operating expenses	(16)	(3)	(71)	(57)	Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(5)	(35)	(42)	(9)	Depreciation and amortisation of property, plant and equipment and intangible assets	(5)	(7)	(16)	(20)	Impairment of tangible and intangible assets	-	(3)	(7)	(3)	Earnings before interest and taxes (EBIT)	(10)	(45)	(65)	(32)	Finance income	-	-	-	-	Finance expense	(2)	(5)	(7)	(7)	Net finance income and expense	(2)	(5)	(7)	(7)	Profits of consolidated entities	(3)	-	3	1	Profit before income tax	(15)	(50)	(69)	(38)	Income tax expense	-	(1)	(34)	(3)	Profit for the period	(15)	(51)	(103)	(41)
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Attributable to owners of the company:				
Basic earnings per share (€).....	(0.78)	(5.22)	(5.33)	(4.22)
Diluted earnings per share (€).....	(0.78)	(5.22)	(5.33)	(4.22)
Consolidated statement of comprehensive income (€ million)				
Profit for the period.....	(15)	(51)	(103)	(41)
Other comprehensive income	3	(3)	(4)	(1)
Total comprehensive income for the period.....	(12)	(54)	(105)	(40)
Attributable to:				
Owners of the Company	(12)	(54)	(105)	(40)
Non-controlling interest.....	-	-	-	-
Total comprehensive income for the period.....	(12)	(54)	(105)	(40)
⁽¹⁾ The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").				
Consolidated statement of financial position (€ million)				
	As at 14 June 2015	As at 15 June 2014	As at 31 December 2014	As at 31 December 2013⁽¹⁾
Intangible assets.....	16	20	16	21
Property, plant and equipment	75	88	78	130
Financial assets	5	28	5	9
Investments in associates ⁽²⁾	9	-	9	12
Deferred tax assets	-	33	-	32
Non-current assets	105	169	108	204
Inventories	147	157	148	174
Work in progress	57	106	52	135
Receivables.....	158	300	171	214
Cash and cash equivalents	38	43	70	51
Escrow account.....	35	-	53	-
Assets held for sale.....	-	97	52	48
Current Assets.....	435	703	546	622
Bank overdrafts.....	(41)	(68)	(3)	(22)
Current portion of long-term loans	(31)	(2)	(31)	(8)
Prepayments on inventories.....	(2)	(2)	(2)	(2)
Work in progress	(82)	(153)	(88)	(105)
Trade payables.....	(144)	(200)	(191)	(231)
Income tax expense.....	-	1	-	(1)
Other liabilities	(170)	(231)	(195)	(203)
Provisions	(12)	(21)	(17)	(26)
Liabilities held for sale	-	(48)	(51)	(27)
Current liabilities.....	(482)	(724)	(578)	(625)
Current assets minus current liabilities.....	(47)	(21)	(32)	(3)

			58	148	76	201
		Loans	53	103	56	100
		Derivatives.....	-	1	-	-
		Deferred tax liabilities	-	-	1	-
		Employee benefits	4	4	4	5
		Provisions	2	4	4	6
		Non-current liabilities.....	59	112	65	111
		Equity attributable to the owners of the company.....	(1)	36	11	90
		Non-controlling interest.....	-	-	-	-
		Total Equity.....	(1)	36	11	90
			58	148	76	201
		(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").				
		Consolidated statement of cash flow				
		(€ million)				
			Period 1 January 2015 through 14 June 2015	Period 1 January 2014 through 15 June 2014	Year ended 31 December 2014	Year ended 31 December 2013⁽¹⁾
		Net cash from operating activities	(92)	(82)	(79)	(34)
		Net cash flow used in investing activities.....	7	17	111	(9)
		Net cash from financing activities	(3)	10	59	(4)
		Increase/decrease in net cash position	(88)	(55)	91	(47)
		Net cash position at beginning of the year	120	30	29	76
		Effect of exchange rate fluctuations on cash held.....	-	-	-	-
		Net cash position at period-end	32	(25)	120	29
		(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").				
B.8	Selected key pro forma financial information	Not applicable				
B.9	Profit forecast	Not applicable				
B.10	Historical qualifications in the auditor's report	The audit opinion on the 2014 Financial Statements of the Company is unqualified but contains an emphasis of matter paragraph "Material uncertainty regarding continuity". The review report on the consolidated interim financial statements of the Company for the first half year 2015 contains an emphasis of matter paragraph "Emphasis of uncertainty with respect to the going concern assumption", drawing attention to the note "continuity and liquidity of the company".				
B.11	Working capital	The Group does currently not have sufficient working capital for its present requirements, because the Group's current cash resources, together with its existing borrowings, do not provide it with sufficient working capital for its present requirements for the next twelve months following the date of this Prospectus. The Group expects that it will have a shortfall of working capital of €20 million on 31 December 2015, another shortfall of €20 million in				

		<p>the first quarter of 2016 and another shortfall of €20 million in the second half of 2016. The Transaction is a measure to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur on 31 December 2015 and the shortfall in working capital of €20 million that is expected to occur in the first quarter of 2016. On 9 September 2015, the Company and Renaissance Construction agreed that Renaissance Construction would procure a capital contribution to the Group for an amount of €47.6 million through the Transaction. It was further agreed that Renaissance Construction would use its reasonable best efforts to procure completion of the Transaction on or before 22 December 2015. If the Transaction would not be completed on or before 22 December 2015, Renaissance Construction would use its reasonable efforts to procure completion of the Transaction as soon as possible or provide a bridge loan to the Group for the amount of up to €47.6 million until the Transaction has been completed (the "Renaissance Bridge Loan"), which would enable the Group to timely repay any amounts outstanding under the Bridge Loans. Although the Transaction will not be completed by 22 December 2015, the Group and Renaissance Construction agreed to proceed with the Transaction (for the time being instead of the Renaissance Bridge Loan) and entered into the Underwriting and Placing Agreement (as defined below under E.3 – "<i>Terms and conditions of the Rights Offering and the Private Placement</i>") are subject to certain closing conditions, including: (i) the unconditional approval of this Prospectus by the AFM being in full force and effect; (ii) the admission of the Rights and the Offer DRs to listing on Euronext Amsterdam; (iii) the acceptance of the Rights and the Offer DRs for book-entry transfers by Euroclear Nederland; and (iv) receipt by Renaissance Infrastructure of a comfort letter from our independent auditor. Renaissance Infrastructure has the right to waive the satisfaction of any such conditions or part thereof. In addition to the Transaction, the Group will need to implement certain other measures (the "Other Measures") to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016. Furthermore, if the Group incurs substantial unexpected losses in the twelve months following the date of this Prospectus (including any losses that may trigger a default under the Net Results Threshold (as defined in "<i>Operating and Financial Review – Description of borrowings</i>"), the Group may need to implement Other Measures as well in order to address a shortfall in working capital resulting from such losses. Such Other Measures may include (i) the entering into or debt or equity financing arrangements by means of private or public offerings; or (ii) the accelerated disposal of assets, business units or even an entire division. At the date of this Prospectus, the Group has not explored any of these Other Measures in sufficient detail and there can be no assurance that any of these Other Measures can be implemented in time, or at all, to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016 or any unexpected shortfall in working capital occurring in the next twelve months following the date of this Prospectus. Although the Group has not explored the implementation of any of these Other Measures in sufficient detail, some of these options will most likely be subject to approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting. Any such requirement to obtain approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting will most likely make it more difficult for the Group to implement such Other Measures in time, or at all.</p> <p>If the Transaction does not complete and Renaissance Construction will not provide the Renaissance Bridge Loan, the Group has sufficient working capital until 31 December 2015. If the Group does not successfully implement the Other Measures necessary to raise the additional capital required to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016, the Group has sufficient working capital until the second half of 2016.</p> <p>If the Bridge Loans are not repaid on or before 31 December 2015 at the latest or if the Group breaches the Net Results Threshold or other obligation under the Facility Agreements, this will constitute an event of default under the Facility Agreements, and (subject to applicable cure periods and other limitations on acceleration or enforcement) the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable. In addition, any such default could lead to an event of default under, and as a consequence acceleration of, other debt instruments that contain cross-default or cross-acceleration provisions. If the debt under the Group's financing agreements or any other future financing arrangement that the Group enters into were to be accelerated, the Group's assets may be insufficient to repay in full the Group's outstanding indebtedness. This would most likely lead to an insolvency of the Group.</p> <p>If the Transaction is completed as scheduled and the Other Measures are implemented in a timely manner, the Group believes that it will have sufficient working capital for the next twelve months following the date of this Prospectus.</p>
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Section C - Transaction Securities		
C.1	Type of security and security codes	<p>Subject to applicable securities laws and the terms set out in this Prospectus, each person holding DRs other than the Company in respect of the DRs it holds in treasury (each a "DR Holder") and each person holding Ordinary Shares other than the Ballast Nedam Administration Office (each a "Shareholder") is being granted Rights pro rata to its shareholding in the DRs and the Ordinary Shares.</p> <p>Eligible persons may, subject to the applicable securities laws, subscribe for Offer DRs by exercising Rights from 09:00 CET on 15 December 2015 until 14:00 hours CET on 28 December 2015 (the "Exercise Period").</p> <p>Codes for the Rights:</p> <ul style="list-style-type: none"> • Symbol: "BALCR" • International Securities Identification Number ("ISIN") code: NL0011567136 <p>Codes for Transaction DRs:</p> <ul style="list-style-type: none"> • Symbol: "BALNE" • ISIN code: NL0000336543
C.2	Currency	<p>The Rights Offering and the Private Placement will be carried out and trading in the Rights will be effected in euro. The Transaction DRs will be denominated in euro. Distributions, if any, will also be made in euro.</p>
C.3	Number of securities issued, nominal value per security	<p>As at the date of this Prospectus, the Company's authorised share capital amounts to €45,000,000 divided into 45,000,000 Ordinary Shares, each with a nominal value of €1.00. The Company's issued share capital amounts to €19,667,500 divided into 19,667,500 Ordinary Shares, each with a nominal value of €1.00, of which 19,335,000 are outstanding.</p> <p>On 30 October 2015, the General Meeting approved a proposed amendment to the Articles by which, among other things, the nominal value of each Ordinary Share will be reduced from €1.00 to €0.01. It is expected that on or before the Settlement Date, the nominal value of each Ordinary Share will be reduced from €1.00 to €0.01 and that the authorised share capital of the Company will be amended in order to enable the Company to complete the Rights Offering and Private Placement.</p> <p>The Ballast Nedam Administration Office (<i>Stichting Administratiekantoor van Aandelen Ballast Nedam</i>) issues DRs and administers the underlying Ordinary Shares. The DRs are fully exchangeable. At year-end 2014, DRs had been issued for 99.72% of the issued capital. The Company has repurchased 332,500 DRs in order to cover the liabilities arising from the current management option scheme.</p>
C.4	Rights attached to the securities	<p>DR Holders or their proxy holders have the right to personally attend the general meeting of Shareholders (as defined below) (<i>algemene vergadering</i>), being the corporate body, or where the context requires so, the physical meeting (the "General Meeting"), subject to informing the Company thereof in writing.</p> <p>The voting rights attached to the Ordinary Shares – one vote per Ordinary Share – rest with the</p>

		<p>Ballast Nedam Administration Office, however, the Ballast Nedam Administration Office will provide DR Holders who intend to vote at the General Meeting an unconditional proxy to exercise their respective votes at their request. DR Holders have the option to convert DRs into Ordinary Shares. This option has not been exercised in the past three years. DR Holders can reclaim an amount of Ordinary Shares of equal nominal value by cancelling the DRs.</p> <p>DR Holders are entitled to a dividend if any dividend is declared. The Ballast Nedam Administration Office will collect all dividend and all other distributions made on the Ordinary Shares registered in its name from the Company and, will promptly make available for payment a corresponding dividend or distribution on the DRs.</p> <p>In the event new Ordinary Shares are issued, the Ballast Nedam Administration Office grants DR Holders a pre-emptive right to the issue of DRs in conformity with the pre-emptive right granted to holders of Ordinary Shares. Each holder of Ordinary Shares has a pre-emptive right to any issue of Ordinary Shares, proportional to the aggregate amount of his Ordinary Shares. No pre-emptive right exists in respect of an issue of Ordinary Shares for a consideration other than in cash. The General Meeting may resolve to limit or exclude the pre-emptive rights. Such resolution requires a majority of at least two thirds of the votes cast if less than half of the issued capital is represented at the meeting. In the event half or more of the issued capital is represented, the resolution is adopted with an absolute majority of the votes cast. The board of management of the Company (the "Board of Management") also has the authority to resolve on the limitation or exclusion of the pre-emptive right, provided that the Board of Management (i) is also authorised to resolve on the issue of Ordinary Shares; and (ii) has been designated by the General Meeting to resolve on such matter for a specific period of no more than five years. The above also applies to the granting of rights to subscribe for shares, however, Shareholders do not have a pre-emptive right towards shares issued to a person exercising a previously acquired right to take shares. On 30 October 2015, the General Meeting authorised the Board of Management, subject to the approval of the supervisory board of the Company ("Supervisory Board"), to limit or exclude pre-emptive rights for a period of nine months from 30 October 2015 in connection with the Transaction.</p>
C.5	Restrictions on transferability	<p>There are no restrictions on the transferability of the Ordinary Shares under the articles of association of the Company (the "Articles"). However, the offer of the Rights and the Offer DRs to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Transaction Securities into jurisdictions other than the Netherlands may be subject to specific regulations or restrictions. The Rights being granted in the Rights Offering may be exercised only by an Eligible Person, subject to applicable securities laws. For a description of the restrictions on resale and transfer of the Transaction Securities see "<i>Selling and Transfer Restrictions</i>".</p>
C.6	Listing and admission to trading	<p>Application has been made to admit the Rights, Offer DRs and Placing DRs to listing and trading on Euronext Amsterdam.</p> <p>The Company expects trading of the Rights on Euronext Amsterdam to commence at 09:00 CET hours on 15 December 2015 and will continue until 14:00 hours CET on 24 December 2015. The Rights will be traded on Euronext Amsterdam under the symbol "BALCR" and ISIN code NL0011567136.</p> <p>The Company expects that the Offer DRs and Placing DRs will be admitted to listing and trading and that the trading in the Offer DRs and Placing DRs will commence on Euronext Amsterdam on 29 December 2015. The DRs are listed on Euronext Amsterdam under the symbol "BALNE" and ISIN code "NL0000336543".</p>
C.7	Dividend policy	<p>The Company does not intend to make any dividend distributions in the foreseeable future, except in the context of any possible restructuring measures.</p> <p>The Company is subject to restrictions on the distribution of cash dividends as a result of the refinancing package which was concluded in June 2015. Specifically, the Company is not allowed to pay any dividends until the date on which (i) the Subordinated Term Loan Facility has been irrevocably repaid in full; (ii) the Solvency Ratio of the Group is 30% or greater; (iii) the amount of that dividend does not exceed 50% of the retained earnings of the Group; and (iv) no default under the Facility Agreements is continuing or would occur immediately after making the dividend payment. (See "<i>Defined Terms</i>" for the definitions of these terms).</p>
Section D - Risks		
	Selection of key risks	<p>The following is a selection of key risks that relate to the Group, the sector in which the Group operates and the Transaction. In making the selection, Ballast Nedam has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group's financial condition, results of operations, capital and liquidity needs and the attention that management of the Group would on the basis of current expectations have to devote to these</p>

		<p>risks if they were to materialise. Investors should read, understand and consider all risk factors, which risk factors are material and should be read in their entirety, in "Risk Factors" beginning on page 21 of the Prospectus before making an investment decision to invest in the Rights and/or the Offer DRs.</p> <ul style="list-style-type: none"> • The Group has in the past suffered substantial losses, including on the projects that the Group is involved in, which have materially and adversely affected the Group's business, results of operations and financial condition and the Group may suffer further substantial losses. • Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps. • The Group is dependent on the successful completion of the Transaction and the timely and successful implementation of certain other measures to raise additional capital to address expected shortfalls in working capital. The working capital requirements of the Group fluctuate from time to time as a result of which the Group may face a lack of sufficient liquidity or incur increased indebtedness. • If a Shareholder or DR Holder does not, not timely or not validly exercise all of his Rights, his percentage ownership of DRs will be significantly diluted. In addition, Shareholders and DR Holders will be diluted as a result of the Private Placement. • The Renaissance Group will be in a position to exert substantial influence over the Group. The interests pursued by the Renaissance Group could differ from the interests of other DR Holders. • Liquidity of the market for the DRs is limited and holders of DRs may have difficulties selling their DRs. • The Group's recent restructuring and operational measures may prove insufficiently effective to improve the Group's financial position, operations or results which could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group has lost the confidence of certain of its customers, suppliers, business partners, employees, credit insurers and other stakeholders and may fail to regain such confidence or even experience a further loss of confidence of these stakeholders. • The Group's level of indebtedness restricts the Group's financial and operational flexibility and any failure by the Group to comply with or meet any of its obligations under its financing arrangements could result in insolvency proceedings or a debt or other restructuring which could result in investors in the Transaction Securities losing all or a substantial part of their investment. • The working capital requirements of the Group fluctuate from time to time as a result of which the Group may face a lack of sufficient liquidity or incur increased indebtedness. • The reduced scale and diversity of the Group and its focus to certain specific market segments in the Netherlands could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group is likely to continue to be negatively impacted by the lagging recovery of the construction industry. • The market price of the DRs may fluctuate and may decline below the Issue Price of the Offer DRs.
D.1	Key risks relating to the issuer and the industry in which it operates	<p>Risks relating to the Group</p> <ul style="list-style-type: none"> • The Group has in the past suffered substantial losses, including on the projects that the Group is involved in, which have materially and adversely affected the Group's business, results of operations and financial condition and the Group may suffer further substantial losses. • Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps. • The Group is dependent on the successful completion of the Transaction and the timely and successful implementation of certain other measures to raise additional capital to address expected shortfalls in working capital. The working capital requirements of the Group fluctuate from time to time as a result of which the Group may face a lack of

		<p>sufficient liquidity or incur increased indebtedness.</p> <ul style="list-style-type: none"> • If a Shareholder or DR Holder does not, not timely or not validly exercise all of his Rights, his percentage ownership of DRs will be significantly diluted. In addition, Shareholders and DR Holders will be diluted as a result of the Private Placement. • The Renaissance Group will be in a position to exert substantial influence over the Group. The interests pursued by the Renaissance Group could differ from the interests of other DR Holders. • Liquidity of the market for the DRs is limited and holders of DRs may have difficulties selling their DRs. • The Group has in the past suffered substantial losses, including on the projects that the Group is involved in, which have materially and adversely affected the Group's business, results of operations and financial condition and the Group may suffer further substantial losses. • Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps. • The Renaissance Group will be in a position to exert substantial influence over the Group. The interests pursued by the Renaissance Group could differ from the interests of other DR Holders. • The Group's recent restructuring and operational measures may prove insufficiently effective to improve the Group's financial position, operations or results which could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group has lost the confidence of certain of its customers, suppliers, business partners, employees, credit insurers and other stakeholders and may fail to regain such confidence or even experience a further loss of confidence of these stakeholders. • The Group's level of indebtedness restricts the Group's financial and operational flexibility and any failure by the Group to comply with or meet any of its obligations under its financing arrangements could result in insolvency proceedings or a debt or other restructuring which could result in investors in the Transaction Securities losing all or a substantial part of their investment. • The reduced scale and diversity of the Group and its focus to certain specific market segments in the Netherlands could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group may not be successful in implementing its new strategy. • The Group depends on generating and upstreaming sufficient cash flow to fund the Group's debt obligations, capital expenditures and on-going operations. • The Group has certain guarantee facilities and certain bilateral credit facilities that are committed. The providers of these facilities have the authority to decide not to grant or reduce such facilities at any time, which could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group has a decentralised management system which has resulted in the Group having insufficient control over certain operational, financial and legal risks and the Group may be unable to successfully implement any required changes to its organisation, management information systems and internal controls to address such risks. • If calculations or estimates of the overall risks, revenues or costs on any particular project or contract prove inaccurate or circumstances change, then lower than anticipated profits may be achieved or a loss may be incurred on such projects or contracts. • Unsuccessful tender processes may result in significant non-recoupable costs. • Missing deadlines, contract disputes and litigation may expose the Group to financial and other liability. • For certain of the projects that the Group undertakes, it assumes some or all of the risks associated with completion of the project, which may result in losses incurred by the Group. • The Group is exposed to liabilities arising from operating projects in joint ventures and
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		<p>from working with subcontractors and suppliers.</p> <ul style="list-style-type: none"> • The Group is dependent on government policies and spending for a substantial portion of its revenues and any change in governmental policies or programmes could adversely affect its revenues and profitability. • The current book value of the Group's strategic land positions may be adversely affected by a lack of changes in local zoning plans (<i>bestemmingsplannen</i>), the inability to further develop land positions in the near future, general macro-economic conditions, environmental issues or the illiquid nature of the land positions. • A departure of one or more members of the Group's senior management could have an adverse effect on its business and the Group's success depends on attracting and retaining senior personnel, project managers and other skilled personnel. • The Group's Order Book is not necessarily indicative of its actual or future revenue or results or cash flow due to possible cancellations, delays or scope adjustments of contracts and projects or maintenance assignments in the Order Book. • The Group is and may in the future become, party to legal proceedings arising from the operation of its business. • The Group may be liable for environmental and health and safety issues relating to its current and former operations and properties. • The Group's operations in the construction industry carry a risk of performance and product liability. • The Group may be insufficiently insured against losses, damage and limitations of use of its properties. • The Group could be materially adversely affected if its IT infrastructure fails to support the Group's business. • Labour costs, work stoppages and other disruptions in labour relations matters may have an adverse effect on the Group. • Failure to comply with laws and regulations, in particular those relating to competition, anti-bribery and health and safety, may have a materially adverse effect on the Group's business, results of operations and financial condition. • Changes in tax laws or challenges to the Group's tax position could have a materially adverse effect on the Group's business, results of operations and financial condition. • The Group may have exposure to tax liabilities which are greater than currently anticipated and the recorded tax assets may not be fully recoverable. • The Group may incur liabilities from past and future disposals. • The Group is exposed to liabilities from long-term PPP and other projects for non-residential and infrastructural assets that are based on key assumptions which may not prove to be correct. • Deteriorating markets could result in the impairment of goodwill and other acquired intangibles, which may have a materially adverse effect on the Group's business, results of operations and financial condition. • The Company does not intend to make dividend distributions in the foreseeable future, except in the context of any possible restructuring measures. <p>Risks relating to the sectors in which the Group operates</p> <ul style="list-style-type: none"> • The Group is likely to continue to be negatively impacted by the lagging recovery of the construction industry. • The Group may not be able to obtain products from suppliers or it may have to procure products on less favourable terms and certain credit insurers are in the process of reducing or have reduced their exposure to the Group by lowering credit limits granted to parties, in particular suppliers of the Group. This may result in refusals to supply products to the Group on pre-agreed (credit) terms or on commercially acceptable terms, in increased difficulties in selling homes that the Group is developing or in demands for direct recourse from purchasers. • The Group is exposed to a risk of default by and lack of credit facilities for counterparties, in particular its sub-contractors, partners and customers, which could have a materially adverse effect on the Group's business, results of operations and
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		<p>financial condition.</p> <ul style="list-style-type: none"> • The Group's business may be affected by general risks associated with other companies operating in the same sectors as the Group, which may include, but are not limited to, trends in the construction industry, general economic conditions and legislation. • The Group may lose business to competitors or otherwise be unable to compete favourably in the markets in which it operates and a failure of the Group to maintain its competitive position would have a materially adverse effect on the Group's business, results of operations and financial condition. • Fluctuating commodity prices, in particular of lumber, fuel, bitumen, cement, stone and steel, as well as unexpected shortages may have a materially adverse effect on the Group's business, results of operations and financial condition. • Fluctuations in foreign currency exchange rates may have a materially adverse effect on the Group's business, results of operations and financial condition. • Adverse weather conditions may impact the Group's results. • Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may adversely affect the Group.
D.3	Key risks relating to the securities	<p>Risks relating to the Transaction</p> <ul style="list-style-type: none"> • The market price of the DRs may fluctuate and may decline below the Issue Price of the Offer DRs. • The Group cannot assure that a trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the DRs. If the Rights Offering fails or is terminated, Rights will become worthless. • If Eligible Persons do not, not timely or not validly exercise their rights, they may not be able to subscribe for Offer DRs at the Issue Price and they will not receive a compensation for their unexercised Rights. • In case closing of the Rights Offering does not take place on the Settlement Date and the Rights Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer DRs that have been made, will be disregarded. • Issuance of additional equity by issuing new ordinary shares or new depositary receipts for ordinary shares could lead to a dilution of Shareholders' and DR Holders' stakes. • Shareholders and DR Holders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the euro. • The rights and responsibilities of a Shareholder and/or DR Holder are governed by Dutch law and will differ in some respects from the rights and obligations of holders of DRs under the laws of other jurisdictions and the rights of holders of Ordinary Shares under Dutch law may not be as clearly established as the rights of a holder of Ordinary Shares established under the laws of some other jurisdictions. • If securities or industry analysts do not publish research or reports about the Group's business, or if they adversely change their recommendations regarding the DRs, the market price and trading volume of the DRs could be affected.
Section E - the Rights Offering and the Private Placement		
E.1	Net proceeds	<p>The estimated net proceeds of the Rights Offering amount to approximately €20 million. The estimated net proceeds of the Private Placement amount to approximately €27.6 million. In aggregate, the estimated net proceeds of the Transaction amount to approximately €47.6 million. The expenses incurred in relation to the Rights Offering and the Private Placement that are payable by the Group are estimated at approximately €3.4 million and include, among others, the fees due to the AFM and Euronext Amsterdam, the fees due to the Group's independent auditor and legal advisors, commissions and publication costs.</p>
E.2 a	Reasons for the Transaction and use of proceeds	<p>The Rights Offering and the Private Placement form an essential part of an effort to strengthen the financial position of the Group. The Facility Agreements require, <i>inter alia</i>, the repayment of the €20 million Bridge Loans through a rights issue. The Rights Offering has been initiated to meet this requirement. The Private Placement to Renaissance Infrastructure is one of the conditions of the Merger Agreement.</p> <p>The estimated net proceeds of the Transaction, expected to amount to approximately €47.6 million, will be used to repay any amounts outstanding under the Bridge Loans and to further</p>

		strengthen the financial position of the Group. The net proceeds of the Transaction will not, in principle, be used to repay any outstanding indebtedness other than the Bridge Loans.
E.3	Terms and conditions of the Rights Offering and the Private Placement	<p>Rights Offering</p> <p>Issue price</p> <p>€0.2955</p> <p>Pre-emptive rights</p> <p>The statutory pre-emptive rights (<i>wettelijke voorkeursrechten</i>) of holders of Ordinary Shares in respect of the Rights Offering and the Private Placement have been excluded for the purpose of the Transaction.</p> <p>Record Date</p> <p>The record date for determining the DR Holders who will receive Rights (subject to applicable securities laws) is immediately after the closing of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 hours CET on 14 December 2015 (the "Record Date"). Until the close of trading in DRs on Euronext Amsterdam on the Record Date, DRs will trade with the Rights (cum-Rights). As from 9:00 hours CET on 15 December 2015, DRs will trade without the Rights (ex-Rights).</p> <p>Rights</p> <p>Subject to applicable securities laws and the terms set out in this Prospectus, DR Holders (other than the Company in respect of the DRs it holds in treasury) and Shareholders (other than the Ballast Nedam Administration Office) immediately following the close of trading in DRs on Euronext Amsterdam at 17:40 hours CET, on 14 December 2015 will be granted 1 (on) Right for each DR or for each Ordinary Share held. Eligible Persons (as defined in "<i>Selling and Transfer Restrictions – General</i>") will be entitled and will have the right to subscribe at the Issue Price for 14 (fourteen) Offer DRs for every 4 (four) Rights held on the Record Date. No Rights allowing it to participate in the Rights Offering will be granted to Ballast Nedam as holder of DRs in treasury and the Ballast Nedam Administration Office. Only DR Holders who qualify as Eligible Persons as of the Record Date will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by Ballast Nedam.</p> <p>Exercise Period</p> <p>Subject to the restrictions set out below, an Eligible Person, whether a DR Holder as at the Record Date or a subsequent transferee of Rights, can only validly subscribe for Offer DRs by exercising his Rights from 9:00 hours CET 15 December 2015 up to 14:00 hours CET on 28 December 2015, which is the end of the Exercise Period. The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held.</p> <p>If an Eligible Person has not exercised his Rights by the end of the Exercise Period, these can no longer be exercised by the Eligible Person. Once an Eligible Person has validly exercised his Rights, he cannot revoke or modify that exercise, except for certain circumstances.</p> <p>Payment and delivery</p> <p>A holder of Rights that exercises his Rights should pay the Issue Price for the Offer DRs subscribed for in accordance with the instructions he receives from the financial intermediary through which he holds the Rights. The financial intermediary will pay the Issue Price to ING Bank N.V. ("ING") in its capacity as subscription, listing and paying agent (the "Subscription, Listing and Paying Agent"), who will in turn pay it to Ballast Nedam after deduction of applicable fees and expenses. Payment of the Offer DRs must be made at the office of the Subscription, Listing and Paying Agent no later than the Settlement Date. Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date.</p> <p>Payment for and delivery of the Offer DRs is expected to take place on 29 December 2015. Delivery of the Offer DRs will take place through the book-entry system of Euroclear Nederland.</p> <p>The Private Placement</p> <p>Pursuant to the Merger Agreement and the Underwriting and Placing Agreement, immediately following the Rights Offering the Group will place up to 132,959,776 Placing DRs with Renaissance Infrastructure at an issue price per Placing DR of €0.2076 which represents a discount of 30% to the theoretical ex-rights price of the Offer DRs. Shareholders and DR holders who validly exercise their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 59.8% as a result of the Private Placement. Shareholders and DR holders who transfer, or who do not, not timely or</p>

		<p>not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 91.1% as a result of the Private Placement.</p> <p>Issue price</p> <p>€0.2076</p> <p>Pre-emptive rights</p> <p>The statutory pre-emptive rights (<i>wettelijke voorkeursrechten</i>) of holders of Ordinary Shares in respect of the Rights Offering and the Private Placement have been excluded for the purpose of the Transaction.</p> <p>Payment and delivery</p> <p>Renaissance Infrastructure will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn pay it to Ballast Nedam after deduction of applicable fees and expenses. Payment of the Placing DRs must be made at the office of the Subscription, Listing and Paying Agent no later than the Settlement Date. Payment for and delivery of the Placing DRs is expected to take place on 29 December 2015. Delivery of the Placing DRs will take place through the book-entry system of Euroclear Nederland.</p> <p>Underwriting and Placing Agreement</p> <p>On or around the date of this Prospectus, Renaissance Infrastructure and the Company entered into an underwriting and placing agreement with respect to the Transaction (the "Underwriting and Placing Agreement"), pursuant to which Renaissance Infrastructure undertakes, subject to various conditions precedent, to subscribe or procure that other persons subscribe for such number of additional Offer DRs to ensure that the aggregate consideration received by the Company pursuant to the Rights Offering shall not be less than €20 million. The obligations of Renaissance Infrastructure under the Underwriting and Placing Agreement are subject to certain closing conditions, including: (i) the unconditional approval of this Prospectus by the AFM being in full force and effect; (ii) the admission of the Rights and the Offer DRs to listing on Euronext Amsterdam; (iii) the acceptance of the Rights and the Offer DRs for book-entry transfers by Euroclear Nederland; and (iv) receipt by Renaissance Infrastructure of a comfort letter from the Group's independent auditor. Renaissance Infrastructure has the right to waive the satisfaction of any such conditions or part thereof. See "<i>The Transaction – Underwriting and Placing Agreement</i>".</p> <p>Subscription, Listing and Paying Agent</p> <p>ING Bank N.V.</p>
E.4	Interests material to the Transaction, including potential conflicts of interest	<p>The Syndicated Lenders, and/or their respective affiliates, and the Subscription, Listing and Paying Agent have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with Ballast Nedam, or any parties related to Ballast Nedam, for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures – including so-called 'Chinese walls' – or by rules and regulations, including those issued by the AFM. As a result of these activities, the Subscription, Listing and Paying Agent and the Syndicated Lenders and/or their respective affiliates may have interests that may not be aligned, or could potentially conflict with, the interests of the Shareholders, the (prospective) DR Holders or holders of Rights or with the interests of the Group.</p> <p>The Syndicated Lenders and/or their respective affiliates may provide services for the Company and the Company's affiliates in the future. Additionally, the Syndicated Lenders and/or their respective affiliates may in the ordinary course of business, hold, have held and in the future may hold the Company's securities for investment purposes.</p> <p>The Syndicated Lenders are currently lenders under the Banks Bridge Loan, the Amended and Restated SFA and the Subordinated Facilities Agreement. ING is also the Subscription, Listing and Paying Agent. Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank") also acts as agent and security agent under the Amended and Restated SFA and as lender under the Rabobank Bilateral Loan. Furthermore, FGH Bank, a subsidiary of Rabobank, is currently lender under the Amended and Restated FGH Bilateral Loan. In such capacities, they have received and may continue to receive customary fees related to such services. The net proceeds of the Rights Offering will be used to repay the Group's indebtedness under the Bridge Loans. Accordingly, the Syndicated Lenders are expected to receive a portion of the net proceeds of the Rights Offering.</p>

		<p>Sanderink is the parent company of Strukton Groep N.V. ("Strukton"). Sanderink acts as lender under the Sanderink Bridge Loan. Strukton is a party who often acts as joint venture partner of the Group. Accordingly, Sanderink is expected to receive a portion of the net proceeds of the Rights Offering.</p> <p>The arrangements in the Merger Agreement, Underwriting and Placing Agreement and the Private Placement qualify as related party transactions. The Private Placement involves Placing DRs being issued to Renaissance Infrastructure which holds a controlling interest in the Company.</p> <p>The Company is involved in a number of operating activities that are executed in cooperation with subsidiaries or associated companies, for example in joint ventures.</p> <p>Furthermore, the bank guarantees and parent company guarantees issued by the Company on behalf of its subsidiaries, associated companies and joint ventures qualify as related party transactions. In addition, the Company issued bank guarantees on behalf of subsidiaries.</p> <p>These bank guarantees relate to the execution of projects for customers and to future investment obligations.</p> <p>The Company buys and sells goods and services from and to various related parties in which the Company holds an interest of 50% or less, or with natural or legal persons holding at least 10% of the Ordinary Shares. All these transactions are executed at arm's length, in a comparable manner as for transactions with third parties.</p> <p>As a result of acting in the capacities described above, the Syndicated Lenders, the Subscription, Listing and Paying Agent, Sanderink, Strukton and their respective affiliates may have interests that may not be aligned, or could potentially conflict, with (prospective) investors' and Ballast Nedam's interests.</p> <p>Apart from these, there is no other interest, including any conflicting interest, that is material to the Rights Offering or the Private Placement.</p>								
E.5	Lock up arrangements	Not applicable								
E.6	Dilution	<p>The table below sets out the maximum dilution percentage following the Rights Offering and the Private placement for (i) current Shareholders and DR Holders who exercise their rights as well as for (ii) current Shareholders and DR Holders, excluding Renaissance, who do not exercise their Rights. Furthermore, the table below sets out Renaissance's prospective ownership stake in the Company in both cases. See also "<i>Risk Factors - The Renaissance Group will be in a position to exert substantial influence over the Group. The interests pursued by the Renaissance Group could differ from the interests of other DR Holders</i>". Renaissance Infrastructure needs to acquire at least 60,619,462 of the 67,672,500 Offer DRs to reach or exceed a 95% ownership of the total outstanding DRs following the Private Placement. If more than 1,614,296 Rights are not validly exercised by Shareholders and DR holders (other than Renaissance Infrastructure) or are acquired by Renaissance Infrastructure, Renaissance Infrastructure will acquire at least 60,619,462 of the 67,672,500 Offer DRs and reach a 95% ownership of the total outstanding DRs following completion of the Private Placement. See also "<i>Risk Factors - Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps</i>".</p> <table><tr><th></th><th>Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Rights Offering</th><th>Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Private Placement</th><th>Renaissance Infrastructure's ownership stake in the Company following the Transaction</th></tr><tr><td>If current Shareholders and DR Holders, including Renaissance Infrastructure, exercise their</td><td>-</td><td>59.8%</td><td>92.4%</td></tr></table>		Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Rights Offering	Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Private Placement	Renaissance Infrastructure's ownership stake in the Company following the Transaction	If current Shareholders and DR Holders, including Renaissance Infrastructure, exercise their	-	59.8%	92.4%
	Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Rights Offering	Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Private Placement	Renaissance Infrastructure's ownership stake in the Company following the Transaction							
If current Shareholders and DR Holders, including Renaissance Infrastructure, exercise their	-	59.8%	92.4%							

		<p>Rights.....</p> <p>If current Shareholders and DR Holders, excluding Renaissance Infrastructure, do not exercise their Rights.....</p> <p style="text-align: right;">77.5% 91.1% 98.2%</p>
E.7	Estimated expenses charged to the investors by the Company	Not applicable: no expenses have been or will be charged to investors by Ballast Nedam in relation to the Transaction.

RISK FACTORS

Investing in the Transaction Securities involves a high degree of risk. In addition to the other information contained in this Prospectus, prospective investors should carefully consider all of the following risk factors and uncertainties, before purchasing any Transaction Securities. The risks and uncertainties the Group describes below are not the only ones the Group faces. Additional risks and uncertainties of which the Group is not aware or that the Group currently believes are immaterial may also adversely affect the Group's business, results of operations and financial condition. If any of the possible events described below were to occur, the Group's business, results of operations and financial condition could be materially and adversely affected and/or such events could adversely affect the price of the Transaction Securities. If that happens, investors could lose all or part of their investment. All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of the risks described below simultaneously and one or more of the risks described below may be interdependent. The risks and uncertainties described are not necessarily presented in the order of likelihood that a risk will materialise and/or seriousness of the consequences if a risk should materialise.

The Prospectus also contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in the Prospectus.

Risks relating to the Group

The Group has in the past suffered substantial losses, including on the projects that the Group is involved in, which have materially and adversely affected the Group's business, results of operations and financial condition and the Group may suffer further substantial losses.

In the recent past, the Group has been involved in a number of projects, such as the A2 Maastricht project, the A15 Maasvlakte-Vaanplein (MaVa) project, the OVT-Breda project, the Zaanstad Penitentiary PPP project, the Nobo Otrobanda Hospital project and the N31 Traverse Harlingen project in which projects there was an underestimation of required time and materials, a delay in or lack of proper management oversight, inadequate use of reporting lines and a delay in reacting to substantial cost overruns. As a result, the Group suffered substantial losses in connection with these projects. The factors that contributed to this included: (i) a reduced capability to transmit important information through the reporting lines within the Group, in particular to the board of management of the Company (the "**Board of Management**") (and, as a consequence, also to the supervisory board of the Company (the "**Supervisory Board**")), due in part to the decentralised nature of the Group's organisation; (ii) the ineffectiveness of the Group's management information systems; and (iii) the Group having insufficient control over its projects and insufficient visibility with respect to the results of its projects. This resulted in the Group suffering substantial losses on a number of occasions in the recent past. In the financial year 2014 the Group recorded an EBIT of negative €65 million compared to an EBIT of negative €32 million in the financial year 2013. Most recently, the Group announced on 9 September 2015 that it expected to incur further losses of approximately €20 million in its Building & Development division. There can be no assurance that the Group will not incur further material losses on its projects or otherwise. Any such further material losses may materially and adversely affect the Group's business, results of operations and financial condition.

As a result of the losses suffered by the Group and the disappointing results reported by the Group in 2014 and 2015, the Group was required to strengthen its balance sheet, improve its solvency position and obtain additional liquidity resources through a rights issue completed in August 2014, a refinancing completed in 2014 and a further refinancing signed in June 2015. If any further measures would be deemed required, the Group will incur additional costs which may be substantial. Any such costs incurred by the Group in connection with the adoption or implementation of the various

measures may have a material negative impact on the Group's business, results of operations and financial condition.

If the Group were to suffer further losses, the Group may not be able to implement the transactions or measures required to strengthen its balance sheet, improve its solvency position, obtain additional liquidity resources or achieve any other improvements or results required for the Group to continue to meet or comply with its contractual obligations or to continue to pay its debts as they become due.

A materialisation of any of these risks could prevent the Group from continuing as a going concern and lead to an insolvency of the Group.

Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps.

In its offer memorandum dated 17 September 2015 (the "**Offer Memorandum**"), Renaissance Infrastructure stated its intention to acquire 100% the DRs or the business and operations of the Group, through a public bid for all issued and outstanding DRs (the "**Public Bid**") and other subsequent restructuring steps, if necessary. The Company has agreed to use its reasonable best endeavours to undertake such restructuring steps. Such restructuring steps may include: a further public bid for any DRs held by minority holders; a statutory domestic bilateral or triangular merger (*juridische (drie)hoeks-/fusie*) in accordance with section 2:309 et seq. of the Dutch Civil Code of the Dutch Civil Code (*Burgerlijk Wetboek*, the "**Dutch Civil Code**") between the Company and any affiliate of Renaissance Infrastructure; a statutory demerger (*juridische splitsing*) of the Company in accordance with section 2:334a et seq. of the Dutch Civil Code; a contribution of assets or a combination of assets and cash by Renaissance Infrastructure or by any affiliate of Renaissance Infrastructure in exchange for ordinary shares or preference shares in the Company's share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of the Company's minority shareholders may be excluded; a sale of all, substantially all, or a substantial part of the assets of the Company, which may or may not be followed by a distribution of proceeds to the shareholders of the Company, all in accordance with the laws of the Netherlands and the articles of association of the Company; a distribution of proceeds, cash and/or assets to the Company's shareholders; a sale and transfer of assets and liabilities by Renaissance Infrastructure or any of its affiliates to any member of the Group, or a sale and transfer of assets and liabilities by any member of the Group to Renaissance Infrastructure or any of its affiliates; the conversion of the Company into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*); any combination of the foregoing; or any transactions, restructurings, share issues, procedures or proceedings in relation to the Company or one or more of its affiliates required to effect the aforementioned objective. Any such restructuring steps may materially and adversely affect the value of the DRs held by other DR holders or otherwise materially and adversely affect the position of other DR holders and will be aimed at enabling Renaissance Infrastructure to acquire 100% the DRs or the business and operations of the Group thereby squeezing out or otherwise disenfranchising all other DR holders. Moreover, Renaissance Construction and the Company have acknowledged that it is their intention, subject to the applicable laws and regulations, to terminate the listing of the DRs on Euronext Amsterdam as soon as possible which may further materially and adversely affect the liquidity and value of the DRs. Lastly, in the event that there is a sale of substantially all assets of the Group, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for DR Holders, including without limitation a liability to Dutch dividend withholding tax. Other restructuring steps could also raise specific tax issues for DR Holders.

The Group is dependent on the successful completion of the Transaction and the timely and successful implementation of certain other measures to raise additional capital to address expected shortfalls in working capital. The working capital requirements of the Group fluctuate from time to time as a result of which the Group may face a lack of sufficient liquidity or incur increased indebtedness.

The Group expects that it will have a shortfall of working capital of €20 million on 31 December 2015, another shortfall of €20 million in the first quarter of 2016 and another shortfall of €20 million in the second half of 2016. See "*Operating and Financial Review – Working capital statement*". The Transaction is a measure to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur on 31 December 2015 and the shortfall in working capital of €20 million that is expected to occur in the first quarter of 2016. In addition to the Transaction, the Group will need to implement certain other Other Measures (as defined in "*Operating and Financial Review – Working capital statement*") to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016. The Other Measures that the Group will need to implement may include (i) the entering into or debt or equity financing arrangements by means of private or public offerings; or (ii) the accelerated disposal of assets, business units or even an entire division. At the date of this Prospectus, the Group has not explored any of these Other Measures in sufficient detail and there can be no assurance that any of these Other Measures can be implemented in time, or at all, to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016. Although the Group has not explored the implementation of any of these Other Measures in sufficient detail, some of these options will most likely be subject to approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting. Any such requirement to obtain approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting will most likely make it more difficult for the Group to implement such Other Measures in time, or at all. The Group's expectations of the financial benefit of the Transaction, the Group's ability to implement the Other Measures and the impact of the Transaction and the Other Measures on the Group's financial and operational business plan are based upon certain assumptions and variables. There is a risk that such benefits will not fully materialise or will not be sufficient or that the Group fails to timely implement the Other Measures, due to, for instance, deteriorating market conditions, lack of providers of debt or equity financing arrangements, lack of interested buyers of the Group's assets, business units or divisions, a deterioration of the Group's trading performance, the Group's risk management not working properly or otherwise. This may result in the Group being unable to pay its debts as they fall due which would likely lead to an insolvency of the Group. In addition, this may result in the Group being unable to meet its obligations under the Facility Agreements (such as failure to pay interest when due) as a result of which the relevant lenders could elect to declare the debt outstanding under the Facility Agreements, together with accrued and unpaid interest and other fees, if any, immediately due and payable (subject to applicable cure periods and other limitations on acceleration or enforcement and unless such breach is remedied). Such default could lead to an event of default under (and acceleration of) other debt instruments of the Group that contain cross-default or cross-acceleration provisions. If any of the debt under the Group's financing agreements or any other future financing arrangement that the Group enters into were to be accelerated, the Group's assets may be insufficient to repay in full the Group's outstanding indebtedness. This would most likely lead to an insolvency of the Group.

The working capital requirements of the Group strongly fluctuate over time for a number of reasons, including but not limited to: the slow recovery of the housing market and the continuing difficult conditions in the other markets in which the Group is active; delayed or failed payments by customers; delayed or failed receipt of interim payments in projects; increasing inventory levels; accelerated payments to creditors; inability to on-charge to customers the discrepancy between contracted prices with suppliers and market prices; seasonality in rewarding orders; and seasonality in the payment behaviour of customers, in particular customers in the public sector, and any changes to such payment behaviour. An increase in working capital requirements may seriously restrict the Group's operational abilities and financial position, since an increase in working capital requirements could create liquidity problems which might lead to increased indebtedness and in the end to a breach of the Group's financial covenants. See "*Operating and Financial Review – Liquidity and capital resources – Cash flow from operating activities*" and "*Operating and Financial Review – Working capital statement*".

If a Shareholder or DR Holder does not, not timely or not validly exercise all of his Rights, his

percentage ownership of DRs will be significantly diluted. In addition, Shareholders and DR Holders will be diluted as a result of the Private Placement.

The Rights Offering is designed to enable the Company to raise capital in a manner that gives the opportunity to existing Shareholders and DR Holders to subscribe for the Offer DRs pro rata to their shareholding at the Record Date, subject to applicable securities laws. Renaissance Infrastructure will subscribe for Offer DRs not subscribed for through the exercise of Rights, at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting and Placing Agreement (see "*The Transaction – Underwriting and Placing Agreement*"). To the extent that a Shareholder or DR Holder does not, not timely or not validly exercise his Rights, his proportionate ownership and voting interest in the Company will be reduced. If an existing Shareholder or DR Holder elects to sell his Rights, the consideration he will receive, if any, may not be sufficient to fully compensate him for the dilution of his percentage ownership of Ordinary Shares or DRs that may be caused as a result of the Rights Offering. Shareholders and DR Holders from or in certain jurisdictions are excluded from the Rights Offering. Shareholders and DR Holders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 77.5% as a result of the issue of the Offer DRs. In addition, Shareholders and DR Holders will be diluted as a result of the Private Placement. Shareholders and DR holders who validly exercise their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 59.8% as a result of the Private Placement. Shareholders and DR holders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 91.1% as a result of the Private Placement.

The Renaissance Group will be in a position to exert substantial influence over the Group and its strategy. The interests pursued by the Renaissance Group could differ from the interests of other DR holders.

Renaissance Infrastructure is the largest DR holder of the Group, currently holding approximately 79.9% of the DRs. Following completion of the Private Placement, Renaissance Infrastructure is expected to hold at least 92.4% of the Group's DRs (assuming full placement of the Placing DRs). See also "*The Transaction – Dilution*". Furthermore, as a result of the underwriting by Renaissance Infrastructure of the Rights Offering and the Private Placement, Renaissance Infrastructure's holding of DRs may become even larger after completion of the Transaction. The group of Renaissance Construction and its subsidiaries from time to time, including Renaissance Infrastructure, (this group excluding the Group, the "**Renaissance Group**") is and will, following completion of the Transaction, continue to be in a position to exert substantial influence in the General Meeting and, consequently, on matters decided by the General Meeting, including the appointment of members of the Board of Management and Supervisory Board. The interests of the Renaissance Group could deviate from the interests of other DR holders. As the largest DR holder, Renaissance Infrastructure will be able to make certain key decisions without the support of other DR holders and will be in a position to significantly influence the Group's operations, nominations of Supervisory Board members and changes to the articles of association of the Company and, more generally, the Group's strategy, particularly with respect to the Group's focus on certain markets and projects, capital increases, disposals of significant assets or projects and mergers and business combinations. Through its influence as the Company's largest DR holder, Renaissance Infrastructure may procure that the Group disposes of certain assets or projects or that the Group discontinues its activities in certain markets, segments or projects and focuses on those markets, segments and projects that Renaissance Infrastructure deems to fit in with the strategy of the Renaissance Group. Any such disposals, discontinuations or changes in strategic focus may materially and adversely affect the value of the DRs held by other DR holders or otherwise materially and adversely affect the position of other DR holders.

Liquidity of the market for the DRs is limited and holders of DRs may have difficulties selling their DRs.

Liquidity of the market for the DRs has been limited. On the date of this Prospectus, Renaissance Infrastructure holds approximately 79.9% of the DRs. In addition, Renaissance Infrastructure stated its intention to acquire 100% the DRs or the business and operations of the Group and stated its intention to terminate the listing of the DRs on Euronext Amsterdam. Consequently, it is expected that liquidity of the market for the DRs will continue to be limited and that holders of DRs will have difficulties selling their DRs.

The Group's recent restructuring and operational measures may prove insufficiently effective to improve the Group's financial position, operations or results which could have a materially adverse effect on the Group's business, results of operations and financial condition.

In response to the losses suffered by the Group and the disappointing results reported by the Group in 2014 and 2015, the Group has adopted certain measures to (i) improve the Group's financial position (see "*Financial and Operational measures and Public Bid – Financial and Operational Measures – Treasury and Working Capital Measures*" and "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – The 2015 Refinancing*"; (ii) revise the treasury policies of the Group to, among others, improve financial control and operational management (see "*Financial and Operational Measures – Treasury and Working Capital Measures*"; (iii) reduce the Group's exposure to certain large-scale infrastructure projects (see "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*"; and (iv) reorganise the Group's Infrastructure Division (see "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*"). The Group's expectations of the benefits of these measures are based upon certain assumptions and variables regarding, among other things, future market conditions, the proper implementation of the various measures and the trading performance of the Group. There can be no certainty that these measures will be effective or will sufficiently improve the Group's financial and operational performance. Even if these measures are implemented on time and as planned, there is still a risk that the measures taken are not effective to improve the Group's cash position and liquidity and comply with the Group's working capital requirements, reduce the Group's costs improve financial control and operational management and support the Group's business, results of operations and financial condition.

In particular, if the Transaction is not completed and the bridge loan of €10 million granted by ING, Rabobank and RBS is not cancelled in full on or before 31 December 2015 and the bridge loan of €10 million granted by Sanderink is not cancelled in full on or before 31 December 2015, the Group may default under the Syndicated Facilities Agreement and (subject to applicable cure periods and other limitations on acceleration or enforcement) the relevant lenders could elect to declare the outstanding debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable. In addition, any default under the Bridge Loans or Syndicated Facilities Agreement could lead to an event of default under and acceleration of other debt instruments that contain cross-default or cross-acceleration provisions. Any acceleration of the Group's outstanding debt would likely lead to an insolvency of the Group.

The Group has lost the confidence of certain of its customers, suppliers, business partners, employees, credit insurers and other stakeholders and may fail to regain such confidence or even experience a further loss of confidence of these stakeholders.

As a result of the Group's financial difficulties and losses, the Group has lost the confidence of certain of its customers, suppliers, business partners, employees, credit insurers and other stakeholders. In particular, certain credit insurers have reduced their exposure to Group to nil and the Group has no existing credit insurance contracts in place. The Group has implemented certain measures to improve its financial position, reduce its exposure to certain large-scale infrastructure projects and reorganise

its Infrastructure Division. (See "*Financial and Operational Measures*"). These measures may fail to regain the confidence of the Group's customers, suppliers, business partners, employees, credit insurers and other stakeholders. Customers and potential customers may remain hesitant to award the Group future business or may even withdraw their business from the Group, there may be continuing difficulties in entering into partnership agreements, procuring materials, services and products from suppliers on favourable terms or at all and in retaining services from subcontractors on favourable terms or at all and credit insurers may not reinstate credit insurance facilities on the Group, causing suppliers to not return to normal payment periods or further shorten these periods and demand advance payments and security. A further materialisation of this risk would be likely to have a materially adverse effect on the Group's business, results of operations and financial condition. In addition, any such materialisation could prevent the Group from continuing as a going concern and lead to an insolvency of the Group. Lastly, the Group does not expect a successful Transaction to materially change the Group's ability to secure new credit insurance contracts until the Group's financial position, including its solvability, is improved.

The Group's level of indebtedness restricts the Group's financial and operational flexibility and any failure by the Group to comply with or meet any of its obligations under its financing arrangements could result in insolvency proceedings or a debt or other restructuring which could result in investors in the Transaction Securities losing all or a substantial part of their investment.

As of 14 June 2015, the Group had a total consolidated gross indebtedness of €125 million, total consolidated assets of €540 million and a total cash position of €73 million. As of 14 June 2015, the average net debt was approximately €91 million compared to an average net debt of approximately €130 million as of 15 June 2014. Following completion of the Transaction, the Group expects to reduce its total consolidated indebtedness, but the Group will nonetheless continue to have a high level of indebtedness. See "*Capitalisation and Indebtedness*". The Group's high levels of indebtedness is expected to require it to dedicate a substantial portion of its cash flow from operations to make interest and principal payments on its indebtedness. This reduces the available liquidity and therefore the availability of the Group's cash to fund working capital or make capital expenditures. It also limits the Group's flexibility in allocating cash for any purpose other than interest and principal payments on its indebtedness and restricts the Group's ability to pay dividends. In addition, the Group's high levels of indebtedness increases the Group's vulnerability to general adverse economic and industry conditions and limits the Group's ability to obtain additional financing if required. Furthermore, the Group's low solvency, lack of liquidity and its high leverage affects the Group's ability to attract business, to enter into partnership agreements, to procure materials, services and products from suppliers and to retain services from subcontractors and credit insurers.

The Group's financing arrangements, including credit facilities and bank guarantee facility agreements, contain provisions which impose significant restrictions on the Group's financial and operational flexibility, including restrictions on the Group's ability to, amongst others, incur or guarantee additional debt, grant security, dispose assets, cash collateralise guarantee facilities, repurchase share capital, make certain payments, including dividends or other distributions and make certain investments, including participating in joint ventures and on the Group's capital expenditure. This could have a material adverse effect on the Group's business, growth potential, financial position (including working capital) and ability to pay dividends. See "*Capitalisation and Indebtedness*" and "*Operating and Financial Review – Description of borrowings*".

The Facility Agreements (as defined in "*Operating and Financial Review – Description of borrowings*") provide that the Group may not incur losses in any financial year in relation to one or more of its projects which in aggregate negatively deviate in excess of an amount of €15 million from the anticipated results included in the Group's revised business plan (the "**Net Results Threshold**" as defined in "*Operating and Financial Review – Description of borrowings*"). The Group was in breach of the Net Results Threshold in September 2015 and was granted a waiver for this breach by its lenders. On or about 7 December 2015, the Group had a discussion with its lenders under the Facility

Agreements with respect to the Net Results Threshold, as a result of the Group (based on the financial information available at that time) being close to having incurred losses in the financial year 2015 which in aggregate negatively deviated in excess of an amount of €15 million from the anticipated results of the projects reported to its lenders under the Facility Agreements. Although the Group was not in default of the Net Results Threshold, it could not be ruled out that the Group would become in default later in the financial year 2015 and the Group therefore agreed with the lenders under the Facility Agreements that they would grant a waiver with respect to the Net Results Threshold until 31 December 2015. See also "*Operating and Financial Review – Description of borrowings*". As from 1 January 2016, however, the Net Results Threshold will apply again, meaning that in the financial year 2016 the Group may not incur losses in such financial year in relation to one or more of its projects which in aggregate negatively deviate in excess of an amount of €15 million from the anticipated results of the projects reported to its lenders under the Facility Agreements. Consequently, as from 1 January 2016 a breach of the Net Results Threshold would constitute an event of default under the Facility Agreements. For the avoidance of doubt, the financial covenant holiday under the Facility Agreements described in "*Operating and Financial Review – Description of borrowings – Covenants*" does not apply to a default under the Net Results Threshold or any other defaults not relating to the financial covenants under the Facility Agreements. Upon the occurrence of any such an event of default, the relevant lenders could elect to declare the debt outstanding under the Facility Agreements, together with accrued and unpaid interest and other fees, if any, immediately due and payable (subject to applicable cure periods and other limitations on acceleration or enforcement and unless such breach is remedied). In addition, such a default could lead to an event of default under (and acceleration of) other debt instruments of the Group that contain cross-default or cross-acceleration provisions. If any of the debt under the Group's financing agreements or any other future financing arrangement that the Group enters into were to be so accelerated, the Group's assets may be insufficient to repay in full the Group's outstanding indebtedness. This would most likely prevent the Group from continuing as a going concern and lead to an insolvency of the Group.

In addition, the financing agreements contain, and any future indebtedness may contain, other and more restrictive, affirmative and negative covenants and may also prohibit the Group from prepaying certain other indebtedness prior to the discharge of those other obligations. If the Group fails to make interest and principal payments on its indebtedness or breaches any of the restrictions in its financing arrangements, it will be in default under the terms of its financing agreements and (subject to applicable cure periods and other limitations on acceleration or enforcement) the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable. In addition, any default under the financing agreements could lead to an event of default under and acceleration of other debt instruments that contain cross-default or cross-acceleration provisions. If the debt under the financing agreements or any other future financing arrangement that the Group enters into were to be accelerated, the Group's assets are expected to be insufficient to repay the Group's outstanding indebtedness in full which would result in insolvency proceedings or a debt or other restructuring and which could result in investors in the Transaction Securities losing all or a substantial part of their investment. Furthermore, there is no guarantee that the Group will continue to be able to meet its debt service obligations under its financing arrangements. Any inability to meet such debt service obligations could result in insolvency proceedings or a debt or other restructuring and could result in investors in the Transaction Securities losing all or a substantial part of their investment.

The reduced scale and diversity of the Group and its focus to certain specific market segments in the Netherlands could have a materially adverse effect on the Group's business, results of operations and financial condition.

In the past three years the Group divested a substantial portion of its businesses including a significant number of disposals completed under the Disposal Programme, the Infrastructure Projects Downscaling Measures (as defined in "*Financial and Operational Measures*"). These divestments significantly reduced the scale and diversity of the Group's businesses and limit the Group's focus to

certain specific market segments in the Netherlands. These divestments significantly impacted the Group's results of operations in 2013, 2014 and 2015 year to date and the reduced scale and diversity of the businesses of the Group is expected to continue to significantly impact the Group's results of operations in the future and restrict the Group's earning potential. In addition, synergies within the Group may have been lost which could lead to competitive disadvantages in comparison to the historical position of the Group. Materialisation of these risks could have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group may not be successful in implementing its new strategy.

In accordance with the Group's strategy (see "*Business Description – Strategy*"), the Group will seek to acquire and execute integrate projects in housing and mobility in the Netherlands. There is no guarantee that the Group will succeed in establishing a position within some or all of the market segments which it targets pursuant to its new strategy. Furthermore, the profit margins obtainable in these market segments may not be sufficient to cover the Group's costs. The Group's ability to successfully execute its new strategy depends on the accuracy of a number of assumptions involving factors that are substantially or entirely beyond the Group's control and are subject to known and unknown risks, including the risks described in this section "*Risk Factors*", uncertainties (such as uncertainties regarding assessments of project results) and other factors described in this Prospectus, including those set forth under "*Financial and Operational Measures and Public Bid*", "*Operating and Financial Review*" and "*Business Description*". In particular, the Group's ability to successfully implement its new strategy may be impacted by developments with respect to the Group's business, and by factors such as prevailing economic, financial and industry conditions, which are outside of the Group's control.

The Group depends on generating and upstreaming sufficient cash flow to fund the Group's debt obligations, capital expenditures and on-going operations.

The Company is the holding company of the Group and does not have any material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company depends on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations and for the payment of dividends. As a result, the Group's ability to service its debt and fund the Group's on-going operations will depend on the Group's ability to continue to generate and grow cash flow and the Group's access to additional liquidity sources. The Group monitors its cash flow forecasts to ensure it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. However, these cash flow forecasts are based on assumptions and expectations that may not prove valid. The Group's ability to continue to generate and grow cash flows is dependent on many factors, some of which are beyond its control, including its ability to offer added-value services to its customers and to maintain and expand its customer base, particularly in the face of significant competition and in light of current difficult economic conditions in the countries in which it operates. If the Group is unable to generate and upstream sufficient cash flow or is unable to access additional liquidity sources, it may not be able to continue to operate its business as a going concern. In addition, this would negatively impact the Group's ability to service or repay its debt or fund its other liquidity and capital needs. A materialisation of these risks could have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group has certain guarantee facilities and certain bilateral credit facilities that are committed. The providers of these facilities have the authority to decide not to grant or reduce such facilities at any time, which could have a materially adverse effect on the Group's business, results of operations and financial condition.

In the construction industry it is market practice to use bank guarantees and surety bonds to secure contractual obligations towards customers. It is therefore of importance to the Group to have

sufficient guarantee and surety facilities available. The Group has three different kinds of guarantees in place:

- Performance Bonds – the contractor is asked to supply a performance bond (usually approximately 10% of the project value) to guarantee the finalisation of the project.
- Bid Bonds – during the tender process, contractors are requested to provide – in addition to their tender – a bid bond to demonstrate that the company has sufficient financial backing to commence the project.
- Payment Guarantees – if a payment has been made, but the corresponding service has not yet been rendered, a payment guarantee is requested from a third party to guarantee that the service will be supplied (or vice versa).

All bank guarantees referred to above are provided on a committed basis. The non-financial covenants are typically: *pari passu*, negative pledge and cross default. Further, in case of default, the documentation usually provides that cash collateral or other security is granted. The facilities under which such bank guarantees are provided are agreed on a bilateral basis with a bank or other party and can be terminated by such person at any time. As a result of the Group's reported or expected results of operations or losses, the slow recovery of the housing market in the Netherlands and the continuing difficult conditions in the other markets where the Group operates, certain providers of the bilateral credit and guarantee facilities may decide to no longer grant these facilities or to be provided with additional collateral. Certain of these providers of guarantee facilities have already decided to no longer grant further guarantee facilities to the Group, it being understood that any existing guarantees shall be respected and terminated at the end of the agreed term. Any such facility being terminated, not being available or being amended will most likely result in higher costs or will limit the Group's ability to tender for projects, both of which will have an adverse effect on the Group's business, results of operations and financial condition. Moreover, the withdrawal of such facilities may result in contracting parties requesting bank guarantees instead of parent guarantees at a time when such bank guarantees are not available to the Group or not available at commercially reasonable terms, which could have an adverse effect on the Group's business, results of operations and financial condition. Lastly, the Group does not expect the Transaction alone to materially change the Group's ability to secure new bank guarantees until the Group's financial position, including its solvability, is improved.

The Group has a decentralised management system which has resulted in the Group having insufficient control over certain operational, financial and legal risks and the Group may be unable to successfully implement any required changes to its organisation, management information systems and internal controls to address such risks.

The Group has a decentralised management structure and the Group's business strategy emphasises local decision making and responsibility in order to adapt to regional and local conditions and enhance contact with local customers. However, such a decentralised management structure also involves the risks of difficulties in the implementation of, and compliance with, corporate policies and chains of consent, a possible lack of common corporate culture and less effective control over operational, financial and legal risks. The Group has been and continues to be involved in a number of projects such as the A2 Maastricht project, the A15 Maasvlakte-Vaanplein (MaVa) project, the OVT-Breda project and the Nobo Otrobanda Hospital project in which projects there was an underestimation of required time and materials, a delay in or lack of proper management oversight, inadequate use of reporting lines and a delay in reacting to substantial cost overruns. This has led to substantial unforeseen costs and substantial liabilities and losses for the Group. The factors that contributed to this included: (i) a reduced capability to transmit important information through the reporting lines within the Group, in particular to the Board of Management (and, as a consequence, also to the Supervisory Board), due to the decentralised nature of the Group's organisation; (ii) the Group's management information systems not being sufficiently effective; and (iii) a lack of project

control and operational control and a reduced ability to act upon findings from third parties.

For the purpose of improving control over and insight in operational and financial risks, the Group has in 2014 implemented the Treasury and Working Capital Measures to, among other things, revise and reinforce its treasury policies. Such reinforcement of its policies included the appointment of a treasurer and a financial director and measures to manage working capital, to overhaul its project and risk management and its business control systems and to rationalise and streamline operations, establish shorter reporting lines and where necessary centralise oversight and consolidate activities and sectors. These measures were implemented by the Group to strengthen its treasury and financial reporting functions and its governance, risk and compliance ("GRC") policy and increase control over the Group whilst leaving in place an important degree of local autonomy. There can be no assurance that these measures have been or will be properly and timely implemented and, even if properly and timely implemented, whether such measures will prevent material problems or liabilities from arising and allow the Group to identify and address them before they have a material adverse effect on the Group's business, results of operations and financial condition.

If calculations or estimates of the overall risks, revenues or costs on any particular project or contract prove inaccurate or circumstances change, then lower than anticipated profits may be achieved or a loss may be incurred on such projects or contracts.

The Group's results of operations depend on project costs being accurately calculated and controlled, and projects being completed on time, such that costs are contained within the pricing structure of the relevant contract. If the Group inaccurately calculates or estimates project costs or fails to control such costs, as was the case in the A2 Maastricht project, the A15 Maasvlakte-Vaanplein (MaVa) project, the OVT-Breda project, the Zaanstad Penitentiary PPP project, the Nobo Otrobanda Hospital project and the N31 Traverse Harlingen project, the Group may incur substantial losses. Cost overruns can occur due to, among other things, inefficiency, poor design (where the contractor or the Group has design responsibilities), miscalculations, cost escalation, lack of cost control, lack of project control or cost overruns by sub-contractors, limited possibility to pass on price increases to customers or unforeseen changes in the construction. A number of these risks materialised with respect to the A2 Maastricht project, the A15 Maasvlakte-Vaanplein (MaVa) project, the OVT-Breda project, the Zaanstad Penitentiary PPP project and the Nobo Otrobanda Hospital project, which resulted in the Group suffering substantial losses. Furthermore, contracts are based on cost calculations that are subject to a number of assumptions. Contractual revenues and expenses are recognised in the income statement in proportion to the percentage of completion of the project (which is determined on the basis of production measurements) as soon as a reliable profit estimate can be made. See "*Operating and Financial Review – Significant accounting policies – Work in progress*". If estimates on the overall risks or calculations of the revenues or expenses prove inaccurate or circumstances change, lower profits may be achieved from, or material losses may be incurred on such contracts. Alternatively, revenues and expenses that have already been recognised in respect of such contracts may be reversed in such event. All of these factors may have an adverse effect on the financial position of the Group, including its working capital. In order to ensure that the projects that the Group undertakes are executed effectively and in a profitable manner, the Group needs to deploy a high degree of project and site management expertise to maximise efficiency in providing the contracted services throughout the term of the project. It cannot be excluded that due to ineffective contract planning, inefficiencies, lack of control in project execution, lack of cost control, or other reasons, the Group is unable to render its services in an efficient and profitable manner. The Group could then experience increased project execution costs and difficulty in obtaining payment for its services or timely payment for its services. It could then also be faced with an adverse effect on its reputation or with litigation. A materialisation of any of these risks could have a materially adverse effect on the Group's business, results of operations and financial condition.

Unsuccessful tender processes may result in significant non-recoupable costs.

In the building and construction industry, a large number of projects are obtained by contractors (such as the Group) through tender processes initiated by customers. The Group has in the past and may in the future continue to fail to win tender processes in which it has invested significant time and incurred significant costs in preparing detailed project proposals. Although in some cases the Group has certain costs refunded, the Group may still face significant costs which it cannot recoup if a tender process is not won. Such costs generally increase if the project is more complex. The Group will likely continue to face such costs in the future, which could adversely affect the Group's business, results of operations and financial condition.

Missing deadlines, contract disputes and litigation may expose the Group to financial and other liability.

The construction industry is highly schedule-driven and failure to meet schedule requirements within contracts could adversely affect the Group's financial exposure and reputation. A substantial number of the Group's contracts are subject to specific completion schedule requirements with penalties charged in the event the construction schedules are not achieved. Consequently, failure to meet any such schedule requirements could result in the Group incurring significant contractual penalties and may damage the Group's reputation within the industry and its customer base.

The Group's contracts may require it to perform extra or change order work as directed by the customer even if the customer has agreed in advance on the scope or price of the work to be performed. Although such contracts generally contain provisions on ordering and pricing of additional work or changes to the order of the work, this process may result in disputes on whether the work performed is beyond the scope of the work that is included in the original project plans and specifications. See "*Business Description – Litigation*", most notably "*A15 Maasvlakte-Vaanplein (MaVa)*". Alternatively, if the customer agrees that the work that has been performed qualifies as extra work, a dispute may arise regarding the price the customer is willing to pay for such extra work. In each case, if the Group is not able to receive payment for the additional work, this will impact the Group's results adversely. Such impact will be inherently larger with large projects. Also, even when the customer agrees to pay for the extra work, the Group may be required to fund the cost of such work for a period of time until the change order is approved and funded by the customer.

The Group is involved, from time to time, in projects that may be considered publicly sensitive and therefore could lead to protests of certain interest groups. Should such situation arise, it may adversely affect the ability of the Group to carry out such projects or cause the Group significant reputational harm.

For certain of the projects that the Group undertakes, it assumes some or all of the risks associated with completion of the project, which may result in losses incurred by the Group.

The Group bids for and executes technically complex projects in various sectors. These projects may require significant expertise, such as design, technical and construction expertise, and are typically performed over a lengthy time period that could last from several months to several years. The contracts for these projects carry the risk of the Group being required by its customers to assume, either alone or jointly with others, substantially all of the risks associated with completing the project and any ensuing post-completion warranty obligations. Under these contracts, the Group typically assumes the project's technical risk, meaning that it must tailor mechanical and electrical engineering design to satisfy the technical requirements of a project. If a project for which the Group has assumed some or all of the risk requires additional work or additional costs are otherwise incurred, the Group may be required to fund some or all of such additional costs.

The Group is exposed to liabilities arising from operating projects in joint ventures and from working with subcontractors and suppliers.

As is customary in the construction industry, many projects and services are taken on in the form of partnerships with business partners (in the Netherlands frequently in the form of *vennootschappen onder firma*). In such partnerships each of the partners has joint and several liability for the projects and services undertaken by the partnership and hence there is the risk to the Group of being held liable for the misconduct of others. This may lead to the Group being held jointly liable for actions of its partners in such partnership. Accordingly, if the joint venture is found liable and one or more of the joint venture partners is unable or unwilling to pay its proportional share, the Group may be liable for more than its proportional share in the joint venture. Moreover, in individual cases, the Group may provide guarantees or financing commitments for the benefit of the joint venture in a proportion exceeding the Group's ownership share in the joint venture. Keeping such risks at the level of the legal entity that is involved in such partnerships may not be possible as a result of statements of joint and several liability issued by the Company and its subsidiaries (the "**Group Companies**") pursuant to article 2:403 of the Dutch Civil Code or as a consequence of specific requirements from the relevant customer. See "*Business Description – Group structure – Statements of joint and several liability pursuant to article 2:403 of the Dutch Civil Code*" for an overview of issued statements of joint and several liability pursuant to article 2:403 of the Dutch Civil Code. As a result, the Group may be subject to material liability in connection with its joint ventures, which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, certain strategic land positions are held, in whole or in part, in joint ventures. The development or disposal of such positions will depend on the relevant joint venture arrangements, but the flexibility will generally be more limited. Such liabilities and limited flexibility from the operation in joint ventures may have an adverse effect on the Group's financial position.

In addition, in project joint ventures or joint ventures used in acquisitions, the Group will typically not have full control over the joint venture's conduct of business, for instance because certain topics are reserved matters for which decision making requires unanimity of the joint venture partners. Such lack of control may mean that the Group cannot implement its strategy in respect of the relevant joint venture. Furthermore, the Group works with subcontractors and suppliers for certain of its projects and is consequently exposed to liabilities resulting from non-performance of such subcontractors' obligations with respect to such projects and is also exposed to counterparty risk in respect of suppliers. An insolvency, non-performance or defaults by a subcontractor, supplier or other business partner may lead to project delays, unanticipated additional costs and, possibly, penalties incurred by the Group and claims against the Group.

The Group is dependent on government policies and spending for a substantial portion of its revenues and any change in governmental policies or programmes could adversely affect its revenues and profitability.

The Group is dependent on national and local government policies in its markets, including government policies regarding investments in infrastructure, most notably in the housing, education, transport, health, public utility, secure establishment and defence segments through direct government contracts, joint ventures and PPPs. These policies may change over time. Governments or any local governmental agencies in the markets in which the Group operates may decide in the future to change certain of their policies and programmes, including reducing present or future investments in civil and social infrastructure projects or other areas in which the Group would expect to compete for work. In addition, the Group's financial position may be affected by political prioritisation towards operational expenditure and seasonality in payment behaviour of the public sector bodies.

The current book value of the Group's strategic land positions may be adversely affected by a lack of changes in local zoning plans (bestemmingsplannen), the inability to further develop land positions in the near future, general macro-economic conditions, environmental issues or the illiquid nature of the land positions.

The book value of the Group's strategic land positions is calculated on the basis of the higher of the current market value and the present value of the estimated future cash flows. The future cash flows are estimated using scenario and sensitivity analyses. The development of the strategic land positions requires the relevant public bodies, in particular city councils, to amend the relevant zoning plans (*bestemmingsplannen*). As such the non-occurrence of such amendments in the future may materially affect the value of the land positions concerned. Pollution or soil problems may also have a negative effect on land positions' value. In addition, it is uncertain if and when the land positions will be developed or sold and when – as a result – cash will be generated from these land positions. The Group may not be able to value, dispose of or liquidate parts of its land positions in a timely manner and at satisfactory prices as a result of changes in economic, real estate, market or other conditions. This could have a material adverse effect on repayment of credit facilities and on the Group's business, financial condition and operating results. There may be other factors, such as successful appeals by nearby residents, which limit or impede the Group to further develop the strategic land positions in the medium to long-term future and consequently to create positive financial returns.

A departure of one or more members of the Group's senior management could have an adverse effect on its business and the Group's success depends on attracting and retaining senior personnel, project managers and other skilled personnel.

The Group is dependent on its senior personnel, project managers and on a flexible, skilled and motivated work force particularly in view of the complex nature of certain construction projects. The Group believes its future success will depend in part on its ability to attract, train and retain skilled management and personnel. If the Group does not succeed in attracting, training and retaining skilled personnel, it may not be able to manage and operate its business as anticipated. Furthermore, the departure from the Group of any of the members of the Board of Management or certain senior employees could have a material adverse effect on the Group's business. Moreover, due to lack of confidence or uncertainty regarding the future of the Group or dissatisfaction with the career prospects available in accordance with the new strategic focus of the Group, certain personnel has left the Group. There is a risk that further senior personnel, project managers and other skilled personnel will leave the Group and that the Group will have difficulties attracting new senior personnel, project managers and skilled personnel where these are required.

The Group's Order Book is not necessarily indicative of its actual or future revenue or results or cash flow due to possible cancellations, delays or scope adjustments of contracts and projects or maintenance assignments in the Order Book.

The Group's Order Book is based on signed contracts. See "*Important information – Presentation of financial information – Non-IFRS information*". The amounts set out in the Group's Order Book may not be a reliable indication of its actual or future revenue or results. Cancellations, delays and scope adjustments occur from time to time. As a result, there can be no assurance that the Group's Order Book will result in cash flow in the future and that any cancellations, delays or scope adjustments will not have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group is and may in the future become, party to legal proceedings arising from the operation of its business.

The Group is, and may in the future become, party to legal proceedings arising from the operation of the Group's business including, but not limited to, litigation regarding alleged regulatory violations, breaches of contract, contractual disputes and also, in the case of homebuilding, defective title. See "*Business Description – Litigation*". Many of the claims and legal proceedings against the Group arise out of the ordinary course of its business and projects, and include claims for workers' compensation, personal injury, property damage and contract disputes with customers, suppliers and subcontractors. Such claims or litigation could result in substantial damages, divert management's attention and create

negative publicity and deteriorate stakeholder confidence in the Group.

Furthermore, the Group is, and is likely to continue to be, a plaintiff in legal proceedings against customers seeking to recover payment of contractual amounts due to the Group. Under the Subordinated Facilities Agreement, the Group has agreed that certain funds received in excess of the amount which the Group expects to recover from the legal proceedings relating to A15 Maasvlakte-Vaanplein (MaVa) project, the Suriname refinery expansion project and the N329 project and, subject to certain conditions, any difference between the amounts that the Group expected to pay in relation to the legal proceedings surrounding the Parkeergarage Anna van Buerenplein (pAnnaB) project and the actual amounts paid by the Group, shall be placed on a blocked account and the Group will have recourse to such cash only for a period of six months and only if the Group requires to withdraw such amounts to fund anticipated payments and the Group has no other funds to meet such anticipated payments. After six months have expired the amounts on the blocked account may, at the relevant lender's discretion, be applied in prepayment of the Subordinated Bank Loans. Although the Group believes that the assessment of the claims and related liabilities on which the provisions have been made is appropriate, the recorded provisions, and any provisions that may be recorded in respect of future claims if these would materialise, may prove too low or otherwise inadequate. In addition, the Group's insurance may not cover such claims or may be insufficient. Such legal proceedings, claims and investigations, inadequate provisioning and the absence of insurance coverage could have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group may be liable for environmental and health and safety issues relating to its current and former operations and properties.

The Group is subject to laws and regulations in the jurisdictions in which it operates relating to the protection of the environment and health and safety. Liabilities, costs, penalties, soil remediation orders and operational restrictions may be imposed on or suffered by the Group in relation to environmental and health and safety issues. Under such laws and regulations, the Group may be liable for the investigation and remediation of contamination and other environmental conditions (including asbestos present within buildings) relating to its current and former operations and properties. These laws and regulations may impose strict liability, rendering the Group liable without regard to negligence or fault, and could expose the Group to liability for the conduct of, or conditions caused by, others, or for acts that were in compliance with all applicable laws at the time that such acts were performed. In addition, contaminated properties may experience decreases in value and are likely to be more difficult for the Group to dispose of. Any environmental regulation may be subject to change, which in its turn may increase the requirements under such regulation for the Group, the Group's exposure to risks of non-compliance and the Group's costs and valuation of intangible assets. The Group may be liable to third parties in respect of any personal injury or property damage resulting from environmental and health and safety issues resulting from its current and former operations, or from any contamination or other hazardous substances (including asbestos) released from its current and former properties. The Group may also be liable to third parties in respect of environmental matters under any covenant, warranty, representation, indemnity or similar provision contained within the agreements by which it has acquired, disposed of or developed properties. Non-compliance with existing or future environmental and health and safety laws and regulations, including a failure to (timely) obtain or maintain requisite permits and authorisations, may result in criminal or administrative fines or other penalties. Such costs and liabilities, if incurred, could have a material adverse effect on the Group's business, operations and financial condition. Additionally, the Group could also be faced with an adverse effect on its reputation or litigation.

The Group's operations in the construction industry carry a risk of performance and product liability.

The Group's operations may result in product and performance liability, whether based on liability towards customers for the Group's or for sub-contractor's non-conformity and non-performance,

towards employees under the statutory provisions on employer's liability or towards other third parties. Additionally, the Group relies on manufacturers and other suppliers to provide it with the materials it uses in its construction operations. As the Group does not have direct control over the quality of the materials manufactured or supplied by such third party suppliers, it is exposed to risks relating to the quality of such materials. The Group may use such materials in its constructions that are subsequently alleged to have quality problems or to have caused personal injury or other damage, subjecting the Group to potential reputational damage or claims from customers or third parties or requiring the Group to take appropriate corrective action in respect of affected products. Any litigation, moreover, carries an inherent risk of an adverse outcome. Any successful product and performance liability claim could have a material adverse effect on the Group's business, financial condition and result of operations. In addition, even if the Group is successful in defending any claim relating to the products it distributes, claims of this nature could have a negative impact on customer confidence in its performance and products and on the Group itself. Although generally covered by the Group's insurances, product and performance liability claims can be expensive to defend and can divert the attention of management and other personnel for significant time periods, regardless of the ultimate outcome.

The Group may be insufficiently insured against losses, damage and limitations of use of its properties.

The Group carries insurance of various types, including employment practices, pension-related, general liability and poor design and miscalculation risk-related coverage. While it seeks to maintain appropriate levels of insurance, not all risks are insurable and not all claims are reimbursable and there can be no assurance that the Group will not experience major incidents that are not covered by its insurance. The Group's insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. Certain types of losses, such as those caused by earthquakes, floods, hurricanes, terrorism or acts of war may be uninsurable or are not economically insurable. In the event such a loss occurs, there can be no assurance that the insurance proceeds, if any, will fully cover the Group's loss with respect to the affected properties. The occurrence of an uninsured loss or a loss in excess of insured limits could result in the loss of the Group's capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks as well as remain liable for any debt or other financial obligation related to that property. There can be no assurance that the Group is sufficiently and effectively insured against all contingencies. If the Group suffers an uninsured loss or has to pay damages, it may have a materially adverse effect on the Group's business, results of operations and financial condition. Furthermore, the occurrence of several events resulting in substantial claims for damages may have a materially adverse effect on the Group's business, results of operations and financial condition. In addition, the Group's insurance costs may increase over time in response to negative developments in its claims history or due to material price increases in the insurance market in general. There can be no assurance that the Group will be able to obtain insurance on acceptable terms in the future, if at all, or that any such insurance will provide adequate coverage against potential claims.

The Group could be materially adversely affected if its IT infrastructure fails to support the Group's business.

The Group relies on its IT infrastructure and on the IT infrastructure of its outsourcing partners for the successful transaction of its business, including the sales activities, logistics, engineering, project control and management information and maintenance. If one or more elements of that infrastructure were to fail, for instance as a result of a malfunction or black-out of the Group's network or the internet, or failure of a key systems component, and any failover capabilities (meaning the ability of a system or component thereof to transfer operations to an alternative or backup component without disruptions) that the Group has invested in were not to operate successfully, it could prevent or hamper the effective operation of one or more of the Group's businesses and have a materially adverse

effect on the Group's business, results of operations and financial condition.

Labour costs, work stoppages and other disruptions in labour relations matters may have an adverse effect on the Group.

Almost all of the Group's employees are covered by collective bargaining or other similar labour agreements. Any inability by the Group to negotiate acceptable new contracts under these collective bargaining arrangements could cause strikes or other work stoppages and new collective labour agreements could result in increased operating costs. Labour relations' matters affecting the Group's suppliers of products and services could also adversely affect the Group's business from time to time. As of 8 July 2015, a new collective labour agreement for the construction industry has become effective with a salary rise for the beneficiaries under that collective labour agreement of 5.5% to be gradually incremented over a period of 25 months as from 1 July 2015. If the Group is not able to on-charge or allocate to any of its projects such increased costs or any other labour costs arising from collective bargaining arrangements or otherwise, it could have an adverse impact on the Group's business, results of operations and financial condition.

Failure to comply with laws and regulations, in particular those relating to competition, anti-bribery and health and safety, may have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to laws and regulations relating to several areas such as competition, anti-bribery, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment, data protection, money laundering and economic sanctions laws and regulations. Such laws and regulations are subject to interpretation and to change over time. The construction and technical services industry, in which the Group is active, is in particular exposed to the risk of non-compliance with rules relating to competition, anti-bribery and health and safety. Furthermore, the decentralised management structure of the Group also carries the risks of non-compliance with the mentioned rules and less effective control over such non-compliance and the consequent legal risks. Any failure to comply with applicable laws and regulations (and in particular those relating to competition, anti-bribery and health and safety) by any of the Group's employees, Group Companies or business partners may lead to heavy fines, to damage to the Group's brands and reputation and to exclusion from participation in public tenders and may have a materially adverse effect on the Group's business, results of operations and financial condition. In addition such failures may lead to disciplinary, administrative, civil and criminal enforcement actions and civil liability. The construction sector as a whole, including the Group, has in the past been fined for collusive behaviour. Any similar future violation of relevant laws or regulations by the Group or any of its Group Companies or employees will carry increasingly adverse risks including of high penalties that may be levied and reputational damage. The precautions the Group takes to prevent and detect non-compliance with these rules may not always have the desired effect.

Changes in tax laws or challenges to the Group's tax position could have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to tax laws and regulations in each of the jurisdictions in which the Group operates, which are complex and are subject to varying interpretations. The Group often relies on generally available interpretations of tax laws and regulations to determine the existence, scope and level of its liability to tax in the jurisdictions in which the Group operates. The Group cannot be certain that the relevant tax authorities are in agreement with the Group's interpretation of these laws and regulations. If tax laws or their interpretations change, or if the Group's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could increase the Group's effective tax rate and its costs of operations and have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group may have exposure to tax liabilities which are greater than currently anticipated and the recorded tax assets may not be fully recoverable.

The International Financial Reporting Standards as adopted by the European Union ("IFRS") require that judgement is applied in determining certain tax liabilities. The Company has made provisions based on its assessment of potential tax liability that could result from the resolution of the uncertain positions. Although the Company believes its assessment of potential tax liability is appropriate, the ultimate tax outcome may differ from the amounts recorded in the Group's consolidated financial statements and may affect its financial results. In addition, the Group has estimated that it has available Dutch tax loss carry forwards as per 31 December 2014 in an amount of €261 million, which may be utilised to offset taxable income in future periods. However, only €143.5 million of these tax loss carry forwards relating to the years up to 2010 has yet been formally determined by the Dutch tax authorities; the remainder of the tax loss carry forwards (relating to 2011-2014) has not yet been approved by the Dutch tax authorities (since no final corporate income tax assessments have yet been issued for these years due to the backlog in filing. See "*Business Description – Tax compliance*". If the amount of such undetermined Dutch tax loss carry forwards is challenged by the Dutch tax authorities, the amount of such tax loss carry forwards may be reduced accordingly, which could mean that the Group comes in a tax paying position earlier than would have been the case had the entire amount of such tax loss carry forwards been accepted by the Dutch tax authorities.

The Group may incur liabilities from past and future disposals.

In the past, the Group has disposed of businesses, subsidiaries and economic interests in projects. In December 2013, the Group sold its fully owned subsidiary Gebr. Van Leeuwen Boringen BV. to Kleywegen Groep. In July 2013, the Group sold its fully owned subsidiary Société d'Exploitation des Carrières d'Yvoir SA to Group De Cloedt. In mid June 2014, the Group ceased production at Omnia Plaatvloer B.V., and transferred the portfolio to Betonson, which is part of the Van Nieuwpoort Group. On 4 July 2014 the Group sold its 92.5% stake in Ballast Phoenix Ltd. (carrying out Feniks Recycling's operations in the United Kingdom) to H2. Additionally, in July 2014, the Group sold its 30% stake in Bontrup to Bontrup's 70% shareholder, F. Bontrup Holding B.V. and sold G Net B.V., LNG24 B.V. and CNG Net Realisatie en Onderhoud B.V. to Bencis Capital Partners B.V. In November 2014, the Group sold Ballast Nedam Offshore to Van Oord B.V. For more information see "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – The Disposal Programme*". Furthermore, in 2015, the Company sold its 20% stake in the Benelux Secondary PPP Fund 1 and 75% of its stake in the special purpose company ("SPC") for PPP project Penitentiary Zaanstad to a subsidiary of HICL Infrastructure Company Limited. In 2015 the Group also reduced its economic exposure in the A15 Maasvlakte Vaanplein (MaVa) project from 40% to 10% and disposed of its economic share in the infrastructure activities in the A2 Maastricht project, see "*Financial and Operational Measures and Public Bid - Financial and Operational Measures*". While the Group seeks to limit exposure in the case of disposals, for example through liability caps and period limits on warranties and indemnities, some warranties and indemnities may give rise to significant liabilities. Though the Group is not currently aware of any claims arising from past disposals nor has the Group any reason to believe that such claims will arise, any claims arising in the future may materially adversely affect the Group's business, financial condition and operating results. If disposals of selected operations were to occur in the future, the Group will also seek to limit the Group's contractual exposure, but warranties or indemnities may still give rise to liabilities, affecting its business, financial condition and operating results.

The Group is exposed to liabilities from long-term PPP and other projects for non-residential and infrastructural assets that are based on key assumptions which may not prove to be correct.

The Group participates in long-term PPP and other projects. The financial success of these investments is dependent on various assumptions about future revenue and costs from the non-residential and infrastructural assets in which the investments are made. If these assumptions prove to

be incorrect, the Group may be vulnerable to partial or total loss of the value of the investments made. As the projects in which these investments are made are highly leveraged, small changes in the assumptions underpinning these investments can have a significant impact on the value of the Group's equity stakes in these projects.

Deteriorating markets could result in the impairment of goodwill and other acquired intangibles, which may have a materially adverse effect on the Group's business, results of operations and financial condition.

Under IFRS, goodwill and indefinite-lived intangible assets are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. Other intangible assets deemed separable from goodwill arising on acquisitions are amortised. As at 14 June 2015, the Group recorded no impairment of tangible and intangible assets, reflecting current and expected market conditions. If the economies in which the Group operates worsen or do not recover, the Group may, however, need to start recording additional impairment losses relating to its businesses, and these losses, whilst not directly affecting the cash flows of the Group, could have an adverse effect on the Group's financial condition.

The Company does not intend to make dividend distributions in the foreseeable future, except in the context of any possible restructuring measures.

No dividend has been paid out for the financial year 2014 and the Company does not intend to make dividend distributions in the foreseeable future, except in the context of any possible restructuring measures. For a description of the possible restructuring measures see "*Risk Factors – Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps*" and "*Financial and Operational Measures and Public Bid - Public Bid by Renaissance - Main consequences of the Public Bid*". Furthermore, pursuant to the Facility Agreements (as defined in *Operating and Financial Review – Description of borrowings – Covenants*), the Company may not pay any dividends until the date on which (i) the Subordinated Term Loan Facility has been irrevocably repaid in full; (ii) the Solvency Ratio of the Group is 30% or greater; (iii) the amount of that dividend does not exceed 50% of the retained earnings of the Group; and (iv) no default under the Facility Agreements is continuing or would occur immediately after making the dividend payment. The Group's operational performance and financial position may not facilitate payment of any dividends. Even if the Group's operational performance and financial position were to enable the payment of dividends in the future, the Company does not intend to make dividend distributions in the foreseeable future, except in the context of any possible restructuring measures.

Risks relating to the sectors in which the Group operates

The Group is likely to continue to be negatively impacted by the lagging recovery of the construction industry.

The Group believes that demand for the Group's services generally correlates with macro-economic conditions. Although the Dutch housing market appears to slowly recover, the conditions of the other markets in which the Group operates remain difficult. A continued lack of recovery of the markets in which the Group operates will have a materially adverse effect on the Group's business, results of operations and financial condition. The Group expects that its performance will remain under pressure should the recovery of the housing market fail to gather pace, the other markets in which the Group operates fail to improve or the European macro-economic conditions worsen. If the number of unsold homes under construction in its accounts increases as a result of a deterioration of the housing market, the Group may be financially affected.

The Group may not be able to obtain products from suppliers or it may have to procure products on

less favourable terms and certain credit insurers are in the process of reducing or have reduced their exposure to the Group by lowering credit limits granted to parties, in particular suppliers of the Group. This may result in refusals to supply products to the Group on pre-agreed (credit) terms or on commercially acceptable terms, in increased difficulties in selling homes that the Group is developing or in demands for direct recourse from purchasers.

The ability of the Group to operate successfully depends on its ability to obtain the products and component products from suppliers. The Group procures lumber, iron, bitumen, stone, steel, building supplies and building components such as plumbing, heating, floor and window materials, from a variety of manufacturers and suppliers. As a consequence of the difficult market conditions in the construction industry, many suppliers have been facing difficulties in obtaining credit insurance on their receivables from market parties, such as the Group. Credit insurers have been lowering credit limits granted to parties in the construction industry, including the Group and certain of its suppliers. The Group's credit insurers have reduced their exposure vis-à-vis the Group to nil. This has affected the willingness of the Group's suppliers and potential suppliers to extend favourable credit terms to the Group and, in some cases, the Group's suppliers and potential suppliers require prepayments or shorter credit terms from the Group. This has adversely affected the Group's operations and financial position and could have further adverse consequences for the Group's operations, financial position and financing arrangements. Furthermore, the Group's lack of liquidity and its high leverage has affected the Group's ability to obtain credit insurance and credit limits under existing credit insurances are reduced, which may further adversely affect the Group's operations and financial position. The Group may not be able to obtain products from suppliers or it may have to procure products on less favourable terms. Also, due to difficult market conditions in the construction industry, there is a risk that suppliers will offer the Group less favourable terms and that the number of available suppliers in the industry may be reduced due to insolvencies, which could thereby limit the availability of suppliers and further limit the Group's ability to obtain or negotiate favourable terms with suppliers.

The Group is exposed to a risk of default by and lack of credit facilities for counterparties, in particular its sub-contractors, partners and customers, which could have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to a risk of default by and lack of credit facilities for its counterparties, in particular its customers who have agreed to purchase services from the Group, partners with whom the Group works in joint ventures and other partnerships and its sub-contractors for whose default the Group may be liable and others with whom the Group has entered into financial and other arrangements. This lack of availability of credit and funds has impaired, and may continue to impair, the ability of counterparties of the Group, such as sub-contractors and customers, to honour their pre-existing arrangements and fulfil their contractual obligations. In the case of sub-contractors, their primary contractual obligation is to finalise a portion of a project. The inability or delay by sub-contractors in finalising their part of a construction project due to a lack of funds is likely to have a trickle-down effect through the entire construction cycle which may adversely affect the Group's operations and financial position. The lack of availability of credit and funds for customers has impaired, and may continue to impair, the ability of customers, in particular in the residential sector, to purchase homes. This lack of sales of homes may lead to entire development projects not commencing as the minimum sale threshold is not achieved. As a consequence, any restriction of the credit terms extended to its customers could further result in loss of customers, business and revenues to the Group, which will have an adverse effect on the financial position of the Group, including its working capital. The potential bankruptcies or insolvency of the Group's counterparties or business partners, which could arise especially in light of the current general unfavourable conditions in the construction industry, would most likely have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group's business may be affected by general risks associated with other companies operating in the same sectors as the Group, which may include, but are not limited to, trends in the

construction industry, general economic conditions and legislation.

The Group's business may be affected by the general risks associated with other companies operating in the same markets as the Group. The markets in which the Group operates depend on numerous factors, most of which are beyond the Group's control and the exact effect of which cannot be accurately predicted. Such factors include general economic and political developments (both on national and local level), including the extent of any governmental regulation or taxation, the further development or expansion of norms for new buildings (so-called NEN-norms), the availability of construction permits and the time period to obtain them as well as the existence of environmental restrictions. The Group's operations are affected by various statutes, regulations and laws in markets in which it operates. The Group is subject to various laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, zoning, the environment, occupational health and safety, product safety, quality and liability, transportation, labour and employment practices (including pensions) and competition. In addition, building codes may affect the products that the Group is permitted to use, and consequently, changes in building codes may affect the saleability and marketability of the Group's products. There can be no assurance that the Group will not incur material costs or liabilities in connection with regulatory requirements. Given the structure of the Group, the way its business is organised and the complex legal regime to which it is subject, the Group has no certainty that it has at all times all licenses and permits that it requires for carrying out its activities or that it complies with all conditions of such licenses or permits nor has it certainty that it will be able to obtain such licenses or permits or that it will comply with such conditions in the future. In addition, licenses and permits may be suspended or revoked. Not having the requisite licenses and permits or not complying with all conditions under such licenses or permits may delay the projects in which the Group is involved and may expose it to civil and regulatory liability. Furthermore, the markets in which the Group operates may be affected by trends in improvement, remodelling and construction in the property development, residential, non-residential, technical services and infrastructure sectors. Trends in these areas are in turn dependent upon a number of factors that the Group cannot control, including, but not limited to, mortgage and other interest rates and their tax deductibility, the availability of credit to finance construction, economic activity and consumer confidence levels, the extent of unsold new buildings, vacancy rates for commercial properties, commercial investments, inflation, changes in property values, demographic trends, tax policy, employment levels, gross domestic product growth and other commodities and the economy in general in each of the markets in which the Group operates.

The Group may lose business to competitors or otherwise be unable to compete favourably in the markets in which it operates and a failure of the Group to maintain its competitive position would have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group's results of operations depend on its ability to compete effectively in the markets in which it operates. The markets in which the Group operates are highly competitive. The Group competes primarily on the basis of scope and pricing of activities, efficiency, customer service and support (including maintenance), availability of credit and funding, technical knowledge and the development of integrated, full-package business concepts. In addition, if the Group is not able to maintain project sales to existing customers, including important public sector bodies, introduce new products or concepts, attract new customers, respond to customer trends, improve operating efficiency, reduce operating and overhead expenses, or increase net margins, it may not be able to compete successfully and this may have a materially adverse effect on the Group's business, results of operations and financial condition. Increasing overall competition from national building and constructions companies, as well as competition from international building and construction companies where it concerns PPP projects, in the sectors in which the Group operates or a further consolidation in the markets could add pressure on prices and margins, increase competition for the Group, and have a materially adverse effect on the Group's business, results of operations and financial condition. Companies that compete with the Group may have greater financial and other resources. The Group

may not be able to respond effectively to such competitive pressures, or to continue to operate and enter into arrangements on economically competitive or viable terms, all of which will have an adverse effect on the Company's financial position.

Fluctuating commodity prices, in particular of lumber, fuel, bitumen, cement, stone and steel, as well as unexpected shortages may have a materially adverse effect on the Group's business, results of operations and financial condition.

The market price and availability of commodity products which the Group uses for its operations, such as lumber, steel, cement, bitumen, stone and other products and commodities used in such products, as well as fuel which the Group uses for the distribution and transportation of its building materials, may fluctuate, and have fluctuated, quickly and significantly and may have a materially adverse effect on the Group's business, results of operations and financial condition. For example, lumber prices are affected both by changes in the availability of raw logs and by changes in the volume and age profile of production capacity in the industry, as well as by housing demand, whereas panel prices are affected primarily by housing demand and production capacity. Generally speaking, increases in such prices increase the Group's operating costs and reduce its operating profit to the extent that such increases cannot be (fully or in part) passed on to customers. Although the Group generally attempts to contractually pass on all or part of material price increases to its customers or alternatively hedge the price increase risk against a certain premium, there can be no assurance that such attempt will be successful. Even if the Group would ultimately be able to pass on such price increases (albeit generally on a delayed basis), delays or restrictions in doing so may have a materially adverse effect on the Group's business, results of operations and financial condition.

Fluctuations in foreign currency exchange rates may have a materially adverse effect on the Group's business, results of operations and financial condition.

The Group's financial statements are presented in euro. Accordingly, when the Group prepares consolidated financial statements, the Group must translate its foreign currency-denominated assets, liabilities, income and expense items into euro at applicable exchange rates. In an attempt to reduce the impact of currency fluctuations and the volatility of returns that may result from its currency exposure, the Group attempts to (partially) hedge this foreign currency translation risk with respect to certain projects by loans in corresponding foreign currencies. There can be no assurance that such hedging will be fully effective or beneficial in protecting the Group from adverse foreign currency exchange rate movements or that any resets will not result in additional cash outflows before maturity, which could have a materially adverse effect on the Group's business, results of operations and financial condition.

Adverse weather conditions may impact the Group's results.

Weather conditions constitute a specific risk. It affects, amongst others, road construction, groundwork and other construction activities. Allowances for delays due to adverse weather conditions are automatically built into the initial costing, although there can be no assurance that this is done sufficiently. The weather is also a contributing factor in the seasonal fluctuations in turnovers and results. Consequently, the weather may adversely affect the Group's business, financial condition and results.

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may adversely affect the Group.

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers. Those events and acts may also create economic and political

uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Group's services. Such events and acts are difficult to predict and may also affect employees, including key employees. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable against affordable premium. A materialisation of these risks may have a materially adverse effect on the Group's business, results of operations and financial condition.

Risks relating to the Transaction

The market price of the DRs may fluctuate and may decline below the Issue Price of the Offer DRs.

The market price of the DRs may decline or may fluctuate widely following the Transaction. Therefore, the Issue Price of the Offer DRs at the time of the Rights Offering may not be indicative of the market price for the Offer DRs after the Transaction shall have been completed. The market price of the DRs may fluctuate widely, depending upon many factors beyond the Group's control. The market price of the Transaction Securities may be significantly affected by, amongst others, the following factors: (i) the Group's actual or anticipated operational results; (ii) the level of the Group's debt; (iii) future issues of depositary receipts for Ordinary Shares, Ordinary Shares, rights to acquire depositary receipts for Ordinary Shares or rights to acquire Ordinary Shares; (iv) the market's perception of the Group; or (v) general market conditions. The market price of the Transaction Securities is also subject to fluctuations in response to the Transaction and the investor perception of the success and impact of the Transaction. The Group cannot assure that the market price of its Transaction Securities will not decline. Should this occur after an Eligible Person exercises its Rights, which exercise cannot be revoked or modified, that Eligible Person will suffer an immediate unrealised loss as a result. The exercise can under circumstances be revoked or modified. See "*The Transaction – Rights Offering – Exercise Period*". Moreover, the Group cannot assure that an Eligible Person following the exercise of its Right will be able to sell the Offer DRs at a price equal to or greater than the Issue Price.

The Group cannot assure that a trading market will develop for the Rights and, if a market does develop, the Rights may be subject to greater volatility than the DRs. If the Rights Offering fails or is terminated, Rights will become worthless.

The Company intends to set a trading period for the Rights on Euronext Amsterdam from 9:00 hours CET on 15 December 2015 until 14:00 hours CET on 24 December 2015. The Company cannot assure, however, that an active trading market in Rights will develop on Euronext Amsterdam during that period. The Company does not intend to apply for the Rights to be traded on any other exchange. Also, liquidity of the market for the Rights may be limited and holders of Rights may have difficulties selling the Rights. Additionally, because the market price of the Rights depends on the market price of the DRs, the existing volatility of the DRs could magnify the volatility of the Rights. If the Rights Offering were to fail or is terminated for whatever reason, the Rights would lose all value and purchasers of Rights will have lost the money they paid for their Rights without being able to buy Offer DRs with these Rights.

If Eligible Persons do not, not timely or not validly exercise their rights, they may not be able to subscribe for Offer DRs at the Issue Price and they will not receive a compensation for their unexercised Rights.

The Exercise Period for the Rights commences at 9:00 hours CET on 15 December 2015 and expires at 14:00 hours CET on 28 December 2015. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription, Listing and Paying Agent before the expiration

of the Exercise Period. If Eligible Persons or their financial intermediaries fail to timely or correctly follow the procedures that apply to the exercise of their Rights, the Company may, depending on the circumstances, reject their exercise of Rights. If Eligible Persons fail to timely or validly exercise their Rights, they will not receive compensation for their unexercised rights.

In case closing of the Rights Offering does not take place on the Settlement Date and the Rights Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer DRs that have been made, will be disregarded.

It is expected that the closing of the Rights Offering will take place on or about 29 December 2015. With respect to the Transaction Securities, the Company has entered into the Underwriting and Placing Agreement. Renaissance Infrastructure is entitled to terminate the Underwriting and Placing Agreement under certain circumstances (see "*The Transaction – Underwriting and Placing Agreement*"). If the closing of the Rights Offering does not take place on the Settlement Date or at all, whether or not as a result of a termination of the Underwriting and Placing Agreement by Renaissance Infrastructure, the Transaction may be withdrawn.

In such event, both the exercised and the unexercised Rights will be forfeited without compensation to their holders and the subscriptions for and allocation of Offer DRs that have been made will be disregarded. Any subscription payments received by the Company will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund for any Rights, including Rights purchased in the market. All trades in Rights prior to the Settlement Date are at the sole risk of the parties concerned. None of the Group Companies, Renaissance Infrastructure, the Subscription, Listing and Paying Agent and Euronext Amsterdam N.V. accepts any responsibility or liability to any person as a result of the withdrawal of the Rights Offering or (the related) annulment of any transactions in Rights or Offer DRs on Euronext Amsterdam. Withdrawal of the Rights Offering might have a material adverse effect on the market price of the DRs.

In addition, the value of the Rights is largely dependent on the market price of the DRs. A significant drop in the market price of the DRs could therefore also adversely affect the value of the Rights.

Issuance of additional equity by issuing new ordinary shares or new depositary receipts for ordinary shares could lead to a dilution of Shareholders' and DR Holders' stakes.

The Group may in the future require additional capital to fund its business operations or its growth. Both the raising of additional equity through the issuance of new depositary receipts for ordinary shares or new ordinary shares and the potential exercise of conversion and option rights by the holders of convertible bonds or bonds with warrants that may be issued in the future, could lead to a dilution of Shareholders' and DR Holders' stakes. The acquisition of or participation in other companies in return for newly issued ordinary shares or the issuance of ordinary shares to employees under future employee stock option plans could also lead to such dilution. Additionally, the market price of the DRs has been volatile in the past and may continue to be volatile and characterised by fluctuating trading volumes in the future despite of business developments and depending upon many factors beyond the Company's control, such as speculation, rumours in the market or the Group's future condition, prospects, legal position or strategic actions including mergers or acquisitions. If the Issue Price of the Offer DRs is below the market price of the DRs, the level of dilution of Shareholders' and DR Holders' stakes could be higher than anticipated.

Shareholders and DR Holders may be subject to exchange rate risk as a result of adverse movements in the value of their local currencies against the euro.

The Rights and the Offer DRs are priced in euro, and will be quoted and traded in euro. In addition, any dividends that the Company may pay will be declared and paid in euro. Accordingly,

Shareholders and/or DR Holders resident in non-euro jurisdictions may be subject to risks arising from adverse movements in the value of their local currencies against the euro, which may reduce the value of the Rights and Offer DRs, as well as that of any dividends paid.

The rights and responsibilities of a Shareholder and/or DR Holder are governed by Dutch law and will differ in some respects from the rights and obligations of holders of DRs under the laws of other jurisdictions and the rights of holders of Ordinary Shares under Dutch law may not be as clearly established as the rights of a holder of Ordinary Shares established under the laws of some other jurisdictions.

The Company is incorporated and exists under the laws of the Netherlands. Accordingly, the Company's corporate structure as well as the rights and obligations of Shareholders and/or DR Holders may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain shareholders' rights by holders of Ordinary Shares outside the Netherlands may be more difficult and costly than the exercise of rights in a company organised under the laws of other jurisdictions. Resolutions of the general meeting of Shareholders (*algemene vergadering*) (the "**General Meeting**") may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

If securities or industry analysts do not publish research or reports about the Group's business, or if they adversely change their recommendations regarding the DRs, the market price and trading volume of the DRs could be affected.

The market for the Transaction Securities will be influenced by the research and reports that industry or securities analysts publish about the Group and its industry. If one or more of the analysts who cover the Group or its industry downgrade the DRs, the market price of the Transaction Securities may decline. If one or more of these analysts ceases coverage of the Group or fails to regularly publish reports about the Group, it may lose visibility in the financial markets which may adversely affect the market price and trading volume of the Transaction Securities and the DRs.

IMPORTANT INFORMATION

General

In this Prospectus, the "Company" refers to Ballast Nedam N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and, where appropriate, its subsidiaries. "Ballast Nedam N.V.", "we", "our" or "us" and "Group" refer to the Company and its subsidiaries. The Company's commercial name is "Ballast Nedam" and it has its statutory seat (*statutaire zetel*) in Nieuwegein, the Netherlands, with its head office at Ringwade 71, 3439 LM Nieuwegein, the Netherlands. "Board of Management", "Supervisory Board" and "General Meeting" refer to, respectively, the board of management (*raad van bestuur*), the supervisory board (*raad van commissarissen*) and the general meeting (*algemene vergadering*) of the Company.

Potential investors should only rely on the information contained in this Prospectus and in any supplement to this Prospectus within the meaning of article 5:23 of the Financial Supervision Act, should such supplement be published.

This Prospectus contains the information required under the proportionate disclosure regime referenced to in article 7 paragraph (2) subparagraph (g) of the Prospectus Directive and article 21 paragraph (3) of the Prospectus Regulation. Under the proportionate disclosure regime, a prospectus does not need to contain all of the items of information that would otherwise need to be disclosed pursuant to the Prospectus Directive and the Prospectus Regulation in a prospectus for a public offering of shares other than through rights to subscribe for shares. For example, this Prospectus does not need to contain (and does not contain) three years of audited historical financial information of the Group.

Ballast Nedam does not undertake to update this Prospectus, unless required pursuant to article 5:23 of the Financial Supervision Act. Therefore, potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Rights Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made in connection with the Rights Offering, that information or representation may not be relied upon as having been authorised by or on behalf of Ballast Nedam, Renaissance Infrastructure, the Subscription, Listing and Paying Agent or any of their respective affiliates. The delivery of this Prospectus at any time after the date of this Prospectus will not, under any circumstances, create any implication that there has been no change in the Group's affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of Renaissance Infrastructure, the Subscription, Listing and Paying Agent or any of their respective affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by Renaissance Infrastructure, the Subscription, Listing and Paying Agent or any of their affiliates as to the past or future.

None of Renaissance Infrastructure and the Subscription, Listing and Paying Agent, each in any of their respective capacities in connection with the Rights Offering, accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with the Group, the Rights Offering, the Rights or the Offer DRs. Accordingly, Renaissance Infrastructure and the Subscription, Listing and Paying Agent disclaim all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and/or any such statement.

Although Renaissance Infrastructure and the Subscription, Listing and Paying Agent are a party to various agreements pertaining to the Rights Offering and each of the Syndicated Lenders and the Subscription, Listing and Paying Agent has entered or might enter into financing arrangements with the Group, this should not be considered as a recommendation by any of them to invest in the Rights or the Offer DRs.

Responsibility statement

This Prospectus is made available by Ballast Nedam and Ballast Nedam accepts sole responsibility for the information contained in this Prospectus. Ballast Nedam declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge and beliefs, in accordance with the facts and contains no omission likely to affect its import.

References to the Company's issued share capital; treasury DRs

As per the date of this Prospectus, the total number of issued DRs was 19,667,500 and of these issued DRs the Company held 332,500 DRs in treasury. These treasury DRs are held as a hedge for employee stock options, which hedge is to a large extent ineffective now. As a result, the Company may, in the ordinary course and without further notification, sell any treasury DRs. Ballast Nedam, as holder of DRs in treasury, will not be granted any Rights. In this Prospectus, references to relative holdings of Ordinary Shares are to holdings measured against the total number of issued Ordinary Shares (from time to time), without subtraction of DRs held in treasury by the Company.

Adoption of the Group's consolidated financial statements for the financial year ended 31 December 2014

The Group's consolidated financial statements for the financial year ended 31 December 2014 have been drawn up (*opgemaakt*) by the Board of Management, signed by the members of the Board of Management and the members of the Supervisory Board on 30 April 2015 and have been published on 30 April 2015. These financial statements were adopted (*vastgesteld*) at the annual General Meeting held on 29 June 2015.

The independent auditor's report on the Group's consolidated financial statements for the financial year ended on 31 December 2014, dated 30 April 2015 was unqualified. The report contains an emphasis of matter paragraph "Material uncertainty regarding continuity", drawing attention to the note on continuity and liquidity in the accounting policies.

Adoption of the Group's consolidated financial statements for the first half of the financial year 2015

The Group's consolidated interim financial statements for the first half year 2015 have been drawn up (*opgemaakt*) by the Board of Management, signed by the members of the Board of Management on 21 July 2015 and have been published on 22 July 2015.

The independent auditor's review report on the consolidated interim financial statements of the Group for the first half year 2015 contains an emphasis of matter paragraph "Emphasis of uncertainty with respect to the going concern assumption", drawing attention to the note on continuity and liquidity in the accounting policies.

Presentation of financial information

IFRS information

This Prospectus contains audited annual consolidated financial information as at and for the years ended 31 December 2014 ("**FY 2014**") and 31 December 2013 ("**FY 2013**"), which financial information is derived from the audited consolidated financial statements of Ballast Nedam N.V. for the financial year ended 31 December 2014 (the "**2014 Financial Statements**"), as incorporated by reference in this Prospectus. The 2014 Financial Statements have been prepared in accordance with IFRS and comply with Title 9 of Book 2 of the Dutch Civil Code, and have been audited by Ernst & Young Accountants LLP ("**EY**"), our independent auditors.

This Prospectus also contains unaudited condensed consolidated interim financial information as at and for the first half year of 2015 (period ended on 14 June 2015) ("**H1 2015**") and the first half of 2014 (period ended on 15 June 2014) ("**H1 2014**"), which financial information is derived from the unaudited condensed consolidated interim financial statements of Ballast Nedam N.V. for the first half year 2015 (the "**H1 2015 Interim Financial Statements**"), as incorporated by reference in this Prospectus. The H1 2015 Interim Financial Statements are prepared in accordance with IAS 34 (as adopted by the European Union), and have been reviewed by EY, our independent auditors.

The financial information for the period 1 January 2015 through 6 September 2015, which is included in "*Operating and Financial Review – Current trading*", has not been prepared in accordance with IAS 34 (as adopted by the European Union) and has not been audited or reviewed.

As of 1 January 2014 a system reform (*stelselwijziging*) based on IFRS 11 has been implemented. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by participants in a joint venture". IFRS 11 distinguishes two types of partnerships, depending on whether the parties actually exposed to the advantages and disadvantages of the individual assets and liabilities (joint operation), or only exposed to the advantages and disadvantages of the net assets (joint venture). The essential distinction of a joint venture in relation to a joint operation is in principle unlimited liability of a participant in a joint operation for its share of the debt, the liability of a participant in a joint venture is in principle limited to its contributions the entity in which cooperation is included. Joint ventures are no longer proportionally consolidated as from 2014, but must be recognised against the equity method. A "joint operator" must take its share of the assets, liabilities, income and expenses. The standard has no impact on the result and equity, but does have impact on the composition of the result and leads to balance sheet reduction, as Ballast Nedam used to proportionally consolidate the joint ventures until 2013 in accordance with IAS 31. As from 2014, Ballast Nedam established criteria for the purpose of application of IFRS 11 to which the collective agreements have been tested. On this basis, for which there is a cooperative joint venture with the result that the processing of these joint ventures under IFRS 11 from 2014 takes place by means of the equity method instead of proportional consolidation. The comparative figures have been adjusted in line with this. Therefore, the comparative 2013 financial figures on pages 60, 61 and 62 of this Prospectus and as set out in the annual report 2014 differ from the figures as stated in the annual report 2013. The impact on the balance sheet and profit and loss account are described in note "*Changes in accounting policies – change of accounting policy in respect of IFRS 11 Joint arrangements*" to the 2014 Financial Statements. The impact on cash flow, Order Book and segmentation is reviewed by management and is limited. The transition has no effect on the income of the Group or of the basic and diluted earnings per share.

Except where stated otherwise, the financial information contained in "*Selected Historical Financial Information*", "*Operating and Financial Review*" and "*Business Description*" of this Prospectus, have been prepared in accordance with IFRS and comply with Title 9 of Book 2 of the Dutch Civil Code.

Non-IFRS information

This Prospectus uses certain measures that are not measures defined by IFRS.

These measures include EBIT, EBITDA, Leverage Ratio, Margin, Net debt, Order Book and Working

capital.

"EBIT" means earnings before interest and taxes.

"EBITDA" means earnings before interest, taxes, depreciation and amortisation.

"Leverage Ratio" means the ratio of total Net Debt to EBITDA.

"Margin" means EBIT divided by revenues expressed as a percentage.

"Net debt" represents total interest-bearing loans and borrowings and other interest-bearing liabilities after deduction of cash and short-term deposits and long- and short-term interest-bearing assets. Management believes that it is a good reflection of the Group's net leverage. Because other companies may define net interest-bearing debt differently from the Group, it may be of limited usefulness as a comparative measure.

"Order Book" indicates total expected revenue from contracted work (i) for current and future years as well as (ii) relating to work already performed and services already rendered in respect of current projects or contracts. The Order Book shows:

- (i) Projects contracts: the Order Book shows the total estimated revenue value of existing signed contracts in respect of projects on which financing has been obtained and any other contractual conditions have been fulfilled, from inception until the scheduled end of a project; and
- (ii) Maintenance contracts: the Order Book consists of the total estimated revenue value of the maintenance services already performed as well as services to be performed during the shorter of (i) the remaining duration of the contract; or (ii) the next twelve months.

Because other companies may define Order Book differently from the Group, it may be of limited usefulness as a comparative measure.

"Solvency Ratio" means ratio of total Net Debt to EBITDA.

"Working capital" is a non-IFRS financial measure and is defined by the Group as current assets (excluding cash and cash equivalents) minus current liabilities (excluding bank overdrafts and current loans and borrowings). Because other companies may define working capital differently from the Group, it may be of limited usefulness as a comparative measure.

These non-IFRS financial measures, which have not been audited or reviewed, are not recognised measures of financial performance or liquidity under IFRS, but are measures used by management to monitor the underlying performance of the Group's business and operations. These non-IFRS financial measures may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. These non-IFRS measures have been presented in this Prospectus because the Group considers them an important supplemental measure of its performance and believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS. Each of the non-IFRS measures is described below.

Documents incorporated by reference

The following documents, which have previously been published and have been filed with the AFM, are incorporated by reference into, and form part of, this Prospectus and are available for inspection and can be obtained free of charge on the Group's website at <http://www.ballast-nedam.com>: under section "Corporate" and subsequently "Investor Relations":

- the audited consolidated financial statements for the financial year ended 31 December 2014 (or: the 2014 Financial Statements) and the independent auditor's report issued on 30 April 2015, including the information set out on the following pages of the English version of the annual report 2014, as published on the Group's website:

Consolidated statement of financial position	Page 138
Consolidated income statement	Page 139
Consolidated statement of comprehensive income	Page 139
Consolidated statement of changes in equity	Page 140
Consolidated statement of cash flow	Page 141
Notes to the consolidated financial statements	Pages 142 to 162
Independent auditor's report	Pages 212 to 220

- the unaudited condensed consolidated interim financial statements for the first half year 2015 (or: the H1 2015 Interim Financial Statements) and the independent auditor's review report issued on 21 July 2015, including the information set out on the following pages of the English version of the half-year report 2015, as published on the Group's website:

Consolidated income statement	Page 16
Consolidated statement of comprehensive income	Page 16
Consolidated statement of financial position	Page 17
Summary consolidated statement of changes in equity	Page 18
Consolidated statement of cash flow	Page 19
Notes to the half-year financial report	Pages 20 to 30
Independent auditor's review report	Page 31

- our articles of association as amended on 20 November 2015 (the "**Articles**").

Potential investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the content of the Group's website (www.ballast-nedam.com) or of websites accessible from hyperlinks on the Group's website, form part of, or are incorporated by reference into, this Prospectus.

Rounding and negative amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by

"-" or "negative" before the relevant amount.

Currency

All references in this Prospectus to "EUR", "euro", or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union.

Market and industry data

All references to market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, organisations, analysts, publicly available information or the Group's own knowledge of its sales and markets. The reports used include publicly available and third party data. Third-party sources are: the Economic Institute for the Building Industry (*Economisch Instituut voor de Bouwnijverheid* (www.eib.nl)) ("**EIB**"), the Netherlands Bureau for Economic Policy Analysis (*Centraal Planbureau*) (CPB), the Netherlands Association for developers and construction entrepreneurs (*Nederlandse Vereniging voor Ontwikkelaars en Bouwondernemers*) (www.nvb-bouw.nl) (NVB), the Dutch Construction and Infrastructure Federation (*Bouwend Nederland*) and the Netherlands Association of Property Developers and Investors (*Vereniging van Nederlandse Projectontwikkeling Maatschappijen*) (NEPROM).

Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Group believes these sources are reliable, as the Group does not have access to the information, methodology and other bases for such information, the Group has not independently verified the information and therefore cannot guarantee its accuracy and completeness. Where third-party information has been used in this Prospectus, the source of such information has been identified.

In this Prospectus, Ballast Nedam makes certain statements regarding its competitive and market position. Ballast Nedam believes these statements to be true, based on market data, industry statistics and publicly available information. All assumptions, estimates and expectations of Ballast Nedam underlying its statements have been based on careful analysis and are honestly held. Ballast Nedam cannot guarantee that a third party using different methods to assemble, analyse, or compute market data, would obtain or generate the same results.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Definitions

Certain terms used in the Prospectus are defined in "*Defined Terms*".

Information regarding forward-looking statements

Certain statements in this Prospectus other than statements of historical fact, are forward-looking statements. This Prospectus contains forward-looking statements which are based on the Group's current beliefs and projections and on information currently available to the Group. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates",

"plans", "assumes", "anticipates", "annualised", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of the Group's strategy and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, the Group does not undertake and expressly disclaims any duty to update or revise publicly any forward-looking statement in this Prospectus, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the directors and management of the Group, public statements by the Group, present and future business strategies and the environment in which the Group will operate in the future. By their nature, these forward-looking statements are subject to known and unknown risks and uncertainties, which could cause the Group's actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Prospectus include those described under "*Risk Factors*".

The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events: general economic trends and trends in industry, the loss of one or more of the Group's key customers, the competitive environment in which the Group operates, fluctuations in interest rates, the outcome of any pending or threatened litigation, changes to, or failure or inability to comply with, environmental laws and regulations and the loss of key employees and the availability of qualified personnel. Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, the Group's actual future financial condition or results of operations could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realised. Additional risks unknown to the Group or that the Group does not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur. Prospective investors are advised to read "*Risk Factors*", "*Selected Historical Financial Information*", "*Operating and Financial Review – Overview*" and "*Business Description*" of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates.

Interests material to the Transaction, including potential conflicts of interest

The Syndicated Lenders, and/or their respective affiliates, and the Subscription, Listing and Paying Agent have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with Ballast Nedam, or any parties related to Ballast Nedam, for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures – including so-called 'Chinese walls' – or by rules and regulations, including those issued by the AFM. As a result of these activities, the Subscription, Listing and Paying Agent and the Syndicated Lenders and/or their respective affiliates may have interests that may not be aligned, or could potentially conflict with, the interests of the Shareholders, the (prospective) DR Holders or holders of Rights or with the interests of the Group.

The Syndicated Lenders and/or their respective affiliates may provide services for the Company and the Company's affiliates in the future. Additionally, the Syndicated Lenders and/or their respective affiliates may in the ordinary course of business, hold, have held and in the future may hold the Company's securities for investment purposes.

The Syndicated Lenders are currently lenders under the Banks Bridge Loan, the Amended and Restated SFA and the Subordinated Facilities Agreement. ING is also the Subscription, Listing and

Paying Agent. Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank**") also acts as agent and security agent under the Amended and Restated SFA and as lender under the Rabobank Bilateral Loan. Furthermore, FGH Bank, a subsidiary of Rabobank, is currently lender under the Amended and Restated FGH Bilateral Loan. In such capacities, they have received and may continue to receive customary fees related to such services. The net proceeds of the Rights Offering will be used to repay the Group's indebtedness under the Bridge Loans. Accordingly, the Syndicated Lenders are expected to receive a portion of the net proceeds of the Rights Offering.

Sanderink is the parent company of Strukton Groep N.V. ("**Strukton**"). Sanderink acts as lender under the Sanderink Bridge Loan. Strukton is a party who often acts as joint venture partner of the Group. Accordingly, Sanderink is expected to receive a portion of the net proceeds of the Rights Offering.

The arrangements in the Merger Agreement (as defined in "*Reasons for the Transaction and Use of Proceeds*") and the Underwriting and Placing Agreement and the Private Placement qualify as related party transactions. The Private Placement involves Placing DRs being issued to Renaissance Infrastructure which holds a controlling interest in the Company.

The Company is involved in a number of operating activities that are executed in cooperation with subsidiaries or associated companies, for example in joint ventures.

Furthermore, the bank guarantees and parent company guarantees issued by the Company on behalf of its subsidiaries, associated companies and joint ventures qualify as related party transactions. In addition, the Company issued bank guarantees on behalf of subsidiaries. These bank guarantees relate to the execution of projects for customers and to future investment obligations.

The Company buys and sells goods and services from and to various related parties in which the Company holds an interest of 50% or less, or with natural or legal persons holding at least 10% of the Ordinary Shares. All these transactions are executed at arm's length, in a comparable manner as for transactions with third parties.

As a result of acting in the capacities described above, the Syndicated Lenders, the Subscription, Listing and Paying Agent, Sanderink, Strukton and their respective affiliates may have interests that may not be aligned, or could potentially conflict, with (prospective) investors' and Ballast Nedam's interests.

Apart from these, there is no other interest, including any conflicting interest, that is material to the Rights Offering or the Private Placement.

Notice to investors

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

The Group has not authorised any offer of securities to the public in any Member State of the European Economic Area (other than the Netherlands). With respect to any Member State of the European Economic Area (other than the Netherlands), and which has implemented the Prospectus Directive (each a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer of securities to the public requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form and

by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and includes any relevant implementing measure in the Relevant Member State.

The distribution of this Prospectus and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Transaction Securities may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Transaction Securities offered under the Rights Offering in any jurisdiction in which such offer or invitation is not authorised or would be unlawful. Neither this Prospectus, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The contents of this Prospectus are not to be considered or interpreted as legal, commercial, investment, financial or tax advice. Each prospective investor should consult his own stockbroker, bank manager, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Transaction Securities, to consider such investment decision in light of the prospective investor's personal circumstances, and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer DRs or to trade in the Rights.

As a condition to accept, deliver, transfer, exercise, purchase, subscribe for or trade in Transaction Securities, each purchaser in order to be an Eligible Person will be deemed to have made, or, in some cases, be required to make, certain representations and warranties which will be relied upon by Ballast Nedam and the Subscription, Listing and Paying Agent. Ballast Nedam and the Subscription, Listing and Paying Agent reserve the right, in their sole discretion, to reject any purchase or subscription of Transaction Securities that Ballast Nedam or the Subscription, Listing and Paying Agent believe may give rise to a breach or violation of any law, rule or regulation. A more detailed description of restrictions relating to the Rights Offering is contained in "*Selling and Transfer Restrictions*" of this Prospectus.

Investors who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read "*Selling and Transfer Restrictions*" in this Prospectus.

Notice to investors in the United States

No action has been or will be taken to permit a public offer of the Rights or Offer DRs in any jurisdiction outside the Netherlands. Ballast Nedam is only offering the Rights and the Offer DRs to those persons to whom, and in those jurisdictions where, the offering of the Rights and the Offer DRs may lawfully be made. The Rights and the Offer DRs have not been and will not be registered under the Securities Act, and may not be offered, issued, sold, taken up, delivered, renounced or transferred in or into the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the Rights or the Offer DRs in the United States. The Rights and the Offer DRs offered outside the United States are being offered in reliance on Regulation S under the Securities Act. Potential investors in the Rights or the Offer DRs should carefully read "*Selling and Transfer Restrictions*".

Enforcement of civil liabilities

The ability of Shareholders and DR Holders in certain countries other than the Netherlands to bring an

action against the Group may be limited by law. The Company is a public limited liability company (*naamloze vennootschap*) incorporated in the Netherlands and has its statutory seat (*statutaire zetel*) in Nieuwegein, the Netherlands.

REASONS FOR THE TRANSACTION AND USE OF PROCEEDS

The Transaction forms an essential part of the overall strategy to strengthen the financial position of the Group. See "*Financial and Operational Measures and Public Bid*". The Facility Agreements require, *inter alia*, the repayment of the €20 million Bridge Loans through a rights issue. The Rights Offering has been initiated to meet this requirement. The Private Placement to Renaissance Infrastructure is one of the conditions of the merger agreement between the Company and Renaissance Construction dated 21 July 2015 and an amendment agreement in relation thereto dated 9 September 2015 (together, the "**Merger Agreement**") and the Underwriting and Placing Agreement.

The aggregate net proceeds of the Transaction, expected to amount to approximately €47.6 million, will be used to repay any amounts outstanding under the Bridge Loans and to finance the Group's working capital needs in order to further strengthen the financial position of the Group. The net proceeds of the Transaction will not, in principle, be used to repay any outstanding indebtedness other than the Bridge Loans. See "*Operating and Financial Review – Description of borrowings – Amendment and restatement of Original Credit Facilities*".

The expenses incurred in relation to the Rights Offering and the Private Placement that are payable by the Group are estimated at approximately €3.4 million and include, among others, the fees due to the AFM and Euronext Amsterdam, the fees due to the Group's accountants and legal advisors, commissions and publication costs.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may only make distributions to its shareholders to the extent that the shareholders' equity exceeds the sum of the paid and called-up part of the share capital (*gestorte en opgevraagde deel van het kapitaal*) plus the reserves that must be maintained by Dutch law or by the Articles.

Pursuant to the current Articles, profits may be distributed after adoption of the annual accounts of the Company (the "**Annual Accounts**") from which it appears that such distribution is permitted. Subject to the approval of the Supervisory Board, the Board of Management may determine which portion of the profits as presented in the adopted Annual Accounts shall be added to the reserves. The remaining portion of the profits shall be at the free disposal of the General Meeting in accordance with the Articles.

Subject to the approval of the Supervisory Board, the Board of Management may resolve upon the distribution of interim dividends to the extent permitted by law and the Articles and as evidenced by an interim statement of assets and liabilities.

The Ballast Nedam Administration Office issues and administers the underlying Ordinary Shares. However, DR Holders have the option to convert DRs into Ordinary Shares. DR Holders are entitled to a dividend. The Ballast Nedam Administration Office will collect all dividends and all other distributions made on the Ordinary Shares registered in its name from the Company and, will promptly make available for payment a corresponding dividend or distribution on the DRs. See "*Description of Share Capital – Rights of DR Holders*".

Dividend policy

The Company does not intend to make any dividend distributions in the foreseeable future, except in the context of any possible restructuring measures.

The Company is subject to restrictions on the distribution of cash dividends as a result of the 2015 Refinancing. Pursuant to the Facility Agreements, the Company may not pay any dividends until the date on which (i) the Subordinated Term Loan Facility has been irrevocably repaid in full; (ii) the Solvency Ratio of the Group is 30% or greater; (iii) the amount of that dividend does not exceed 50% of the retained earnings of the Group; and (iv) no default under the Facility Agreements is continuing or would occur immediately after making the dividend payment.

Manner and time of dividend payments

Payment of any dividend on Ordinary Shares in cash will be made in euro. Any dividends will be paid to Shareholders through Euroclear Nederland, the Dutch centralised securities custody and administration system, and will be credited automatically to the Shareholders' accounts without the need for Shareholders to present documentation proving their ownership of Ordinary Shares.

A resolution to distribute dividends or interim-dividends may give Shareholders the choice of a distribution made in full or in part in the form of cash or in shares in the Company. Generally, shareholders will need to record their choice by the date announced in the dividend payment advertisement. Dividends and interim dividends are made payable on a date set by the Board of Management within fourteen days of the determination of the dividend.

Dividend history

The table below provides information on the dividends paid out per Ordinary Share (excluding

treasury shares) in respect of the years indicated:

Dividend paid in respect of the financial year ended 31 December	Cash dividend per Ordinary Share
2014	-
2013	-
2012	€0.47
2011	€0.36
2010	€0.31
2009	€1.24
2008	€1.38
2007	€1.34
2006	€1.02
2005	-
2004	-

Uncollected dividends

A shareholder's claim for dividend lapses five years after such claim becomes payable. Any dividend that is not collected within this period reverts to the Company.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's unaudited consolidated capitalisation and indebtedness as at 1 November 2015 and on an adjusted basis to give effect to the receipt of the estimated net proceeds (assuming full placement of the Rights Offering and Private Placement) of €47.6 million from this Transaction, and the application of the net proceeds from this Transaction as described in "*Reasons for the Transaction and Use of Proceeds*".

The capitalisation and indebtedness table below is unaudited and has been prepared for illustrative purposes only and, because of its nature, may not provide an accurate representation of the Group's capitalisation and indebtedness following completion of the Transaction. The information in the table below has not been prepared in accordance with IAS 34 (as adopted by the European Union) and has not been audited or reviewed.

These tables should be read in conjunction with "*Operating and Financial Review*", the 2014 Financial Statements incorporated by reference into this Prospectus and the H1 2015 Interim Financial Statements incorporated by reference into this Prospectus.

Capitalisation

	As at 1 November 2015 (unaudited)	
	Actual	As adjusted for the Transaction
	(in € million)	
Total current debt	9	9
Guaranteed.....	9	9
Secured	-	-
Unguaranteed/Unsecured.....	-	-
Total non-current debt (excluding current portion of long-term debt)	150	130
Guaranteed.....	146	126
Secured	4	4
Unguaranteed/Unsecured.....	-	-
Shareholders' equity	(18)	29.6
Share capital	20	2.2
Legal reserve	119	119
Other reserves	(157)	(91.6)
Total capitalisation	141	168.6

Indebtedness

As at 1 November 2015 (unaudited)		
	Actual	As adjusted for the Transaction
	(in € million)	
Cash	34	62
Cash equivalents	-	-
Trading securities (escrow account)	25	25
Liquidity	59	87
Current financial receivables.....	59	87
Current bank debt	9	9
Current portion of non-current debt	-	-
Other current financial debt	-	-
Current financial debt.....	9	9
Net current financial indebtedness.....	(50)	(78)
Non-current bank loans	150	130
Bonds issued	-	-
Other non-current loans	-	-
Non-current financial indebtedness	150	130
Net financial indebtedness	100	52

For more information on indebtedness see "*Operating and Financial Review – Description of borrowings*".

SELECTED HISTORICAL FINANCIAL INFORMATION

The following selected historical consolidated financial information for the years ended 31 December 2014 (or: FY 2014) and 31 December 2013 (or: FY 2013) is derived from the 2014 Financial Statements. The unaudited condensed consolidated interim financial information for each of the first half years of 2015 (or: H1 2015) and 2014 (or: H1 2014) is derived from the H1 2015 Interim Financial Statements. The financial information should be read in conjunction with "*Reasons for the Transaction and Use of Proceeds*", "*Capitalisation and Indebtedness*", "*Operating and Financial Review*", and the consolidated financial statements and the related notes that have been incorporated by reference into this Prospectus.

The 2014 Financial Statements have been prepared in accordance with IFRS and comply with Title 9 of Book 2 of the Dutch Civil Code, and have been audited by EY, our independent auditors. The H1 2015 Interim Financial Statements have been prepared in accordance with IAS 34 (as adopted by the European Union), and have been reviewed by EY, our independent auditors.

As from 1 January 2014 a system reform (*stelselwijziging*) based on IFRS 11 has been implemented. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by participants in a joint venture". IFRS 11 distinguishes two types of partnerships, depending on whether the parties actually exposed to the advantages and disadvantages of the individual assets and liabilities (joint operation), or only exposed to the advantages and disadvantages of the net assets (joint venture). The essential distinction of a joint venture in relation to a joint operation is in principle unlimited liability of a participant in a joint operation for its share of the debt, the liability of a participant in a joint venture is in principle limited to its contributions the entity in which cooperation is included. Joint ventures are no longer proportionally consolidated as from 2014, but must be recognised against the equity method. A "joint operator" must take its share of the assets, liabilities, income and expenses. The standard has no impact on the result and equity, but does have impact on the composition of the result and leads to balance sheet reduction, as the Group used to proportionally consolidate the joint ventures until 2013 in accordance with IAS 31. As from 2014, the Group established criteria for the purpose of application of IFRS 11 to which the collective agreements have been tested. On this basis, for which there is a cooperative joint venture with the result that the processing of these joint ventures under IFRS 11 from 2014 takes place by means of the equity method instead of proportional consolidation. The comparative figures have been adjusted in line with this. Therefore, the comparative 2013 financial figures on pages 58, 59 and 60 of this Prospectus and as set out in the annual report 2014 differ from the figures as stated in the annual report 2013. The impact on the balance sheet and profit and loss account are described in "*Notes to the consolidated financial statements - Changes in accounting policies*" to the 2014 Financial Statements. The impact on cash flow, Order Book and segmentation is reviewed by management and is limited. The transition has no effect on the income of the Group or of the basic and diluted earnings per share.

See "*Operating and Financial Review – Significant accounting policies*" and "*Business Description – Strategy*".

Consolidated income statement
(€ million)

	Period 1 January 2015 through 14 June 2015	Period 1 January 2014 through 15 June 2014	Year ended 31 December 2014	Year ended 31 December 2013 ⁽¹⁾
Revenue	420	515	1,166	1,230
Other operating income	1	22	76	3
Costs of raw materials and subcontractors	(317)	(450)	(984)	(918)
Personnel expenses	(93)	(119)	(229)	(267)
Other operating expenses	(16)	(3)	(71)	(57)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(5)	(35)	(42)	(9)
Depreciation and amortisation of property, plant and equipment and intangible assets	(5)	(7)	(16)	(20)
Impairment of tangible and intangible assets	-	(3)	(7)	(3)
Earnings before interest and taxes (EBIT)	(10)	(45)	(65)	(32)
Finance income	-	-	-	-
Finance expense	(2)	(5)	(7)	(7)
Net finance income and expense	(2)	(5)	(7)	(7)
Profits of consolidated entities	(3)	-	3	1
Profit before income tax	(15)	(50)	(69)	(38)
Income tax expense	-	(1)	(34)	(3)
Profit for the period	(15)	(51)	(103)	(41)
Attributable to owners of the company:				
Basic earnings per share (€)	(0.78)	(5.22)	(5.33)	(4.22)
Diluted earnings per share (€)	(0.78)	(5.22)	(5.33)	(4.22)

⁽¹⁾ The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important

**Consolidated statement of comprehensive
income**
(€ million)

	Period 1 January 2015 through 14 June 2015	Period 1 January 2014 through 15 June 2014	Year ended 31 December 2014	Year ended 31 December 2013 ⁽¹⁾
Profit for the period	(15)	(51)	(103)	(41)
Other comprehensive income	3	(3)	(2)	1
Total comprehensive income for the period	(12)	(54)	(105)	(40)
Attributable to:				
Owners of the Company	(12)	(54)	(105)	(40)
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	(12)	(54)	(105)	(40)

Information – Presentation of financial information").

Consolidated statement of financial position
(€ million)

	As at 14 June 2015	As at 15 June 2014	As at 31 December 2014	As at 31 December 2013 ⁽¹⁾
Intangible assets.....	16	20	16	21
Property, plant and equipment	75	88	78	130
Financial assets.....	5	28	5	9
Investments in associates ⁽²⁾	9	-	9	12
Deferred tax assets.....	-	33	-	32
Non-current assets	105	169	108	204
Inventories	147	157	148	174
Work in progress.....	57	106	52	135
Receivables.....	158	300	171	214
Cash and cash equivalents	38	43	70	51
Escrow account.....	35	-	53	-
Assets held for sale	-	97	52	48
Current Assets.....	435	703	546	622
Bank overdrafts.....	(41)	(68)	(3)	(22)
Current portion of long-term loans	(31)	(2)	(31)	(8)
Prepayments on inventories	(2)	(2)	(2)	(2)
Work in progress.....	(82)	(153)	(88)	(105)
Trade payables.....	(144)	(200)	(191)	(231)
Income tax expense.....	-	1	-	(1)
Other liabilities	(170)	(231)	(195)	(203)
Provisions	(12)	(21)	(17)	(26)
Liabilities held for sale	-	(48)	(51)	(27)
Current liabilities.....	(482)	(724)	(578)	(625)
Current assets minus current liabilities	(47)	21	(32)	(3)
	58	148	76	201
Loans	53	103	56	100
Derivatives.....	-	1	-	-
Deferred tax liabilities	-	-	1	-
Employee benefits	4	4	4	5
Provisions	2	4	4	6
Non-current liabilities.....	59	112	65	111
Equity attributable to the owners of the company	(1)	36	11	90
Non-controlling interest.....	-	-	-	-
Total Equity.....	(1)	36	11	90
	58	148	76	201

⁽¹⁾ The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

⁽²⁾ In the H1 2015 Interim Financial Statements, this line item is called "Disposals of associates".

Consolidated statement of cash flow
(€ million)

	Period 1 January 2015 through 14 June 2015	Period 1 January 2014 through 15 June 2014	Year ended 31 December 2014	Year ended 31 December 2013⁽¹⁾
Net cash from operating activities	(92)	(82)	(79)	(34)
Net cash flow used in investing activities	7	17	111	(9)
Net cash from financing activities	(3)	10	59	(4)
Increase/decrease in net cash position.....	(88)	(55)	91	(47)
Net cash position at beginning of the year	120	30	29	76
Effect of exchange rate fluctuations on cash held	-	-	-	-
Net cash position at period-end.....	32	(25)	120	29

⁽¹⁾ The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

FINANCIAL AND OPERATIONAL MEASURES AND PUBLIC BID

Background

The Group's financial position has been severely impacted by the developments in the Dutch construction industry in the period 2012 through 2015. The main factors which impacted the Group's financial position were the limited growth of the Dutch building and infrastructure markets in combination with major project overruns primarily relating to the A15 MaasvlakteVaanplein (MaVa) project and the A2 Maastricht project.

Financial and Operational Measures

In the period 2013 – 2015 the Group executed a rebalancing strategy that included restructuring measures, portfolio optimisation and a program to implement operational improvements. Those measures included the following.

The 2014 Refinancing

In June 2014, the Company secured a €110 million refinancing (the "**2014 Refinancing**") which consisted of:

- new loans for a total amount of €80 million with a term until 2017, which partly replaced the then existing (previously uncommitted) facility of €60 million;
- a €30 million bridge facility; and
- a €30 million rights issue, the proceeds of which were used to repay the €30 million bridge facility.

Treasury and Working Capital Measures

During 2014 a revision of the treasury policies of the Group was carried out, including measures to manage its working capital (the "**Treasury and Working Capital Measures**"). The key elements of the Treasury and Working Capital Measures were:

- Turn-around of the organisation to focus on cash rather than EBIT – the managerial performance targets within the Group were adjusted from EBIT performance targets to cash driven performance targets, such as reducing capital employed. As a result, the culture and mentality throughout the entire organisation has changed and has become more cash focused.
- Improvement of working capital – in the first half of 2014 several improvement programmes were started, which were rolled out in all operating divisions introducing various improvement measures, amongst others, in respect of liquidity and working capital requirements, such as reducing work in progress and trade receivables.
- Improvement of financial control throughout the organisation (i.e. on holding, division and project level) – since January 2014, the Group (i) expanded the bottom-up forecasting period from a four-week to a twelve-week period; and (ii) significantly strengthened weekly cash forecasting procedures focusing on input (strict forecasting instructions), challenging (weekly reviews) and reporting (new reporting structure).
- Cost savings – the Group embarked on a continuous process of identifying and realising further cost savings and improvements throughout the entire organisation.

- Improvement of operational management – the Group increased its operational performance through tightening control by adding strength to holding and division management, amongst other, through the appointment of a director of corporate finance and a treasurer and by overhauling its project and risk management and its business control systems – see "*Business Description – Risk Management – Risk management process – Business control and treasury*".

The Disposal Programme

The Group's repositioning of its two major divisions -Building & Development and Infrastructure-included the execution of a disposal programme to divest certain companies which did not fit within the Group's strategic profile and to focus the Group's organisation and restore profitability, liquidity and solvency (the "**Disposal Programme**"). The Disposal Programme yielded in 2013 an aggregate book profit of €3 million and aggregate net proceeds of €8 million and in 2014 an aggregate book profit of €76 million and aggregate net proceeds of €111 million. Specifically, the Disposal Programme comprised the sale of the following assets:

- In July 2013, the Group sold its fully owned subsidiary Société d'Exploitation des Carrières d'Yvoir SA to Group De Cloedt.
- In December 2013, the Group sold its fully owned subsidiary Gebr. Van Leeuwen Boringen B.V. to Kleywegen Groep.
- In June 2014, the Group ceased production at Omnia Plaatvloer B.V, and transferred the portfolio to Betonson, which is part of the Van Nieuwpoort Group.
- In July 2014, the Group sold its 30% stake in Bontrup to Bontrup's 70% shareholder, F. Bontrup Holding B.V.
- In July 2014, the Group sold its subsidiaries CNG Net B.V., LNG24 B.V. and CNG Net Realisatie en Onderhoud B.V to Bencis Capital Partners BV.
- In July 2014 the Group sold its 92.5% stake in Ballast Phoenix Ltd. (carrying out Feniks Recycling's operations in the United Kingdom) to H2 which sale yielded a book profit of €22 million for the Group.
- In November 2014, the Group sold the activities of Ballast Nedam Offshore to Van Oord B.V. As part of this divestment, the dedicated EPCI staff (Engineering, Procurement, Contracting and Installation), the Svanen heavy lift installation vessel and the Westermeerwind project were disposed. The book value of this transaction amounted to approximately €53 million.

The Group is bound by confidentiality provisions and therefore cannot disclose on a transaction-basis which proceeds some of the disposals generated.

Until 2014 the Group was active in the secondary raw materials, alternative fuels, offshore wind turbines and industrial construction niche markets. However, with the completion of the Disposal Programme, the Group abandoned three of its four niche markets: secondary raw materials, alternative fuels and offshore wind turbines. The Group's activities in respect of the fourth niche market, industrial construction, have been brought under the Infrastructure division.

The Group seeks to limit exposure in the case of disposals, for example, through liability caps and period limits on warranties and indemnities. However, some warranties and indemnities may give rise to significant liabilities. See "*Risk Factors – The Group may incur liabilities from past and future disposals*".

The 2015 Refinancing

In the course of 2014, two profit warnings were issued. In June 2014, the Group issued a profit warning as the Group expected to realise a net loss of €43 million in the first half of 2014. Major contributor to this loss was the A15 Maasvlakte-Vaanplein (MaVa) project. On 6 October 2014 an additional profit warning was issued by the Group as the cost overrun on the A15 Maasvlakte-Vaanplein (MaVa) project and the A2 Maastricht project kept increasing. This further deterioration of financial results made it necessary for the Company to secure a second refinancing package (the **"2015 Refinancing"**), which package was announced in April 2015 and consisted of:

- a bridge loan of €10 million (the **"Sanderink Bridge Loan"**) granted by Sanderink Investments B.V. (**"Sanderink"**) and a bridge loan of €10 million by ING, Rabobank and RBS (the **"Banks Bridge Loan"** and together with the Sanderink Bridge Loan, the **"Bridge Loans"**);
- two subordinated bank loans expiring on 31 March 2017: one subordinated standby revolving credit facility of €10 million (the **"Stand-by Facility"**) and one subordinated term loan credit facility of €43 million (the **"Subordinated Term Loan Facility"** and together with the Stand-by Facility, the **"Subordinated Bank Loans"**);
- a revolving credit facility of €8.9 million expiring on 31 December 2015 (the **"Revolving Credit Facility"**);
- a committed guarantee facility of initially €261 million (the **"Committed Guarantee Facility"**); and
- two extensions of bank loans provided expiring on 31 December 2016: one of €28.6 million provided by FGH Bank and one of €50 million provided by Rabobank (the **"Loan Extensions"**).

Downscaling measures

In connection with the 2015 Refinancing, and in order to reduce its risk profile the Group has downsized the Group's economic exposure to large-scale infrastructure projects in the course of 2015 (the **"Infrastructure Projects Downscaling Measures"**). In particular, on 23 September 2015 the Group announced that it downscaled its share in the construction phase of the A15 Maasvlakte Vaanplein (MaVa) project from 40% to 10% and that the joint-venture partners Strabag and Strukton have each increased their exposure to 45%, effective retroactively as of 30 June 2015. Ballast Nedam's share in the operation and maintenance phase of the project remains unchanged at 33.33%. In addition, the Group transferred to Strukton its economic share in the infrastructure activities in the A2 Maastricht project and acquired Strukton's share in the property development of the A2 Maastricht Project, effective retroactively as of 30 June 2015. As a result, the extent of the infrastructure activities will become smaller, necessitating an adjustment in capacity for the Infrastructure division.

Public Bid by Renaissance

Although the Group has benefited from the measures described above, long term financial goals have not yet been met. In addition, market circumstances remain challenging and the Group lacks the liquidity and solvency to invest in its core markets to achieve its long term goals. In the absence of a sufficiently high solvency ratio, some competitors of the Group have a stronger position to invest and absorb potential project overruns. The Group has therefore a limited capability to strengthen its competitive position through more healthy margins, better growth prospects and adequate financials means for investments.

In light of the Group's deteriorated financial position and prospects, a review of strategic options was initiated in the second half of 2014, through a structured process led by the Board of Management in close consultation with and under supervision of the Supervisory Board. Additionally, the Board of Management requested KPMG Corporate Finance ("KPMG") to assist in reviewing the possible options going forward for the Group. The review focused on the question of which option would best serve the interest of all stakeholders of the Group and would maximise long term value creation potential.

The Group identified twelve possible strategic options varying from a merger or sale of the Group as a whole or in parts to termination of specific activities in one or more of its divisions. After careful evaluation of the various alternatives, the Group selected four alternatives (i.e. merger or sale of the Group as a whole, stand-alone (status quo), slim down and split sale). From those four alternatives, merger or sale of the Group as a whole received highest priority.

In order to find the best partner for the Group, a broad range of companies were evaluated based on rationale, strategic fit, financial position and transaction feasibility. After further consideration and analysis by the Board of Management and the Supervisory Board, the Group, assisted by its advisors, carefully selected a shortlist of twelve potential buyers. Although some of the contacts led to initial discussions with potential partners, the Renaissance Group proved to be the most seriously interested party and willing to engage in further discussions.

In October 2014, the Group and the Renaissance Group had their first discussions on a potential merger. An important consideration for the Group was the Renaissance Group's strong interest in acquiring the Group as a whole. In addition, the Renaissance Group would provide access to international markets, which could result in decreased exposure of the Company to the challenging Dutch construction market.

Although the Company and the Renaissance Group remained in close contact, the deterioration of financial results made it necessary for the Company to prioritise and focus on the 2015 Refinancing.

After announcement of the 2015 Refinancing, the process to find a potential buyer for the Group was re-ignited and on 19 May 2015 the Group issued a press release announcing that it was in discussions with a number of parties in relation to a potential public bid for the Group. Such discussions ended in the Group entering into the Merger Agreement on 21 July 2015. In the Merger Agreement it was agreed that the Renaissance Group will support the business strategy of the Group. See "*Business Description – Strategic support by Renaissance*". Furthermore, through the merger with the Renaissance Group, the Group expects to become part of a successful construction group which operates internationally and will get access to additional resources, management support and best practices which should enable the Group to enhance its organisation and processes in a sustainable manner, all subject to the terms of the Merger Agreement and the Group's applicable approval policies and (financial) parameters as applicable from time to time.

On 22 July 2015, before opening of the Dutch stock exchange, the intention of the Group and Renaissance Construction to join forces and the signing of the Merger Agreement was publicly announced.

On 9 September 2015 the Company announced that it expected to incur material additional losses of approximately €20 million. These expected material additional losses led to the Company and Renaissance Construction agreeing to amend the terms of the Merger Agreement.

Main consequences of the Public Bid

Capital contribution by Renaissance

In the Merger Agreement the Company and Renaissance Construction agreed that Renaissance Construction would procure a capital contribution to the Group for an amount of €47.6 million through the Transaction. It was further agreed that Renaissance Construction would use its reasonable best efforts to procure completion of the Transaction ultimately on or before 22 December 2015. If the Transaction would not be completed on or before 22 December 2015, Renaissance Construction would use its reasonable efforts to procure completion of the Transaction as soon as possible or provide a bridge loan to the Group for the amount of €47.6 million until the Transaction has been completed, which would enable the Group to timely repay any amounts outstanding under the Bridge Loans.

Restructuring by Renaissance

As stated in the Offer Memorandum, Renaissance Infrastructure seeks to acquire 100% (one hundred per cent) of the DRs and/or the business and operations of the Group, through the Public Bid, the Transaction and other subsequent restructuring steps (if necessary). These steps are likely to have significant consequences for DR Holders. In particular, if, after completion of the Transaction, Renaissance Infrastructure, directly or indirectly, holds 95% (ninety-five per cent) or more of the Ordinary Shares or DRs (excluding any DRs held by the Company), Renaissance Infrastructure shall commence a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the Dutch Civil Code or the takeover buy-out procedure in accordance with article 2:359c of the Dutch Civil Code to buy out the remaining Shareholders and/or DR Holders. See also "*Description of Share Capital – Squeeze-out proceedings*".

Delisting

Renaissance Construction and the Company have acknowledged that it is their intention, subject to the applicable laws and regulations, to terminate the listing of the DRs on Euronext Amsterdam as soon as possible.

Reduced governance rights

As a consequence of the Public Bid, the Company does not comply with best practice provision III.2.1, which provides that all Supervisory Board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2. At the date of this Prospectus, three out of five Supervisory Board members are not independent, because they are affiliated with the Renaissance Group. See also "*Management, Employees and Corporate Governance - Corporate governance*". Furthermore, in the event that the Company will no longer be listed and its DRs will no longer be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

Controlling DR Holder

Following the Public Bid, the Company is controlled by Renaissance Infrastructure and Renaissance Infrastructure may appoint and/or procure the appointment of certain members to the Boards.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Prospectus, including the information set forth in "Selected Historical Financial Information and "Business Description" and the audited 2014 Financial Statements and accompanying notes thereto, incorporated by reference into this Prospectus and the unaudited H1 2015 Interim Financial Statements and accompanying notes thereto, incorporated by reference into this Prospectus. Except as otherwise stated, this Operating and Financial Review is based on the consolidated financial statements of the Group prepared in accordance with IFRS. The financial information for the period 1 January through 6 September 2015, which is included below, has not been prepared in accordance with IAS 34 (as adopted by the European Union) and has not been audited or reviewed.

The financial information presented for FY 2014 in this Operating and Financial Review has been extracted from the audited 2014 Financial Statements which are incorporated by reference into this Prospectus and which also contain comparative financial information for FY 2013. In this Operating and Financial Review, references to "FY 2014" and "FY 2013" refer to the financial year ended and as at 31 December 2014 and 31 December 2013, respectively. The independent auditor's report on the audited 2014 Financial Statements was unqualified. The report contains an emphasis of matter paragraph "Material uncertainty regarding continuity", drawing attention to the note on continuity and liquidity in the accounting policies.

The following discussion contains forward-looking statements that involve risks and uncertainties. The Group's results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections entitled "Risk Factors" and "Business Description" elsewhere in this Prospectus. See also "Important Information".

This Prospectus contains the information required under the proportionate disclosure regime referenced in article 7(2) subparagraph (g) of the Prospectus Directive and article 21(3) of the Prospectus Regulation. Under the proportionate disclosure regime, a prospectus does not need to contain all of the items of information that would otherwise under the Prospectus Directive and the Prospectus Regulation need to be disclosed in a prospectus for a public offering of shares other than through rights to subscribe for shares (including that it does not need to contain an operating and financial review and is required to contain financial information only for the last financial year). This Operating and Financial Review therefore only contains a comparison of the financial results of the Group for FY 2014 and FY 2013.

Overview

Ballast Nedam is a Dutch construction company operating mainly in the Netherlands. The Group offers integrated construction solutions in three divisions: Infrastructure, Building & Development and Specialised Companies & Supplies. See "Business Description – Overview of operations".

Areas of work

In 2014, the Group redefined the areas of work on which it focuses. The Group currently focuses on serving customers in the housing and mobility areas of work.

In respect of housing, the Group aims to create quality of use and preserve value wherever people live, work and spend time. This encompasses the entire life cycle of a wide variety of buildings for the public, businesses and public authorities. The Group focuses on district and project development, urban restructurings in large and logistically complex projects and renovation assignments.

In respect of mobility, the Group seeks to accomplish accessibility while respecting liveability and safety. The Group caters for maintenance and management and also develops and constructs objects

that facilitate goods and passengers transport by road, rail, air or water. The Group's efforts are directed towards minimizing environmental and traffic nuisance during the implementation of the works.

Integrated projects

The Group focuses primarily on integrated projects, which are projects in which the Group (a) is responsible for at least three of the following activities during the life cycle of a project: conceptualisation, development, implementation, maintenance and operation; or (b) supervises a complex project to ensure that a coherent approach is followed by the multiple parties in charge of different disciplines (such as construction technology, construction and installation technology).

Customers

The Group serves a large number of customers across various segments, including public customers, semi-public customers, private customers and consumers.

The Group's public customers include various Dutch state organisations, ranging from small municipal authorities to the major implementing agencies of the Ministry of Infrastructure and the Environment, the Directorate-General for Public Works and Water Management and Prorail, and the Ministry of the Interior, in particular, the Central Government Real Estate Agency. Based on 2014 revenue, public and semi-public (see below) customers represented approximately 75% of the Group's customer base.

The Group's semi-public customers are organisations such as health care institutions, school boards and other educational institutions, utility companies and housing associations.

Private customers include property developers and private companies in the transport and power sector. Private customers represented approximately 25% of the Group's customer base.

The consumer market for the Group consists of buyers of new and redeveloped homes.

Revenue

The Group's total revenue for FY 2014 was €1,166 million compared to €1,230 million for FY 2013 and the Group reported a loss of €103 million and €41 million in FY 2014 and FY 2013, respectively. The Group's results of operations in the periods under review were affected by restructuring costs (€28 million in FY 2014 and €12 million in FY 2013), impairments of tangible and intangible assets (€7 million in FY 2014 and €3 million in FY 2013), book profit on disposals €76 million in FY 2014 and €3 million in FY 2013, a negative result of €79.1 million on the A15 Maasvlakte-Vaanplein (MaVa) project, a negative result of €26.1 million on the A2 Maastricht project and underutilisation in the regional construction companies of the Group. The regional construction companies of the Group were restructured in FY 2014. Persisting difficult market conditions and disappointing results in FY 2014, necessitated further restructuring measures, including a refinancing of the Group's debt. The Group is in the process of implementing such further restructuring through a package of operational and financial measures that were announced on 29 April 2015. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures*".

Segments

Up to 31 December 2014, the Group was organised and operated through the following four main divisions and business segments: (i) Infrastructure; (ii) Building & Development; (iii) Specialised Companies; and (iv) Supplies Companies. Following a strategic review, it was decided to try to streamline the operational control of the Group and its divisions and to merge the Specialised

Companies divisions and the Supplies Companies divisions into a single Specialised Companies & Supplies division. As of 1 January 2015, the merged Specialised Companies & Supplies divisions operates and financially reports as a single division within the Group. Consequently, as from 1 January 2015 the Group operates through the following three main divisions and business segments: (i) Infrastructure; (ii) Building & Development; and (iii) Specialised Companies & Supplies.

Material factors affecting results of operations

The Group believes that the following factors have contributed to its results of operations in recent periods and believes that such factors may continue to have a significant effect hereon in future periods.

Restructuring costs and impairments

During FY 2014, the Group incurred significant costs in connection with the restructuring of the Group to align the Group's divisions with the differentiated market approach in its strategic focus. The Group restructured the Building & Development division, made organisational changes to the Infrastructure division and merged the Specialised Companies division and the Supplies Companies division into one combined division.

The Building & Development division is currently organised in three business units: (i) Special Projects; (ii) Concessions & Development; and (iii) Management. The Group's regional companies have been restructured into Heddes Bouw & Ontwikkeling (operating in the North and West of the Netherlands), Laudy Bouw & Ontwikkeling (operating in the South of the Netherlands) and maintenance and renovation company Bouwborg B.V. (operating on a national level). The Group's infrastructure division has been restructured into four market segments: medium-sized integral infrastructural Projects in the Netherlands, smaller specialised concrete, water and industrial building projects in the Netherlands, international specialised projects and road construction.

During FY 2014, the Group incurred restructuring costs and impairment losses of €39 million on land positions, property, plant and equipment and goodwill. The Group also recorded an EBIT of negative €65 million and an overall margin of negative 5.6% for FY 2014. Excluding the impairment losses and restructuring costs, the Group would have recorded an adjusted EBIT of negative €102 million and an overall margin of negative 8.7% for FY 2014.

Refinancing and capitalisation

On 5 February 2014, the Group announced an agreement with its financing banks securing the continued availability of the Group's main financing arrangements through a refinancing. The total expenditure with respect to refinancing in FY 2014 was €17 million. In August of 2014, the Group increased its equity through a successful €30 million rights issue by issuing 9,667,500 depositary receipts at €3.10 per depositary receipt. The total net proceeds of the 2014 rights issue were €27 million. On 29 April 2015, the Group announced a further refinancing of its main financing arrangements. The total expenditure with respect to the second refinancing in 2015 to date is €12 million. For additional information, see "*Financial and Operational Measures and Public Bid – Financial and Operational Measures*".

Divestments

In the past three years the Group divested a substantial portion of its businesses including a significant number of disposals completed under the Group's Disposal Programme. These divestments significantly reduced the scale and diversity of the Group's businesses and reduced the Group's presence in certain markets and geographies. These divestments have significantly impacted the Group's results of operations in the periods under review and the reduced scale and diversity of the

businesses of the Group is expected to continue to significantly impact the Group's results of operations in the future. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – The Disposal Programme*" for a summary of the Disposal Programme.

Impact of the Group's financial difficulties on its third-party relationships

In addition to more readily quantifiable impacts on the Group's results flowing from the losses sustained by the Group in 2014 and 2015 and the Group's subsequent financial difficulties, such as the specific impairments and refinancing costs described above, the Company believes that the Group's results have been affected by other important, but less readily quantifiable factors, in particular those relating to its relationships with various third parties, such as customers, suppliers and subcontractors. For example, the Company believes that its financial situation has led to issues with respect to:

- obtaining favourable credit insurance coverage, as credit insurers covering the Group have cancelled their exposure, which led to increases in the Group's working capital requirements and financing costs and materially adversely affects the Group's business, results of operations and financial condition;
- procuring materials, services and products from suppliers, as several of the Group's suppliers reduced payment days or asked for payment upon delivery and an increasing number of suppliers asked for bank guarantees to cover their exposure on the Group which has had an impact on guarantee and liquidity headroom;
- obtaining services from subcontractors on customary and favourable pricing terms due to pressure on subcontractor pricing;
- loss of skilled employees and difficulty attracting new skilled personnel.

Seasonal fluctuations

The Group's revenue and other income, operating income and working capital requirements are subject to seasonal fluctuations as a result of weather conditions influencing the physical realisation of projects and holiday periods in the Netherlands. The first and third quarters of the year generally produce somewhat weaker results than the second and fourth quarter due to the negative effects of bad weather on productivity in the first quarter and due to the negative effects of the summer holiday period in the Netherlands on productivity in the third quarter.

Project management

A large part of the Group's business depends on costs being accurately calculated and controlled and projects being completed on time, in a manner that enables the Group to contain costs within the pricing structure of the relevant contract. This is particularly relevant for larger and complex projects. If the Group incorrectly or inaccurately calculates or estimates the costs and required time for completion of a project, or lacks adequate control over costs of a project, lower than anticipated profits may be achieved, or a loss may even be incurred in connection with a project. Additionally, the Group may incur penalties if the performance schedule is not met. Deviations between estimates and actual costs of projects may have a significant impact on the results of the Group. Moreover, the effectiveness of the Group's project management has a direct impact on the Group's cash flow and, as a result, working capital requirements. As part of its initiatives to improve operational control over its projects, the Group is focusing on improving project management and project execution capabilities.

Economic conditions in the Netherlands

The Group operates predominately in the Netherlands. Operations in the Netherlands comprised 81%

of the Group's revenue for FY 2014 compared to 80% for FY 2013. Operations outside of the Netherlands comprised 19% of the Group's revenue for FY 2014 compared to 20% for FY 2013. As a result, the Group's results of operations and financial condition are affected by economic developments in the Netherlands and, in particular, on levels of government expenditure as well as regulatory developments, investment in infrastructure and the developments in the construction and housing markets. Market conditions in the Dutch building and construction markets have been difficult. Over-capacity, pricing pressure, reducing margins and increasing competition reflect the difficult conditions in the mature markets in which the Group operates which are showing little or no growth, and in many cases are not expected to return to significant growth in the near future. The Group's revenue is predominantly derived from public and semi-public projects. See "*Business Description – Overview*". As a result, the Group's results of operations are also highly sensitive to levels of government expenditure as well as regulatory developments. The Dutch government's policies and development programs directly influence volumes of integrated contracts in construction and infrastructure. The Dutch government has in recent years sought to significantly reduce the levels of public spending. As a result, the Group's public-sector revenue was affected by delays in decision-making on new projects and postponing or even cancelling existing projects. In addition, efforts to reduce the levels of public spending caused public sector customers to apply longer payment terms, which affected the Group's working capital requirements.

Current trading

On 9 September 2015, the Group announced that it had incurred material losses of approximately €20 million. The losses were sustained in the Building & Development division and caused by (i) the effects of three bankruptcies of suppliers and partners, including Imtech Building Services; and (ii) a further deterioration of financial results on several projects.

The information for the period 1 January through 6 September 2015 in the tables below has been derived from the accounting records of the Company. This information has not been prepared in accordance with IAS 34 (as adopted by the European Union) and has not been audited or reviewed.

Consolidated income statement (€ million)

	Period 1 January 2015 through 6 September 2015 ⁽¹⁾
Revenue	571
Other operating income	-
Costs of raw materials and subcontractors	(435)
Personnel expenses	(140)
Other operating expenses	(12)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(16)
Depreciation and amortisation of property, plant and equipment and intangible assets	(8)
Impairment of tangible and intangible assets	(0)
Earnings before interest and taxes (EBIT)	(24)
Finance income	(0)
Finance expense	(4)
Net finance income and expense	(4)
Share in profits of associates	1
Profit before income tax	(27)
Income tax expense	(0)
Profit for the period	(27)

Attributable to owners of the company:

Basic earnings per share (€).....	(1.40)
Diluted earnings per share (€)	(1.40)

Consolidated statement of comprehensive income
(€ million)

Profit for the period	(27)
Other comprehensive income:	3
Total comprehensive income for the period	(24)
Attributable to:	
Owners of the Company	(24)
Non-controlling interest	-
Total comprehensive income for the period	(24)

⁽¹⁾ These figures have not been reviewed or audited.

Consolidated statement of financial position
(€ million)

	As at 6 September 2015⁽¹⁾
Intangible assets	15
Property, plant and equipment	72
Financial assets	4
Escrow account	25
Investments in associates	9
Deferred tax assets	(0)
Non-current assets	125
Inventories	143
Work in progress	59
Receivables	139
Cash and cash equivalents	56
Assets held for sale	-
Current Assets	397
Bank overdrafts	(10)
Current portion of long-term loans	(10)
Prepayments on inventories	(2)
Work in progress	(108)
Trade payables	(107)
Income tax expense	(0)
Other liabilities	(155)
Provisions	(12)
Liabilities held for sale	-
Current liabilities	(404)
Current assets minus current liabilities	(7)
Capital employed	118
Loans	124
Deferred tax liabilities	0
Employee benefits	4

Provisions	2
Non-current liabilities.....	130
Equity attributable to the owners of the company	(13)
Non-controlling interest.....	-
Total Equity.....	(13)
Finance	117

⁽¹⁾ These figures have not been reviewed or audited.

Consolidated statement of cash flow
(€ million)

	Period 1 January 2015 through 6 September 2015⁽¹⁾
Net cash from operating activities	(101)
Net cash flow used in investing activities	5
Net cash from financing activities	47
Increase/decrease in net cash position	(49)
Net cash position at beginning of the year	120
Effect of exchange rate fluctuations on cash held	-
Net cash position at period-end.....	71

⁽¹⁾ These figures have not been reviewed or audited.

Revenue, EBIT, Margin, Profit for the period and Order Book per division

The following tables present revenue, EBIT, Margin (measured as EBIT divided by revenues and expressed as a percentage), profit for the period and Order Book for each of the Group's divisions for FY 2014 and FY 2013.

Revenue

	For the year ended 31 December	
	2014	2013⁽¹⁾
	<i>€ million</i>	<i>€ million</i>
Infrastructure	458	546
Building & Development.....	611	528
Specialised Companies	190	260
Supplies Companies	151	181
Subtotal of divisions	1,410	1,515
Other ⁽²⁾	(244)	(285)
Total.....	1,166	1,230

- (1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").
- (2) 'Other' includes inter-division eliminations.

Revenue decreased by 5.2% from €1,230 million in FY 2013 to €1,166 million in FY 2014 primarily due to declining revenue in the Infrastructure, the Specialised Companies division and the Supplies Companies division. The decline in revenue in these divisions was mainly driven by the reduced order intake of the Infrastructure division in FY 2014 without new projects commencing in that reporting period and reduced capacity in the Specialised Companies division and the Supplies Companies division as a result as a result of the restructuring carried out in FY 2014. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures*".

EBIT

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
Adjusted EBIT		
Infrastructure	(112)	4
Building & Development.....	(1)	-
Specialised Companies.....	5	(14)
Supplies Companies	7	4
Other ⁽²⁾	(1)	(11)
Total adjusted EBIT (excluding bookprofit/losses, impairments and restructuring costs)	(102)	(17)
Bookprofit/losses	76	3
Impairments.....	(11)	(6)
Restructuring costs	(28)	(12)
Total EBIT	(65)	(32)

- (1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").
- (2) 'Other' consists primarily of holding company expenses.

In FY 2014 the Group recorded an EBIT of negative €65 million. Excluding impairment losses on land positions, property, plant and equipment and goodwill, book profit/losses and restructuring costs, Adjusted EBIT decreased from negative €17 million in FY 2013 to negative €102 million in FY 2014. These losses were mainly driven by losses on certain projects, including the A2 Maastricht project, the A15 Maasvlakte-Vaanplein (MaVa) project and the OVT-Breda project.

Margin

For the year ended 31 December	
2014	2013 ⁽¹⁾
%	%

Infrastructure	(12.9)	0.7
Building & Development.....	(1.2)	(2.2)
Specialised Companies.....	2.6	(7.3)
Supplies Companies	11.3	3.3
Total.....	(5.6)	(2.6)

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

The overall margin declined from minus 2.6% in FY 2013 to minus 5.6% in FY 2014. Margin deteriorated further in 2014 due to the substantial losses sustained in the Infrastructure division which were mainly driven by a negative result of €79.1 million on the A15 Maasvlakte-Vaanplein (MaVa) project and a negative result of €26.1 million on the A2 Maastricht project.

Profit for the period

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
EBIT	(65)	(32)
Net finance income and expenses	(7)	(7)
Profits of consolidated entities.....	3	1
Profit before income tax	(69)	(38)
Income tax expenses	(34)	(3)
Profit for the period	(103)	(41)

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

Net finance income and expense was €7 million in FY 2014, remaining at the same level as in FY 2013. Taxes excluding impairments of deferred tax assets fell from €3 million in FY 2013 to €2 million in FY 2014 due to lower results outside the tax group and disposals of certain activities outside of the Netherlands. In FY 2014, deferred tax assets were written down by €32 million due to temporary tax and commercial accounting differences no longer being applicable as a result of the sale of the Svanen heavy lift installation vessel for €18 million and due to previously recognised tax losses of €13 million no longer being available as a result of adjustments to the Group's business plan. This resulted in a net loss of €103 million in FY 2014, a deterioration of €62 million compared to FY 2013.

Order Book

For the year ended 31 December	
2014	2013 ⁽¹⁾

	€ million	€ million
Infrastructure	559	596
Building & Development.....	625	691
Specialised Companies	49	113
Supplies Companies.....	61	52
	1,294	1,452
Other ⁽²⁾	(268)	5
Total	1,026	1,457

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

(2) 'Other' includes inter-division eliminations.

In FY 2014, the Order Book contracted by €431 million to €1,026 million compared to FY 2013. The decrease in the Infrastructure division was mainly driven by the disposal of the Group's offshore activities. The completion of large projects in the Infrastructure and Building & Development divisions which were not replaced by new projects was another contributing factor. In the Specialised Companies division and the Supplies Companies division, the decrease was primarily the result of a reduction of the activities of the divisions and disposals under the Group's Disposal Programme.

Results of operations for FY 2014 and FY 2013

The table below gives the consolidated income statement for FY 2014 and FY 2013.

	For the year ended 31 December			
	2014	% of revenue	2013 ⁽¹⁾	% of revenue
	€ million		€ million	
Revenue	1,166	100	1,230	100
Other operating income	76	6.5	3	0.2
Costs of raw materials and subcontractors	(984)	(84.4)	(918)	(74.6)
Personnel expenses	(229)	(19.6)	(267)	(21.7)
Other operating expenses.....	(71)	(6.1)	(57)	(4.6)
EBITDA	(42)	(3.6)	(9)	(0.7)
Depreciation and amortisation of property, plant and equipment and intangible assets	(16)	(1.4)	(20)	(1.6)
Impairment of tangible and intangible assets.....	(7)	(0.6)	(3)	(0.2)
EBIT	(65)	(5.6)	(32)	(2.6)
Finance income.....	-	-	-	-
Finance expense	(7)	(0.6)	(7)	(0.6)

Net finance income and expense.....	(7)	(0.6)	(7)	(0.6)
Profits of consolidated entities.....	3	0.3	1	0.1
Profit before income tax.....	(69)	(5.9)	(38)	(3.1)
Income tax expense	(34)	(2.9)	(3)	(0.2)
Profit for the period.....	(103)	(8.8)	(41)	(3.3)
Attributable to owners of the company:				
Basic earnings per share (€).....	(5.33)	(0.5)	(4.22)	(0.3)
Diluted earnings per share (€).....	(5.33)	(0.5)	(4.22)	(0.3)

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

Costs of raw materials and subcontractors

Costs of raw materials and subcontractors increased 7.2% to €984 million FY 2014 compared to €918 million in FY 2013. Costs of raw materials and subcontractors amounted 84.4% of revenue in FY 2014 compared to 74.6% in FY 2013. The costs of raw materials and subcontractors were affected by the impairment of a number of land positions to lower market value and project losses on the A15 Maasvlakte-Vaanplein (MaVa) project, the A2 Maastricht project, other infrastructure projects and the OVT-Breda project. Additionally, these costs are affected by price fluctuations of materials and raw materials.

Personnel expenses

Personnel expenses decreased 14.2% to €229 million in FY 2014 compared to €267 million in FY 2013. The decrease was primarily due to a reduction of 539 employees in FY 2014 in connection with the Group's restructuring. Personnel expenses as a percentage of revenue were 19.6% in FY 2014 compared to 21.7% in FY 2013. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*".

Other operating expenses

Other operating expenses increased 24.6% to €71 million in FY 2014 compared to €57 million in FY 2013. Other operating expenses amounted to 6.1% of revenue in FY 2014 compared to 4.6% in FY 2013. The largest elements of such expenses are rental payments regarding offices, overhead, leasing and ICT costs. The increase was primarily due to large amount of restructuring costs, especially the costs regarding to refinancing of Group in FY 2014.

EBITDA

EBITDA was negative €42 million in FY 2014 compared to negative €9 million in FY 2013. The decrease in EBITDA in FY 2014 was attributable primarily to losses incurred in the A15 Maasvlakte-Vaanplein project, the A2 Maastricht project, other infrastructure projects and the OVT-Breda project, impairment on the land bank (€4 million) and restructuring costs (€28 million). EBITDA also includes a positive amount of €76 million due to realised book profits on completed disposals in FY 2014 in connection with the Group's Disposal Programme. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – The Disposal Programme*".

Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation and amortisation of property, plant and equipment and intangible assets decreased 20%

to €16 million in FY 2014 compared to €20 million in FY 2013. The reduction in depreciation in FY 2014 was the result of disposals of certain fixed assets as well as certain assets reaching the end of their useful life.

Impairment of tangible and intangible assets

Impairment of tangible and intangible assets was €7 million in FY 2014 compared to €3 million in FY 2013. The impairments in each of FY 2014 and FY 2013 included impairments to intangible assets such as goodwill (€1 million). In addition, in FY 2014 an impairment was recognised on the concession of Grosskunkel Rurkies GmbH of €4 million as a result of changing market conditions, on software of €1 million and on tangible assets of €1 million.

EBIT

EBIT was negative €65 million in FY 2014 compared to EBIT of negative €32 million in FY 2013.

Net finance income and expense

Net finance income and expense was €7 million in each of FY 2014 and FY 2013. None of the Group's PPP contracts led to any finance income in FY 2014 and FY 2013 due to the near final status of the projects.

Profit before income tax

Profit before income tax was a loss of €69 million in FY 2014 compared to a loss of €38 million in FY 2013.

Income tax expense

Taxes excluding impairments of deferred tax assets decreased from €3 million in FY 2013 to €2 million in FY 2014 due to lower positive results outside the tax group and disposals of foreign activities. In FY 2014, the deferred tax assets were written down by €32 million due to temporary tax and commercial accounting differences no longer being applicable as a result of the sale of the Svanen heavy lift installation vessel for €18 million and due to previously recognised tax losses of €13 million no longer being available as a result of adjustments to the Group's business plan.

Profit for the period

Profit for the period was a loss of €103 million in FY 2014 compared to a loss of €41 million in FY 2013.

Results of operations by division in FY 2014 and FY 2013

Infrastructure

The table below sets forth a selection of key figures of the Infrastructure division for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013⁽¹⁾
	<i>€ million</i>	<i>€ million</i>
Revenue	458	546

EBIT.....	(59)	4
Margin (%).....	(12.9)	0.7
Order Book.....	559	596
Assets	116	247

- (1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

Revenue

Revenue decreased 16.1% to €458 million in FY 2014 compared to €546 million in FY 2013. The decrease in revenue was primarily driven by decreased revenue in industrial construction and road construction.

EBIT

The Infrastructure division recorded an EBIT of negative €59 million in FY 2014 compared to an EBIT of €4 million in FY 2013. The loss was primarily driven by significant additional cost overruns on the A15 Maasvlakte-Vaanplein project, carried out by the A-Lanes A15 consortium, and disappointing project results in the Infrastructure division, including the A2 Maastricht project, carried out by the Avenue2 consortium.

For the A-Lanes A15 consortium, total cost overruns on the design and construction activities were ascertained to be €318 million in FY 2014. As at 31 December 2014, the Group had a 33.33% equity participation in the A-Lanes A15 construction consortium. However, based on the agreed working arrangements, the Group's effective economic stake in the project was 40%. This implies that of the cumulative amount of €318 million in cost overruns, the Group had to recognise a loss of €127 million for FY 2014. Disappointing results for the A2 Maastricht project, a loss of €26 million, and a number of infrastructure projects also had negative consequences. The offshore activities and the foreign activities made positive contributions to FY 2014 result. The FY 2014 result also includes a book profit of €53 million from the sale of the offshore activities.

Margin

The Group's margin was negative 12.9% in FY 2014 compared to 0.7% in FY 2013. The decrease in margin was primarily due to costs associated with the A15 Maasvlakte-Vaanplein project and the A2 Maastricht project and other infra projects.

Order Book

In FY 2014, the Order Book contracted by €37 million compared to FY 2013 to €559 million due to the sale of the offshore activities and the progress made on a number of major multiyear projects and lagging acquisition of new projects. In the second half of FY 2014, the Infrastructure division won the tenders for the A9 Gaasperdammerweg and the N31 Traverse Harlingen projects.

The A9 Gaasperdammerweg public-private partnership (PPP) project includes the design, construction, management and maintenance, and financing of the existing and new infrastructure of the A9 between Diemen and Holendrecht. The work commissioned by the Dutch Ministry of Public Works and Water Management (*Rijkswaterstaat*) has a nominal project scope of approximately €700 million in total, including twenty years of management and maintenance once the new infrastructure is made available. The Group, Fluor, and Heijmans participate in the construction and operation phase with a share of one third each.

In the autumn of 2014, work started on the construction of the new Nobo Otrobanda hospital in Curacao. The contract is worth over US\$135.6 million (€108 million).

The design and construction contract for the N31 Traverse Harlingen project involves adding a section to the N31 over a length of approximately 3km, the building of an aqueduct in the Van Harinxma canal and the construction of five viaducts for the intersection with the railway line and the underlying road network. The contract is worth approximately €84 million.

The renovation of part of the construction of the Amsterdam-Rhine Canal was carried out in 2014 and is expected to be completed in the second half of 2015. This involves renovation of 23 km of sheet piling on the Amsterdam and Wijk bij Duurstede section. The design and construction contract is worth more than €30 million. The project is being carried out by the Ballast Nedam & De Klerk consortium.

Assets

Infrastructure's total assets decreased from €247 million in 2013 to €116 million in 2014 due to decreases in works in progress and receivables.

Building & Development

The table below sets forth a selection of key figures of the Building & Development division for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013⁽¹⁾
	<i>€ million</i>	<i>€ million</i>
Revenue	611	528
EBIT	(7)	(11)
Margin (%)	(1.2)	(2.2)
Order Book	625	691
Assets	332	275

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

Revenue

Revenue increased 15.7% to €611 million in FY 2014 compared to €528 million in FY 2013, primarily due to higher revenue on specials projects.

EBIT

The Building & Development division recorded an EBIT of negative €7 million in FY 2014 on a 15.7% increase in revenue. The results were negatively affected by one-off restructuring costs, an impairment of the land bank, and the book profit on the sale of CNG Net B.V. Disregarding these one-off items, the EBIT in FY 2014 was negative €1 million, which is an operational improvement of 83% compared to FY 2013. The result is also affected by a loss of approximately €12 million on the Breda public transport terminal. Several large construction projects made positive contributions to the

operating profit. In the fourth quarter, the Building & Development division sold CNG Net and LNG24, terminating the Group's activities in the niche market for alternative fuels.

The average number of employees in the Building & Development division was 1,027 in FY 2014 compared to 985 in FY 2013.

Margin

Margin was negative 1.2% in FY 2014 compared to negative 2.2% in FY 2013. The increase in margin was primarily due to lower project costs.

Order Book

The Order Book contracted by 9.6% in FY 2014 to €625 million. In 2014 there were fewer projects in the market and no large, complex projects were taken on. In March 2014, however, Ballast Nedam was awarded the contract for renovation work on the Thialf stadium in Heerenveen. Ballast Nedam was also awarded the contract for the renovation of the Grand Hotel Krasnapolsky on Dam Square in Amsterdam in the first quarter of FY 2014.

In 2014, the Group also received an order from the Dutch Province of Jesuit Priests for the construction of the Hofgebouw in the Kloostertuin Brakkenstein in Nijmegen. The heart of the Kloostertuin Brakkenstein will be formed by the newly constructed Hofgebouw that consists of four different types of flats and care apartments (98 in total), shared spaces for community services, and a two-storey underground car park with around 140 parking spaces. The project has a contract value of approximately €20 million and is due for completion in mid-2016.

The Order Book for FY 2014 does not yet include the construction of the new Zuiderpark Sports Campus, for which Ballast Nedam and Kuijpers were officially awarded the contract by the City of The Hague and The Hague University of Applied Sciences in December 2014. The total value of the contract amounts to approximately €47 million. The existing Zuiderpark sports facilities will be expanded with the addition of a sports complex with a gross floor area (GFA) of more than 30,000 m². The main principle behind the new complex is to create a carbon-neutral building. Construction of the Zuiderpark Sports Campus is expected to start in April 2015 and is due to be completed in August 2016.

Assets

The assets of Building & Development increased by €57 million in FY 2014 to €332 million due to higher receivables by PPP project PI2 Zaanstad.

Property development exposure

	For the year ended 31 December	
	2014	2013
	<i>€ million</i>	<i>€ million</i>
Land positions.....	130	142
Unsold stock under construction.....	4	5
Unsold stock delivered.....	7	10
Total on balance.....	141	157
Liabilities to complete projects under construction	-	3

Liabilities to acquire land positions	35	44
Total liabilities off-balance	35	47
Exposure property development	176	204

In FY 2014 the number of completed homes decreased by 59% to 428 compared to 1,041 in FY 2013, while the number of homes under construction decreased by 517 to 352. The number of in-house developed homes under construction decreased from 424 as at 31 December 2013 to 422 as at 31 December 2014, mainly consisting of student homes in Leiden.

The total property development exposure, which consists of investments in land positions, investments in unsold stock and the related unconditional purchase commitments and subsequent payment obligations, decreased in FY 2014 by €28 million to €176 million. In addition, the conditional off-balance purchase commitments decreased by €12 million from €47 million as at 31 December 2013 to €35 million as at 31 December 2014.

The total investment in unsold stock, both delivered and under construction, decreased in FY 2014 by €4 million to €11 million.

Land positions	For the year ended 31 December	
	2014	2013
	€ million	€ million
1 January	142	152
Net investment	(8)	(9)
Impairments	(4)	(1)
31 December	130	142
Cumulative impairments	43	40

The land positions decreased by €12 million to €130 million in FY 2014, consisting of net disposal of €8 million and an impairment of €4 million. The net disposal mainly consisted of the sale of a few smaller land positions.

Specialised Companies

The table below sets forth a selection of key figures of the Specialised Companies division for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
Revenue	190	260
EBIT	5	(19)
Margin (%)	2.6	(7.3)

Order Book	49	113
Assets	69	115

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important Information – Presentation of financial information*").

Revenue

Revenue decreased 26.9% to €190 million in FY 2014 compared to €260 million in FY 2013, due to a reduction of the operations in the Specialised Companies division and the divestment of certain activities of the Specialised Companies division.

EBIT

EBIT was €5 million in FY 2014 compared to negative €19 million in FY 2013. The increase in EBIT was primarily due to implemented restructurings in five of the Group's specialised companies and the merger of certain business units. The average number of employees in the Specialised Companies division was 543 in FY 2014 compared to 829 in FY 2013.

Margin

Margin was 2.6% in FY 2014 compared to negative 7.3% in FY 2013. The increase in margin was primarily due to lower materials and contractors costs and lower restructuring costs in FY 2014 compared to FY 2013.

Order Book

The Order Book decreased 56.6% to €49 million in FY 2014 compared to €113 million in FY 2013. This results from the reduction in capacity in some of the Group's specialised companies and a decrease of the market volume in the infrastructure and construction markets.

Assets

A focus on the reduction of working capital and a decrease in activities resulted in a decrease of the total assets by €46 million to €69 million in FY 2014 compared to €115 million in FY 2013.

Supplies Companies

The table below sets forth a selection of key figures of the Supplies Companies division for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
Revenue	151	181
EBIT	17	6
Margin (%)	11.3	3.3
Order Book	61	52
Assets	135	178

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "*Important*

Revenue

Revenue decreased 16.6% to €151 million in FY 2014 compared to €181 million in FY 2013. The decrease in revenue was primarily due to decreased revenue in primary raw materials, the closing of concrete plant Omnia, the divestment of Phoenix Ltd. and the divestment of the 30% share in Bontrup beheer B.V.

EBIT

Supplies Companies achieved an EBIT of €17 million in FY 2014, compared to €6 million in FY 2013. The book profit of the sale of Phoenix Ltd. amounted to €22 million in FY 2014. Disregarding the book profits, asset impairments and the reorganisation costs of Omnia, Supplies Companies recorded an EBIT of €7 million in FY 2014. The average number of employees in the Supplies Companies division was 523 in FY 2014 compared to 595 in FY 2013.

With the exception of Omnia, the prefab companies achieved break-even. Production finally ceased at Omnia in June 2014 following the announcement made in April 2014 of the closure of Omnia Plaatvloer B.V. in Coevorden. The closure was prompted by continued losses and a lack of long-term prospects.

Margin

Margin was 11.3% in FY 2014 compared to 3.3% in FY 2013. The increase in margin was primarily due to the realised book profit on the sale of Phoenix Ltd.

Order Book

The Order Book increased by €9 million to €61 million in FY 2014 from €52 million in FY 2013, due to the addition of the A9 Gaasperdammerweg project, the N31 Traverse Harlingen project and the Thialf stadium project in Heerenveen.

Assets

In FY 2014, the assets of the Supplies Companies division decreased by €43 million to €135 million compared to €178 million in FY 2013 mainly driven by a strong focus on the reduction of working capital and divestments in the Supplies Companies division.

Liquidity and capital resources

The Group requires continued access to funding and bank guarantees in order to meet its trading obligations. Its sources of funding include equity contributed by shareholders, cash flows generated by operations and borrowing from banks.

Cash flow data

The table below sets out selected cash flow information of the Group for FY 2014 and FY 2013.

For the year ended 31 December	
2014	2013 ⁽¹⁾

	€ million	€ million
Net cash from operating activities	(79)	(34)
Net cash used in investing activities	111	(9)
Net cash from financing activities	59	(4)
Increase/(decrease) in net cash position	91	(47)
Net cash position at beginning of the period.....	29	76
Exchange rate difference on net cash held.....	-	-
Net cash position at end of the period	120	29

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

Cash flow from operating activities

The Group's cash generated from operating activities decreased to a cash outflow of €79 million in FY 2014 from a cash outflow of €34 million in FY 2013. This decrease was primarily driven by an increase of PPP receivables for the PI Zaanstad project amounting to €36 million, payment of restructuring costs amounting to €16 million and payment of creditor claims of €41 million.

Working capital

The table below sets out the Group's working capital for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
Inventories	148	174
Work in progress under current assets	52	135
Receivables.....	171	214
Current assets (excluding cash and cash equivalents, assets held for sale and, for 2014, escrow account)	371	523
Work in progress under current liabilities	(88)	(105)
Trade and other payables and provisions.....	(405)	(462)
Income tax payables	-	(1)
Current liabilities (excluding bank overdrafts, current portion of long-term loans and liabilities held for sale)	(493)	(568)
Working capital	(122)	(45)

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

Working capital decreased by €77 million to negative €122 million in FY 2014. This decrease was mainly caused by a reduction in work in progress of €83 million, to €52 million in FY 2014, and a decrease in work in progress under current liabilities by €17 million, to €88 million in FY 2014 due to lower prepayments. The inventories decreased by €26 million, to €148 million in FY 2014, as a result

of the sale of certain land positions for an amount of €7 million, impairments of €4 million, lower investment in the unsold, both delivered and under construction of €4 million, lower finished product of €4 million and lower raw materials of €6 million.

Receivables

Receivables decreased by €43 million to €171 million in FY 2014 compared to €214 million in FY 2013. The Group requests prepayments, guarantees and collateral in relation to projects under construction in order to limit the credit risk with regard to receivables. The average payment period for payments to be received by the Company in relation to FY 2014 and FY 2013 amounted to 45 days. The net total of outstanding receivables after the due date of invoices is approximately €52 million (30%) as per 31 December 2014, caused by overdue payment of customers. This is caused by the seasonality in the payment behaviour of customers, public customers in particular.

The cumulative impairment for doubtful accounts receivable amounted to €7 million for FY 2014, which amount is included in the €171 million of receivables. The cumulative impairment for doubtful accounts receivable in FY 2013 amounted to €7 million.

Trade and other payables and provisions

	For the year ended 31 December	
	2014	2013⁽¹⁾
	<i>€ million</i>	<i>€ million</i>
VAT, Payroll, social security contributions and pension premiums	17	23
Charges relating to work in progress	93	108
Trade payables	191	231
Provisions	17	26
Prepayments on inventories	2	2
Other	85	72
Total	405	462

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

The average payment period for payments paid by the Company in each of FY 2014 and FY 2013 was 80 days. The trade payables decreased by €40 million to €191 million in FY 2014. This decrease was primarily driven by the completion of certain projects. VAT and similar items decreased by €6 million to €17 million in FY 2014 primarily driven by VAT due over revenue in certain projects being carried forward to third parties under the "verleggingsregel". Charges relating to work in progress decreased by €15 million to €93 million in FY 2014 due to finished projects. Provisions decreased by €9 million to €17 million in FY 2014 due to paying restructuring costs and guarantee provisions. Other liabilities, in the amount of €85 million in FY 2014 and €72 million in FY 2013, includes liabilities for vacation pay and holidays not taken, which amounted to €14 million in FY 2014 and €15 million in FY 2013, accruals, debts in relation to joint venture partners and various other liabilities that cannot be allocated to other items.

Cash flow from investing activities

The Group's cash flow from investing activities increased to a cash inflow of €111 million in FY 2014 from a cash outflow of €9 million in FY 2013, consisting of €17 million in investments and €128

million received from disposals. Investments included €12 million for property, plant and equipment, €2 million for intangible assets and €3 million for financial assets. The financial assets consisted largely of investments in associates and joint ventures. Disposals included €3 million received from disposals of associates.

Cash flow from financing activities

The Group's cash generated from financing activities increased to a cash inflow of €59 million in FY 2014 from a cash outflow of €4 million in FY 2013, consisting of €48 million in PPP loans and €14 million in repayment of long-term loans and a rights issue with €27 million in net proceeds.

Off-balance sheet commitments

The off-balance sheet commitments consist of two items, being (i) lease; and (ii) rental commitments and guarantees.

Lease and rental commitments

	For the year ended 31 December 2014			For the year ended 31 December 2013		
	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
<i>€ million</i>						
Lease commitments						
Other operating assets.....	5	9	-	9	13	-
Rental commitments.....						
Offices.....	5	12	8	5	15	10
Purchase commitments						
Land purchases	10	22	7	4	25	15
Other.....	-	-	-	-	-	-
Capital contributions.....						
PPPs.....	-	-	-	-	9	-
Total off-balance sheet commitments.....	20	43	15	18	62	25

Outstanding unconditional obligations to acquire land positions decreased by €5 million to €39 million as at 31 December 2014, of which €10 million will fall due in 2015. The Group has provisional obligations to acquire land and in relation to subsequent payments on land positions amounting to €144 million in relation to FY 2014 and €155 million in relation to FY 2013. It is not yet certain whether the Group will complete these acquisitions or make subsequent payments.

The Group's commitments include lease commitments, rental commitments, purchase commitments and capital contributions. Total commitments falling due within one year amounted to €20 million as at 31 December 2014, with amounts due in more than one year and within five years amounting to €43 million, and amounts due in more than five years amounting to €15 million.

Guarantees

The Group had guarantees of €277 million as at 31 December 2014 and €252 million as at 31 December 2013. Guarantees include declarations of intent and guarantees issued on the Group's behalf by financial institutions in connection with the execution of projects and prepayments received. The guarantees related to joint ventures amounted to €62 million in FY 2014, which amount is

included in the amount of €277 million.

Description of borrowings

The table below sets out an overview of borrowings of the Group for FY 2014 and FY 2013.

	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
PPP loan	-	3
Land bank financing	34	40
Business loans.....	49	51
Finance leases	2	5
Other loans.....	2	9
Total.....	87	108
Recourse	82	90
Non-recourse	5	18
Total.....	87	108
Current loans	31	8
Non-current loans	56	100
Total borrowings.....	87	108

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

The table below sets out the overview of the Group's financing position for FY 2014 and FY 2013.

Financing position	For the year ended 31 December	
	2014	2013 ⁽¹⁾
	€ million	€ million
Cash and cash equivalents	70	51
Escrow account.....	53	-
Bank overdrafts.....	(3)	(22)
Net cash	120	29
Recourse loans	(82)	(90)
Financing position.....	38	(61)
Non-recourse loans	(5)	(18)
Financing position non-recourse.....	33	(79)

(1) The comparative 2013 figures have been adjusted as a result of a system change regarding IFRS 11 (see "Important Information – Presentation of financial information").

The Group's financing position increased by €99 million from €61 million of net debt as at 31 December 2013 to €38 million as at 31 December 2014. The financing position including the non-recourse loans increased by €112 million from negative €79 million as at 31 December 2013 to €33 million as at 31 December 2014. The non-recourse loan decreases with the sale of PPP projects. Net cash increased by €91 million to €120 million as at 31 December 2014. Of the net cash of the Group as at 31 December 2014, €52.8 million is held on an escrow account in accordance with the sale of the offshore activities. The prepayments on projects went down and it is expected that these prepayments will continue to reduce in the next few years, and that more use has to be made of the Group's working capital facilities in 2015 than in FY 2014. The Group has committed credit facilities with three banks for a total of €265 million.

Amendment and restatement of Original Credit Facilities

Prior to the 2015 Refinancing, each of ING, Rabobank, RBS and FGH Bank entered into financing arrangements with the Company and certain of its subsidiaries to provide overdraft and/or money market facilities and bank guarantee facilities to Ballast Nedam and certain of its subsidiaries (the "**Original Credit Facilities**").

Specifically, the Original Credit Facilities comprised of:

- (i) a €110 million syndicated facilities agreement with the banking syndicate consisting of ING, Rabobank and RBS (the "**Syndicated Facilities Agreement**") originally dated 14 February 2014, comprising (x) loan facilities in the amount of €80 million (the "**Syndicated Loan Facilities**") and (y) a loan facility in the amount of €30 million that matured on 15 August 2014 and was repaid from the proceeds of the rights issue concluded in 2014;
- (ii) a working capital and bank guarantee facility with ING as lender under an agreement originally dated 16 April 2007 (the "**ING Guarantee Facility**");
- (iii) two guarantee facilities with RBS as lender under agreements originally dated 12 February 2007 (the "**RBS Guarantee Facilities**");
- (iv) two guarantee facilities with Rabobank as lender under agreements originally dated 27 March 2007 (the "**Rabobank Guarantee Facilities**");
- (v) a guarantee facility with Rabobank and RBS as lenders under an agreement originally dated 15 November 2010 (the "**Rabobank / RBS Guarantee Facility**", and together with the ING Guarantee Facility, the RBS Guarantee Facilities and the Rabobank Guarantee Facilities, the "**Guarantee Facilities**");
- (vi) a bilateral loan agreement with Rabobank as lender under an agreement originally dated 30 January 2007 (the "**Rabobank Bilateral Loan**"); and
- (vii) a bilateral loan agreement with FGH Bank as lender under an agreement originally dated 8 March 2010 (the "**FGH Bilateral Loan**").

On 29 April 2015, the Group announced the 2015 Refinancing. See "*Reasons for the Transaction and Use of Proceeds*" and "*Financial and Operational Measures and Public Bid – Financial and Operational Measures*". In connection with the 2015 Refinancing, the Company and certain of its subsidiaries entered into:

- (i) an amendment agreement (the "**SFA Amendment Agreement**") dated 12 June 2015 with the banking syndicate consisting of ING, Rabobank and RBS, which among other things, has amended and restated the Syndicated Facilities Agreement, by (a) refinancing the Syndicated Loan Facilities into the Revolving Credit Facility; (b) granting the Banks Bridge Loan; and

- (c) consolidating the Guarantee Facilities into the Committed Guarantee Facility under the Syndicated Facilities Agreement (the "**Amended and Restated SFA**");
- (ii) a subordinated facilities agreement (the "**Subordinated Facilities Agreement**") dated 12 June 2015 with the banking syndicate consisting of ING, Rabobank and RBS, providing for the Stand-by Facility and the Subordinated Term Loan Facility;
- (iii) an amendment agreement dated 12 June 2015 with Rabobank, which, amongst others, has amended and restated the Rabobank Bilateral Loan by extending the maturity date until 31 December 2016 (the "**Amended and Restated Rabobank Bilateral Loan**");
- (iv) an amendment agreement dated 12 June 2015 with FGH Bank, which, amongst others, has amended and restated the FGH Bilateral Loan by extending the maturity date until 31 December 2016 (the "**Amended and Restated FGH Bilateral Loan**"); and
- (v) a loan agreement dated 17 June 2015 with Sanderink providing for the Sanderink Bridge Loan.

Covenants

The Amended and Restated SFA, the Subordinated Facilities Agreement, the Amended and Restated Rabobank Bilateral Loan and the Amended and Restated FGH Bilateral Loan (together the "**Facility Agreements**" and each a "**Facility Agreement**") contain a number of financial covenants and other covenants which may restrict the Group's operating and financial flexibility (as described below). However, as described in the Offer Memorandum, a financial covenant holiday until the termination of each Facility Agreement has been agreed with the lenders under the Facility Agreements. Consequently, the financial covenants included in the Facility Agreements do not apply. The financial covenant holiday does not apply to a default under the Net Results Threshold (defined below) or any other defaults not relating to the financial covenants under the Facility Agreements.

The Facility Agreements provide that the Group may not incur losses in any financial year in relation to one or more of its projects which in aggregate negatively deviate in excess of an amount of €15 million from the anticipated results included in the Group's revised business plan (the "**Net Results Threshold**"). Contrary to previous years, the Group's revised business plan does not focus on large and complex projects that offer the potential for high margins, such as the A2 Maastricht project or the A15 Maasvlakte-Vaanplein (MaVa) project. The Group's revised business plan focuses on smaller projects which the Group believes usually involve less risk (but also generally offer lower margins) than the large and complex projects which the Group sought to tender for in previous years. The Group's revised business plan aims to execute the Group's current strategy and bring the Group's ambitions in line with its current capacity, size, risk profile and limited financial capabilities. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*" and "*Business Description – Strategy*". The Group, however, still has exposure to some large and medium sized projects that have a higher risk profile than the smaller projects that the Group currently focusses on in accordance with its revised business plan. On the date of this Prospectus, the main large or medium sized projects that the Group is involved in are the A9 Gaasperdammerweg public-private partnership project (a large project), the N31 Traverse Harlingen project (a medium sized project) and the construction of the new Nobo Otrobanda Hospital in Curacao (a medium sized project). See "*Operating and Financial Review - Results of operations by division in FY 2014 and FY 2013 – Infrastructure - Order Book*". The Group's exposure to such large or medium sized projects might lead to material losses which may result in a breach of the Net Results Threshold. On or about 7 December 2015, the Group had a discussion with its lenders under the Facility Agreements with respect to the Net Results Threshold, as the Group was based on the financial information available at that time close to having incurred losses in the financial year 2015 which in aggregate negatively deviated in excess of an amount of €15 million from the anticipated results of

the projects reported to its lenders under the Facility Agreements. Although the Group was not in default of the Net Results Threshold but it could not be ruled out that it would become in default later in the financial year 2015, the Group agreed with the lenders under the Facility Agreements that they would grant a waiver of the rights and powers of the lenders under and in connection with the Net Results Threshold to the extent relating to negative results incurred in the financial year 2015 and not reported to the lenders prior thereto. See also "*Operating and Financial Review – Description of borrowings*". As from 1 January 2016, however, the Net Results Threshold will apply again, meaning that in the financial year 2016 the Group may not incur losses in such financial year in relation to one or more of its projects which in aggregate negatively deviate in excess of an amount of €15 million from the anticipated results of the projects reported to its lenders under the Facility Agreements. Consequently, as from 1 January 2016 a breach of the Net Results Threshold would constitute an event of default under the Facility Agreements. See "*Risk Factors – The Group's level of indebtedness restricts the Group's financial and operational flexibility and any failure by the Group to comply with or meet any of its obligations under its financing arrangements could result in insolvency proceedings or a debt or other restructuring which could result in investors in the Transaction Securities losing all or a substantial part of their investment*".

Furthermore, the Facility Agreements contain, among others, general restrictions on acquisitions, disposals, distributions, financial indebtedness, guarantees, entry into joint ventures, loans and security, which are – save for certain agreed exceptions – subject to the prior written approval of the lenders under the Facility Agreements. Besides customary clauses regarding representations and information undertakings, the Facility Agreements also contain provisions with respect to mandatory prepayment in case of, among others, disposal of assets, save for certain agreed exceptions included in the Facility Agreements.

More specifically, the covenants in the Facility Agreements impose specific restrictions on the distribution of dividends. Under these covenants, the Company may not pay any dividends until the date on which (i) the €43 million loan under the Subordinated Facilities Agreement has been irrevocably repaid in full; (ii) the Solvency Ratio of the Group is 30% or greater; (iii) the amount of that dividend does not exceed 50% of the retained earnings of the Group; and (iv) no default under the Facility Agreements is continuing or would occur immediately after making the dividend payment.

Upon the occurrence of an "Event of Default" (as defined in the relevant Facility Agreement) which is continuing provided there is a default (*verzuim*) in the performance of any of the secured liabilities, the security (as described below in "*– Security*") will become enforceable. The Facility Agreements contain events of default including with respect to the following matters: non-payment, insolvency, winding-up, dissolution, appointment of a liquidator, administrator or receiver in respect of, or a composition with any creditor of any member of the Group, cross-default, non-compliance with other obligations under the relevant finance documents, commencement of material litigation proceedings or disputes against a member of the Group, misrepresentation under the relevant finance documents and cessation of business. Furthermore, the Rights Offering not being completed ultimately on 31 December 2015 also constitutes an event of default under the Facility Agreements (the ultimate completion date of the Rights Offering was initially set at 27 December 2015 but the lenders under the Facility Agreement extended this to 31 December 2015 at the request of the Group).

Security

To secure the obligations under the Facility Agreements, respectively, encumbrances have been created (with various rankings) over the following assets: (i) shares in all directly or indirectly owned subsidiaries of the Company; (ii) all material assets of each directly or indirectly owned subsidiary of the Company, including without limitation receivables, real estate, movables and bank accounts; and (iii) certain material intellectual property rights, with the exception of non-material subsidiaries, non-recourse entities and Ballast Nedam Concessies B.V. and any of its subsidiaries, all in accordance with the terms of the Facility Agreements.

Furthermore, most of the directly or indirectly owned subsidiaries of the Company acceded to the Facility Agreements as guarantor.

Working capital statement

The Group does currently not have sufficient working capital for its present requirements, because the Group's current cash resources, together with its existing borrowings, do not provide it with sufficient working capital for its present requirements for the next twelve months following the date of this Prospectus. The Group expects that it will have a shortfall of working capital of €20 million on 31 December 2015, another shortfall of €20 million in the first quarter of 2016 and another shortfall of €20 million in the second half of 2016. The Transaction is a measure to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur on 31 December 2015 and the shortfall in working capital of €20 million that is expected to occur in the first quarter of 2016. On 9 September 2015, the Company and Renaissance Construction agreed that Renaissance Construction would procure a capital contribution to the Group for an amount of €47.6 million through the Transaction. It was further agreed that Renaissance Construction would use its reasonable best efforts to procure completion of the Transaction on or before 22 December 2015. If the Transaction would not be completed on or before 22 December 2015, Renaissance Construction would use its reasonable efforts to procure completion of the Transaction as soon as possible or provide a bridge loan to the Group for the amount of up to €47.6 million until the Transaction has been completed (the "**Renaissance Bridge Loan**"), which would enable the Group to timely repay any amounts outstanding under the Bridge Loans. Although the Transaction will not be completed by 22 December 2015, the Group and Renaissance Construction agreed to proceed with the Transaction (for the time being instead of the Renaissance Bridge Loan) and entered into the Underwriting and Placing Agreement. The obligations of Renaissance Infrastructure under the Underwriting and Placing Agreement are subject to certain closing conditions. See "*The Transaction – Underwriting and Placing Agreement*". In addition to the Transaction, the Group will need to implement certain other measures (the "**Other Measures**") to raise additional capital to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016. Furthermore, if the Group incurs substantial unexpected losses in the twelve months following the date of this Prospectus (including any losses that may trigger a default under the Net Results Threshold), the Group may need to implement Other Measures as well in order to address a shortfall in working capital resulting from such losses. Such Other Measures may include (i) the entering into or debt or equity financing arrangements by means of private or public offerings; or (ii) the accelerated disposal of assets, business units or even an entire division. At the date of this Prospectus, the Group has not explored any of these Other Measures in sufficient detail and there can be no assurance that any of these Other Measures can be implemented in time, or at all, to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016 or any unexpected shortfall in working capital occurring in the next twelve months following the date of this Prospectus. Although the Group has not explored the implementation of any of these Other Measures in sufficient detail, some of these options will most likely be subject to approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting. Any such requirement to obtain approval of the lenders under the Facility Agreements, Renaissance Construction and/or the General Meeting will most likely make it more difficult for the Group to implement such Other Measures in time, or at all.

If the Transaction does not complete and Renaissance Construction will not provide the Renaissance Bridge Loan, the Group has sufficient working capital until 31 December 2015. If the Group does not successfully implement the Other Measures necessary to raise the additional capital required to address the shortfall in working capital of €20 million that is expected to occur in the second half of 2016, the Group has sufficient working capital until the second half of 2016.

If the Bridge Loans are not repaid on or before 31 December 2015 at the latest or if the Group breaches the Net Results Threshold or other obligation under the Facility Agreements, this will constitute an event of default under the Facility Agreements, and (subject to applicable cure periods

and other limitations on acceleration or enforcement) the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable. In addition, any such default could lead to an event of default under, and as a consequence acceleration of, other debt instruments that contain cross-default or cross-acceleration provisions. If the debt under the Group's financing agreements or any other future financing arrangement that the Group enters into were to be accelerated, the Group's assets may be insufficient to repay in full the Group's outstanding indebtedness. This would most likely lead to an insolvency of the Group.

If the Transaction is completed as scheduled and the Other Measures are implemented in a timely manner, the Group believes that it will have sufficient working capital for the next twelve months following the date of this Prospectus.

The Group's expectations of the financial benefit of the Transaction, the Group's ability to implement the Other Measures and the impact of the Transaction and the Other Measures on the Group's financial and operational business plan are based upon certain assumptions and variables. There is a risk that such benefits will not fully materialise or will not be sufficient or that the Group fails to timely implement the Other Measures, due to, for instance, deteriorating market conditions, lack of providers of debt or equity financing arrangements, lack of interested buyers of the Group's assets, business units or divisions, a deterioration of the Group's trading performance, the Group's risk management not working properly or otherwise. This may result in the Group being unable to pay its debts as they fall due which would likely lead to an insolvency of the Group. In addition, this may result in the Group being unable to meet its obligations under the Facility Agreements (such as failure to pay interest when due) as a result of which the relevant lenders could elect to declare the debt outstanding under the Facility Agreements, together with accrued and unpaid interest and other fees, if any, immediately due and payable (subject to applicable cure periods and other limitations on acceleration or enforcement and unless such breach is remedied). Such default could lead to an event of default under (and acceleration of) other debt instruments of the Group that contain cross-default or cross-acceleration provisions. If any of the debt under the Group's financing agreements or any other future financing arrangement that the Group enters into were to be accelerated, the Group's assets may be insufficient to repay in full the Group's outstanding indebtedness. This would most likely lead to an insolvency of the Group.

Financial risk management

The Group identifies various categories of financial risk factors with respect to currency, credit and liquidity. These financial risks are not exceptional or different in nature from those customary in the industry.

For additional discussion of the risks to which the Group is exposed in the ordinary course of its business see "*Risk Factors*" and "*Business Description*" as well as the Group's consolidated financial statements and related notes incorporated by reference in this Prospectus.

Market risks

Foreign currency translation risk

The Group's financial statements are presented in euro. Accordingly, the Group must translate its foreign currency-denominated assets, liabilities, income and expense items into euro at applicable exchange rates. To reduce foreign currency translation risks, the Group attempts to fully or partially hedge such risks by securing loans in corresponding foreign currencies.

Interest risk

The Group is exposed to interest rate risk resulting from borrowing activities undertaken to finance its

operations. The interest risk is limited to potential movements in the market value of the loans taken up and issued and of positive cash balances. The Group aims to limit the influence of interest rate changes on profit by entering interest rate swap agreements to generate the desired interest rate profile and thereby managing its exposure to interest rate fluctuations. The interest rate swap agreements entered by the Group do not provide for the possibility to request additional collateral.

Interest-bearing financial instruments

The interest risk on the variable rate PPP project loans is hedged by means of interest rate swaps. The Group's interest rate swaps expose the Group to the risk of default by counterparties. Interest rate swaps expire in accordance with the due date of the hedged loans concerned. As of the date of this prospectus there are no material loans hedged.

Credit risks

Credit risks consist of the risk that other parties will be unable to meet contractual obligations relating to a financial instrument. Creditworthiness assessments are performed for all other customers requiring credit. The Group employs prepayments, guarantees and collateral on projects under construction in order to limit the credit risk on instalments and trade receivables.

Liquidity risks

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when due. There is a risk that these credit institutions will not release all or part of these facilities. The Group controls the liquidity risk through timely periodic cash flow forecasting followed by adequate corrective measures and monitoring.

Financing risks

The Group is subject to restrictive covenants under its financing arrangements, including credit facilities and bank guarantee facility agreements. Restrictive covenants impose significant restrictions on the Group's financial and operational flexibility, amongst others.

The Group monitors its financing structure by means including the solvency ratio. The Group uses two solvency ratios, one based on proportionately consolidated figures and the other based on non-proportionately consolidated figures.

Significant accounting policies

Assets and liabilities held for sale

The carrying amounts of assets and liabilities classified as held for sale and all disposal groups are updated immediately prior to such classification in accordance with the applicable policies. On initial recognition as assets held for sale, assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell. A discontinued operation is part of the Group's activities that represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs on the earlier of disposal or when the operation meets the criteria for classification as an asset held for sale. A disposal group that ceases to be classified as such can also meet these criteria.

Inventories

Landholdings acquired and held for future property development purposes are measured at the lower of cost and net realisable value. In principle these holdings are not 'in production' and development

costs are consequently not capitalised. Interest is capitalised subject to meeting the conditions for capitalising finance expense and at the time the land position is actively developed. The associated costs are expensed. Planning permissions and building permits are included in landholdings.

Land and buildings for sale are also included in inventories. The buildings concerned have yet to be sold to third parties and are either under construction or have reached structural completion. The stocks of land and buildings available for sale are carried at the lower of cost, including directly attributable indirect costs, and market value less selling costs. Interest is capitalised subject to meeting the conditions for capitalising finance expense.

Sold residential building projects in which the customer has no option to specify structural elements in the design, and where there is continuous transfer of the significant risks and rewards of ownership, are recognised under inventories. This portion of inventories is recognised at cost plus profit in proportion to the progress of the project less a provision for foreseeable losses and less invoiced instalments in proportion to the progress of the project. Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of residential building projects includes directly attributable indirect costs on the basis of normal production capacity.

Finished goods are measured at the lower of cost and net realisable value. The cost of finished goods is based on the first-in, first-out (FIFO) principle. The cost includes interest subject to meeting the conditions for capitalising finance expense. The cost of finished goods includes directly attributable indirect costs on the basis of normal production capacity.

Raw materials are measured at the lower of cost and net realisable value.

Work in progress

Work in progress on behalf of third parties is recognised at cost plus profit in proportion to the progress of the project less a provision for foreseeable losses and less invoiced instalments in proportion to the progress of the project. Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of work in progress includes directly attributable indirect costs on the basis of normal production capacity.

As soon as a reliable profit estimate can be made for construction contracts on behalf of third parties, the contractual revenues and expenses are recognised in the income statement in proportion to the percentage of completion of the project. The percentage of completion is determined on the basis of production measurements. Expected losses on contracts are recognised immediately in the income statement.

Preparatory expenses and design and construction costs on large projects (i.e. tendering costs) are capitalised as work in progress as and when the Group becomes the sole bidder in contract negotiations. Any preparatory expenses prior to this phase are charged to the income statement. Tendering costs expensed in the period to which they relate are not subsequently capitalised if the project is won.

Provisions

A provision is recognised in the statement of financial position if the Group has a legal or constructive obligation as a result of an event in the past and it is probable that an outflow of resources embodying economic benefits will be required in order to settle that obligation. If the effect thereof is material, the provisions are determined by calculating the present value of the estimated future cash flows using a pre-tax discount rate reflecting both the current market estimates of the time value of money and, where necessary, the specific risks inherent in the obligation.

Revenue – PPP projects

During the construction phase of the asset, PPP projects are recognised as projects for third parties. The related financial asset is recognised based on invoiced instalments. The contractual income and expenses are recognised in the income statement in proportion to progress on the project. The percentage of completion is determined on the basis of production measurements. The interest income of the financial asset is recognised as financial income in the income statement. During the operating phase, the income from PPP projects comprises the fair value of the delivery of contractually agreed services and the interest income related to the investment in the project. Income is recognised when the services to which it relates are delivered.

Accounting estimates and judgments

In preparing the financial statements, the management of the Group has made estimates and judgements that affect the amounts recognised for assets, liabilities, revenue, costs and the related notes on conditional and off-balance sheet liabilities. Estimates and judgements are evaluated on a regular basis.

Project results

'Work in progress' comprises the interim realised gain or the affected loss provision, in addition to recognised costs and invoiced instalments, for each project. The gain and loss are both based on an estimate of the ultimate profit for each project: the end of work forecast.

The uncertainty in this profit estimate increases in line with factors such as: (i) an agreed contract form that entails more risks for the contractor, such as the design risk that contractors accept in design & construct contracts, plus, for a DBMO contract, the responsibility for maintenance and operation; (ii) a project that is in an early design or implementation stage; (iii) the terms of the contract are longer and the forecast time for completion inherently contains more uncertainty; and (iv) projects may be subject to additional work or claims. When detailing a preliminary or final design, substantial deviations from the preliminary design may arise (because an initial solution turns out with hindsight to be infeasible, or because the underlying conditions are better or worse than expected, or because the dialogue with stakeholders is far more complicated, and therefore more expensive, than foreseen). Countless risks also arise in the implementation phase. These deviations may be positive or negative.

Goodwill

The recoverable amount is measured using future cash flow forecasts. The budgets of the cash generating units are used to estimate future cash flows for the next three years. The assumptions in these budgets are based in part on historical profits and external information sources. Cash flows after three years are extrapolated with expected growth rates.

Land positions

Landholdings are acquired and held for future development purposes and are recognised at the lower of historical cost and net realisable value. The realisable value is the higher of the current market value and the present value of the estimated future cash flows. The future cash flows are estimated using scenario and sensitivity analyses. The present value estimates are based on a discount rate of 9%.

Recognition of deferred income taxes

At the close of the financial year, the Group makes an assessment of the income tax position of all fiscal entities. This involves estimating the actual short-term tax charges and income, and the

temporary differences between the accounting carrying amounts and tax base of assets and liabilities. A decision is taken at the end of the reporting period as to whether unused tax losses and deferred tax assets that are due to temporary differences may be recognised. The Group recognises the portion of deferred tax assets that will probably be realised. If the actual anticipated taxable profits differ from the estimates, and depending on the tax strategies that the Group may implement, taxable losses that have been recognised may not be realised, thus affecting the financial position and results of the Group.

Provisions

Provisions relating to legal or constructive 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 obligation. Legal or constructive obligations are disclosed if it is likely that an obligation will arise and its size can be reasonably estimated. Provisions for warranties are recognised for the expected expenses necessary to resolve complaints. 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 the Group.

BUSINESS DESCRIPTION

Overview

Ballast Nedam is a Dutch construction company operating mainly in the Netherlands. The Group offers integrated construction solutions in three divisions: Infrastructure, Building & Development and Specialised Companies & Supplies – see “– *Overview of operations*”.

Areas of work

In 2014, the Group redefined the areas of work on which it focuses. The Group currently focuses on serving customers in the housing and mobility areas of work.

In respect of housing, the Group aims to create quality of use and preserve value wherever people live, work and spend time. This encompasses the entire life cycle of a wide variety of buildings for the public, businesses and public authorities. The Group focuses on district and project development, urban restructurings in large and logistically complex projects and renovation assignments.

In respect of mobility, the Group seeks to accomplish accessibility while respecting liveability and safety. The Group caters for maintenance and management and also develops and constructs objects that facilitate goods and passengers transport by road, rail, air or water. The Group's efforts are directed towards minimizing environmental and traffic nuisance during the implementation of the works.

Integrated projects

The Group focuses primarily on integrated projects, which are projects in which the Group (a) is responsible for at least three of the following activities during the life cycle of a project: conceptualisation, development, implementation, maintenance and operation; or (b) supervises a complex project to ensure that a coherent approach is followed by the multiple parties in charge of different disciplines (such as construction technology, construction and installation technology).

Customers

The Group serves a large number of customers across various segments, including public customers, semi-public customers, private customers and consumers.

The Group's public customers include various Dutch state organisations, ranging from small municipal authorities to the major implementing agencies of the Ministry of Infrastructure and the Environment, the Directorate-General for Public Works and Water Management and Prorail, and the Ministry of the Interior, in particular, the Central Government Real Estate Agency. Based on 2014 revenue, public and semi-public customers represented approximately 75% of the Group's customer base.

The Group's semi-public customers are organisations such as health care institutions, school boards and other educational institutions, utility companies and housing associations.

Private customers include property developers and private companies in the transport and power sector. Private customers represented approximately 25% of the Group's customer base.

The consumer market for the Group consists of buyers of new and redeveloped homes.

Employees

The Group has a workforce of around 2,495 full time employees, as at 14 June 2015. The Group's employees are the most important factor in the Group's success since the top priorities of the Group such as cost savings, risk control and process improvements are driven by the employees of the Group. Therefore, the Group aims to provide a healthy, safe and motivating working environment for all employees and intends to continuously invest and support them.

Revenue

The Group's total revenue for FY 2014 was €1,166 million compared to €1,230 million for FY 2013 and the Group reported a loss of €103 million and €41 million in FY 2014 and FY 2013, respectively. The Group's results of operations in the periods under review were affected by restructuring costs (€28 million in FY 2014 and €12 million in FY 2013), impairments (€7 million in FY 2014 and €3 million in FY 2013), book profit on disposals €76 million in FY 2014 and €3 million in FY 2013, a negative result of €79.1 million on the A15 Maasvlakte-Vaanplein (MaVa) project, a negative result of €26.1 million on the A2 Maastricht project and underutilisation in the regional construction companies of the Group. The regional construction companies of the Group were restructured in FY 2014. Persisting difficult market conditions and disappointing results in FY 2014, necessitated further restructuring measures, including a refinancing of the Group's debt. The Group is in the process of implementing such further restructuring through a package of operational and financial measures that were announced on 29 April 2015. See "*Financial and Operational Measures and Public Bid – Financial and Operational Measures*".

Segments

Up to 31 December 2014, the Group was organised and operated through the following four main divisions and business segments: (i) Infrastructure; (ii) Building & Development; (iii) Specialised Companies; and (iv) Supplies Companies. Following a strategic review, it was decided to try to streamline the operational control of the Group and its divisions and to merge the Specialised Companies divisions and the Supplies Companies divisions into a single Specialised Companies & Supplies division. As of 1 January 2015, the merged Specialised Companies & Supplies divisions operates and financially reports as a single division within the Group. Consequently, as from 1 January 2015 the Group operates through the following three main divisions and business segments: (i) Infrastructure; (ii) Building & Development; and (iii) Specialised Companies & Supplies.

Strategy

The strategic focus of the Group has evolved in recent years from that of a major player in traditional markets to one of a knowledge-intensive project organisation with a differentiated market approach. Currently, the Group's strategic focus is aimed at acquiring and executing integrated projects in housing and mobility and projects where the Group can add value for the customer through the Group's specialist knowledge and expertise in the Netherlands and abroad. In particular, the Group directs its strategy towards (i) a differentiated market approach for each of its three divisions; (ii) the expansion of the Group's position in, and development of, industrialised construction processes by using innovative modular concepts and a more standardised approach; (iii) the increased use of a life-cycle management approach by expanding activities in the fields of long-term management, renovation and maintenance; and (iv) the further improvement of operational excellence and operational and financial control. Each of these elements is described in greater detail below.

Development of a differentiated market approach per division

Integrated projects and industrialisation of the construction process are cross-divisional elements of the Group's strategy. The specific characteristics of integrated projects differ greatly between the different areas of work on which the Group focuses:

- The Infrastructure division focuses on medium-sized integrated infrastructure projects and smaller specialist projects in concrete and civil engineering, and industrial construction. Tendering will be carried out on a highly selective and targeted basis for both Dutch and international projects, paying close attention in particular to the risk profile in relation to the margin.
- The Building & Development division focuses on the successful acquisition and implementation of complex integrated projects and projects in which specialist knowledge and skills add value to non-residential construction, modular house-building, renovation, large-scale maintenance and restoration.
- The Specialised Companies & Supplies division supplies products and services, which distinctive features help deliver a clear competitive edge within the Group's strategic focus. This division not only renders services to the companies of the Group but also operates standalone for third-parties, thereby contributing to the profitability of the Group through the third-party market. As specialist subcontractors or suppliers, the companies of this division supply products and know-how on specialist earthmoving, foundation and anchoring techniques, environmental engineering, QHSE (quality, health, safety and environment) consultancy, pre-stressing, drainage products, prefab concrete products, raw materials, asphalt, and equipment. The division has a specific focus on strengthening and expanding modular and industrial concepts.

Expansion of the Group's position in, and development of, industrialised construction processes by using innovative modular concepts and a more standardised approach

By focusing on an innovative, more industrial construction method, the Group has developed a distinctive portfolio of modular products (standardised construction products which are produced in series). Under controlled conditions –i.e. circumstances in which no external factors play a role, as is the case in a factory– this construction method provides not only increased efficiency and constant quality but also leads to gains in terms of sustainability as is exemplified by the iQwoning® homes. The Group offers modular concepts for residential and non-residential construction, which can be used for new buildings and renovation. Additionally, the Group increasingly uses prefabricated elements and a standardised approach in infrastructure projects to raise quality and reduce costs.

Increased use of life-cycle management approach by expanding activities in the fields of long-term management, renovation and maintenance

The Group's approach is based on life-cycle thinking and acting: the Group develops, constructs, manages and recycles. The Group aims to provide customers with optimal solutions throughout the life cycle of projects in harmony with the physical availability, financial feasibility, liveability, the expected future situation, the surrounding community and stakeholders and sustainable material use. This is reflected both in the Group's activities in the field of maintenance and management, which the Group seeks to expand, and in the Group's focus on modular construction.

Improvement of operational excellence and operational and financial control

At project level the Group aims to maintain quality, flexibility and reliability for the customer. Operational excellence and operational and financial control are essential in this regard. Tighter financial control provides a clearer insight into performances and the effects of the Group's efforts, supports the Group's ability to anticipate developments in the environment and the market and provides an indication on how the Group can improve its activities and processes on an on-going basis.

Restraint with regard to major contractual risks

In accordance with its risk management policy, the Group intends to exercise restraint when assuming major contractual risks. In the implementation of its strategy, the Group seeks to bring its ambitions in line with its current capacity, size, risk profile and limited financial capabilities. The Group will remain selective and focused when tendering for projects. See also "*Risk management*" for a description of the procedures which the Group follow before assuming contractual risks.

Strategic support by Renaissance

In its offer memorandum dated 17 September 2015, the Renaissance Group stated its support of the business strategy of the Group to (i) focus on major, integrated complex projects and the development within this niche operations such as industrial construction and modular construction; (ii) improve operational excellence; and (iii) export expertise gained in major integrated complex projects, whereby the speed at which the Group is reducing exposure to loss-making traditional markets, aligning the key activities to major integrated complex projects, and structuring the organisation accordingly, is being stepped up. Furthermore, through the merger with the Renaissance Group, the Group expects to become part of a successful construction group which operates internationally and will get access to additional resources, management support and best practices which should enable the Group to enhance its organisation and processes in a sustainable manner, all subject to the terms of the Merger Agreement and the Group's applicable approval policies and (financial) parameters as applicable from time to time.

The industry

The Group expects the conditions in the construction industry to remain difficult and the Group does not expect the construction industry to recover significantly in the short term. However, the housing market appears to be recovering slowly. According to CBS/EIB forecasts, the production of new houses is expected to increase in 2016. Furthermore, demand from housing corporations for the renovation of rented housing is expected to increase. The office market will take longer to recover, in view of the current number of vacant properties and the 'New Way of Working' by which the work force no longer by definition works from office buildings. Most of the opportunities for utilities construction are expected in renovations and transformations of property. It is expected that infrastructure will require improvement, maintenance or replacement, whereas demographic trends on balance suggest a structural shortage of housing in the Netherlands. However, the offer of infrastructure construction services continues to exceed the demand for such services with a direct impact on project pricing.

Overview of operations

The Group operates with three different divisions: (i) Infrastructure; (ii) Building & Development; and (iii) Specialised Companies & Supplies. The sub-paragraphs below provide an overview and description of the three operating divisions as they currently operate within the Group.

Infrastructure division

The companies in the Infrastructure division develop, construct, maintain and manage medium-sized integrated infrastructure projects and smaller specialist projects in concrete and civil engineering, and industrial construction. Tendering for projects is done on a selective and targeted basis with the aim of striking the right balance between risk, capacity and return. Close attention will be paid in particular to the risk profile in relation to the margin. As a result, the extent of the infrastructure activities have become smaller which led to a reorganisation of the Infrastructure division – see "*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*").

Major projects

The Margaretha Zelle aqueduct in the Van Harinxma canal in Leeuwarden was also delivered, and is already being used by traffic. The final weather-sensitive work was carried out on the aqueduct in the spring of 2015. The aqueduct is part of the construction of the Western Approach Road to keep Leeuwarden accessible in the future.

The renovation of the sheet piling in the Amsterdam-Rhine Canal was carried out in 2014 and is has been completed in 2015. This involves renovation of 23 km of sheet piling in the Amsterdam and Wijk bij Duurstede trajectory. The design and construction contract has a value of more than €30 million. The project is being carried out by the building consortium Ballast Nedam & De Klerk (each 50% as of the date of this Prospectus).

In the second half of 2015, the Infrastructure division started working on the N31 Traverse Harlingen project. The design and construction contract for the N31 Traverse Harlingen involves the widening of a 3-km stretch of the N31 to two dual carriageways, an aqueduct in the Van Harinxma canal, and five new viaducts for the intersection with the railway line and the underlying road network. The contract represents a value of approximately €84 million.

Building & Development division

The companies in the Building & Development division develop, construct, manage, operate and maintain complex integrated projects, modular construction, renovation and maintenance, property development and land positions in the Netherlands.

Major projects

The major on-going projects of the Building & Development division are described below categorised into the following three sub-markets: (i) complex integrated projects; (ii) modular construction; and (iii) housing construction activities: property development exposure and land positions.

Complex integrated projects

At the beginning of May 2014, the Pi2 consortium started work on the Zaanstad Penitentiary PPP project. The EPC-consortium started out as a collaboration between the Group (65%) and Imtech Building Services B.V. (35%). Due to the bankruptcy of Imtech Building Services in August 2015, the Group now bears sole responsibility for the realisation of the project and expects to acquire in the 35% corresponding to Imtech Building Services between the fourth quarter of 2015 and the end of the first quarter of 2016. This PPP project comprises design, construction, maintenance, financing, and facility management and has a term of 25 years from the date of availability in 2016. The project has a contract value of approximately €300 million. As of the date of this Prospectus, the Group holds a 25% stake in this PPP project at SPC level.

In the autumn of 2014, work started on the construction of the new Nobo Otrobanda Hospital in Curacao. The contract has a value of more than €108 million.

Modular construction

The Buitenlust housing foundation in Oegstgeest has awarded the Group and the architectural firm VanWilsumVanLoon the demolition of seventy homes and the construction of 61 iQwoning® homes in the Buitenlust district. The invitation to tender specifically focused on prototype housing for a demolition and new build project. The Buitenlust housing foundation has opted for conceptual building in order to limit the duration and impact of disruption on the area and to achieve a high quality result. The demolition of the seventy houses and the construction and completion of the 61 iQwoning® homes are scheduled for 2015.

The Group and Syntrus Achmea Real Estate & Finance have signed a turnkey agreement for the construction of 48 iQwoning® homes in the Vrouwenpolder-Lagewei district in Barendrecht. The 48 iQwoning® homes are luxuriously furnished and fully equipped, and beautifully designed by the architectural firm VanWilsumVanLoon, who were also commissioned by the municipality to create the urban development plan. In the next phase, the Group will also develop 26 owner-occupied houses in the cheaper sector in the district.

The third prototype home, originating from the 1950s has been completed as part of the Stroomversnelling (Fast-track) project. Stroomversnelling is an innovation deal between six housing corporations and four large construction companies for the sustainable renovation of 111,000 rented homes. The two previous prototyping phases consisted of single family homes, originally built in the 1960s and the 1970s respectively. In line with its strategic plan, the Group provides innovative modular building methods and systems for this purpose. The ultimate aim is to renovate a home in one day with minimum disruption for the occupant and their environment. The purpose of these prototype homes is so that the Group, in collaboration with URSEM Modulaire Bouwsystemen (41 per cent owned by the Group as of the date of this Prospectus), can test and develop this approach, which is expected to eventually lead to a profitable business case for the housing corporations.

Housing construction activities: property development exposure

The total exposure to property development decreased in H1 2015 by €5 million to €171 million, compared to €176 million in H1 2014. This decrease consists of:

- €2 million decrease in land positions, due to a number of smaller sales;
- €1 million decrease in unsold property under construction; and
- €2 million decrease in unconditional purchase obligations as a result of land purchase for the start of a housing project.

Housing construction activities: land positions

The number of homes under construction decreased by 76 homes to 853 at the end of 2014. The total number of homes being developed in-house amounted to 422 at the end of 2014. These were mainly student homes, developed in Leiden. The 431 homes under construction for third parties include the following larger-scale housing projects: 104 homes in Loevepark in Oosterhout, 157 homes in Tugelaweg in Amsterdam, and 90 homes in Sassembourg in Sassenheim.

Specialised Companies & Supplies division

The Specialised Companies & Supplies division includes companies that focus on specialised products and services on a project basis, such as specialist earthmoving, foundation and anchoring techniques, environmental engineering, QHSE (quality, health, safety and environment) consultancy, pre-stressing, drainage products, prefab concrete products, raw materials, asphalt, and equipment.

The Specialised Companies & Supplies Division Companies aspire to being specialised subcontractors for integrated projects in construction and infrastructure. They aim to offer the Group a competitive advantage in integrated projects with distinctive products and focus on promising markets in- and outside of the Group. The Specialised Companies & Supplies Division Companies contribute to these projects by providing knowledge and devising innovative solutions at an early stage and, in a second phase, by arranging the execution of the projects.

The Specialised Companies & Supplies Division Companies aspire to being specialised subcontractors for integrated projects in construction and infrastructure. They aim to offer the Group a

competitive advantage in integrated projects with distinctive products and focus on promising markets in- and outside of the Group. The Specialised Companies & Supplies Division Companies contribute to these projects by providing knowledge and devising innovative solutions at an early stage and, in a second phase, by arranging the execution of the projects.

Selected key elements of the Group's business model

Project Acquisition

The Group acquires its projects either directly on a "one-on-one" basis or as a member of a construction consortium assembled by the customer or indirectly through tender or procurement procedures. In tender procedures, the Group is one of a number of bidders. The majority of the Group's projects are acquired through tender procedures.

Projects that result from tender procedures are often awarded by (potential) customers with large and complex projects, or by customers that are obliged to use a tender procedure based on laws and regulations. Tender procedures are subject to detailed laws and regulations.

Participating in a tender procedure is time consuming and significant costs may be incurred, especially with regard to tenders for complex, integrated projects and framework contracts with a duration of multiple years that require specific qualifications. Only a limited part of these expenses are reimbursed, usually merely an allowance for the design costs, even if the Group is successful in the tender. Due to the current market conditions, price has become an increasingly important factor in tender procedures. The Group prefers tenders where the award criteria are not only based on price, but on the MEAT. In such tender procedures, the contracting party is awarding a project on other criteria than price, i.e. quality, delivery date and project management.

Contracts

Contracts are an important element of the Group's business model. Every year, the Group enters into numerous (large and small) contracts. See "*Overview*" for an overview of the Group's important categories of customers. The vast majority of these contracts is tailored to the specific aspects of the project or, depending on the outcome of negotiations, the requests and needs of counterparties.

The most common types of construction contracts are: (i) general construction; (ii) design and build; (iii) design, build, maintain and/or operate (DBMO); and (iv) design, build, finance, maintain and operate (DBFMO).

Under a general construction contract, the contractor undertakes to build the works within an agreed period of time, for a fixed price. The construction contract will allow for claiming additional costs and or time in case of the occurrence of certain circumstances, such as scope changes or extreme adverse weather conditions. The contractor would – unless it has the benefit of a restriction on its liability – be under an unlimited liability for the consequences of defects, at least after completion, albeit for a limited period of time.

Pursuant to a design and build contract the contractor undertakes not only to build, but also – at least to a very large extent – design the works to be carried out, fit for purpose and according to the specifications provided by the customer, or its consultants. Typically, these contracts include a lump sum element. Depending on the contract used, the contractor would be allocated a higher or lower level of risk for unforeseen circumstances. The contractor would not only be liable for defective building works, but also for defective design. Often, this type of agreement contains a limited liability for defects.

The design, build, maintain and/or operate (DBMO) contract adds an extra aspect to a design and

build contract, i.e., operation and/or maintenance of the work completed for a limited period of time, typically between 2 and 25 years.

The Group enters into contracts with subcontractors either on a fixed-price basis or on a reimbursable basis. Fixed price contracts are predominantly used, which carry the risk of differences between the Group's contract with the customer and its contract with a subcontractor. The Group tends to stipulate pre-payment by customers at regular intervals (milestones). In the procurement contracts entered into with subcontractors and suppliers, reference is made to the Ballast Nedam general purchasing conditions.

Reference is made to "*Risk management – Risk management process*" for a description of the Group's risk management and internal control in relation to the conclusion of contracts.

Project Execution

Projects are carried out by the Group's operating companies, joint ventures, or associates, and/or with the assistance of subcontractors.

Joint Ventures and Associates

Joint ventures comprise the Group's interests in combinations in which the Group has no controlling influence, but may exercise joint influence on policy. Joint ventures are often used for construction or development consortia. Associates are those entities in which the Group exercises influence on the financial and operating policy of such company, although it holds a non-controlling interest.

Over the year 2014, the revenue related to the share in joint business activities attributable to the Group represented around 25% of the Group's total revenue.

In the construction and development sectors, a project may be carried out in the form of a joint venture, where, due to the scope, size and complexity of the project, it cannot be carried out by one construction company or in some cases to reduce the operational and financial risks in the project by sharing these risks with other companies. Projects may also be carried out in the form of a joint venture with a local partner outside the home markets in order to benefit from local knowledge and experience of this partner. The Group operates through associates primarily in the following markets: asphalt, raw materials, traffic control and modular construction.

Although operating in joint ventures generally bears the risk of being held liable for the (mis)conduct of others (see "*Risk Factors - The Group is exposed to liabilities arising from operating projects in joint ventures and from working with subcontractors and suppliers*"), the Group, when entering into partnership agreements, generally attempts to conclude recourse arrangements pursuant to which joint and several liability arrangements on project level are mitigated and the joint venture partners are entitled to recoup any amounts paid in excess of their proportionate share from the other joint venture party or parties. See "*Group structure*".

Subcontractors

A large number of projects are carried out by third-party subcontractors and in some cases by the Group itself. The primary contractual obligation of a subcontractor usually consists of completing a specifically defined part of a project. The Group selects suppliers and subcontractors on the basis of references, quality, innovative capacity and price. In the supply chain the Group engages its suppliers and subcontractors in projects by means of purchasing contracts, in which they commit to the Group's code of conduct for subcontractors and suppliers. The Group pursues ethical management of its company and demands compliance with all applicable legislation of its employees, suppliers and subcontractors. See "*Corporate social responsibility – Compliance and integrity*".

PPP projects

In a PPP project, a government or semi-governmental organisation awards the design, build, finance, maintenance and operation of a project to a contractor pursuant to a DBFM(O) contract. DBFM(O) contracts are used by the national government in housing projects with a value above €25 million, such as offices, military bases and prisons and in infrastructure projects with a value above €60 million such as road, rail and 'wet' infrastructure (such as locks). DBFMO contracts are typically entered into for a long period of time (e.g. 25 or 30 years).

The Group has considerable knowledge and experience with PPP projects, such as the Confederation Bridge in Canada, Wäldwei N31 road project, PPP Kromhout Military Base Utrecht, Detention Centre Rotterdam PPP (DC16), project Housing Informatie Beheer Groep and Regional Tax Office in Groningen (DUO2), A15 Maasvlakte-Vaanplein (MaVa) project, the Zaanstad Penitentiary PPP project and the A9 Gaasperdammerweg project.

PPP projects are acquired through a SPC which manages the PPP project as a contractor for the entire duration of the project. The SPC exercises overall control as a contract partner in relation to all parties involved in the PPP process. The parties concerned are (i) the government as customer; (ii) financial institutions for funding; (iii) the design and construction consortium for project implementation; and (iv) the management and maintenance consortium for the management of the realised object throughout its useful life in accordance with the performance requirements. The shareholders of the SPC are usually the companies participating in these consortiums. Even though the SPC acts as the contracting party to the customer, the maintenance and construction work is carried out at the level of the EPC and the maintenance company involved.

In accordance with its current strategy, the Group has decided to actively scale back its interests in large-scale infrastructure projects – see “– *Strategy*” and “*Financial and Operational Measures and Public Bid – Financial and Operational Measures – Downscaling measures*”). Furthermore, based on its experience in previous PPP projects, the Group will participate at EPC level in mid-size future PPP projects instead of participating at SPC level.

Property, plant and equipment

The majority of the Group's property, plant and equipment to operate its business is owned or leased under financial lease contracts. The Group has the option to buy the assets at the end of the lease contracts. The leased assets serve as security for the lease obligations.

The net book value of the Group's property, plant and equipment (including financial leases) was €75 million as per 14 June 2015.

Material contracts

The following are considered to be material contracts entered into by the Group outside of the ordinary course of its business for the two years immediately preceding the date of this Prospectus: (i) the Facility Agreements; (ii) the various security agreements entered into in connection with the 2015 Refinancing; (iii) the Sanderink Bridge Loan; (iv) the agreements entered into in connection with the Disposal Programme and the Infrastructure Projects Downscaling Measures; (v) the Merger Agreement; and (vi) the Underwriting and Placing Agreement.

For more information regarding the Facility Agreements, see “*Operating and Financial Review – Description of borrowings – Amendment and restatement of Original Credit Facilities*”. For more information regarding the various security agreements entered into in connection with the 2014 Refinancing and the 2015 Refinancing, see “*Operating and Financial Review – Liquidity and capital resources – Amendment and restatement of Original Credit Facilities*”. For more information

regarding the agreements entered into in connection with the Disposal Programme and the Infrastructure Projects Downscaling Measures, see "*Financial and Operational Measures and Public Bid - Financial and Operational Measures*". For a summary of the Underwriting and Placing Agreement, entered into between the Group and Renaissance Infrastructure see "*The Transaction – Underwriting and Placing Agreement*".

Besides these agreements set out above, the Group has not entered into contracts outside of the ordinary course of its business for the two years immediately preceding the date of this Prospectus which contain provisions pursuant to which the Group has an obligation or entitlement that is material as of the date of this Prospectus.

Risk management

To create enduring quality, the Group must have insight into the market opportunities and their respective risks. The Group's risk management aims to achieve an acceptable level of risk, in line with the Group's desired risk profile.

Principles

The Group's risk management policy is based on the following three principles:

- (i) The purpose of risk management is to ensure that the risks taken by the Group are in line with its desired risk profile.
- (ii) Risk management is an integral part of all business activities and runs through the entire life cycle of the projects.
- (iii) The Board of Management is ultimately responsible for the way in which the Group manages risks. The division directors translate the risk management policy of the Group to the business units within their own division.

Risk philosophy

The Group aims to take only responsible business risks whose probability of occurrence and the possible consequences thereof do not jeopardise the continuity of the Group. In particular, the Group has a low desired risk profile for safety, compliance and financial risks.

Risk management is a core competency for the Group, which is intended to be embedded in the various projects the Group carries out. Both at project and management levels the Group uses methodologies that are industry standard in the construction and infrastructure sector. This makes it also possible to communicate on risk management with all parties in the chain.

Risk management process

The Group's risk management is based on the 'Four Lines of Defence' model.

- (i) **First line: the Group's personnel, operational processes and decision-making committees**

A bottom-up approach to risk management.

The project managers are responsible for managing the risks associated with these projects. They identify, analyse, prioritise and manage those risks. The risks which are regularly identified at the business units are subsequently discussed with the division managing

directors. The results are then discussed by the Ballast Nedam Concern Council, in which the division managing directors and the Board of Management are jointly represented.

In managing risks, the attitude and behaviour of the Group's employees and contractors are very important. The Group promotes the ethical conduct of all persons who are involved in projects which fall under the Group's responsibility. The Group aims to do this through the Group's personnel policy and the Group's subcontractors and suppliers policy. In 2014, the Group implemented a new internal code of conduct and renewed the internal training on project risk.

Contract committee and tender committee

The Group has a contract committee and a tender committee. An approval request is in principle first submitted to the tender committee and, depending on certain pre-set criteria, then to the contract committee. However, the contract committee and the tender committee may jointly decide that a request shall only be reviewed by the contract committee.

The tender committee is responsible for: (i) assessing the accuracy and completeness of information package submitted as part of the approval request; (ii) the technical, financial and legal assessment of the project; (iii) an assessment of the risks at stake as well as possible measures to tackle these risks; (iv) an assessment of the possible returns vis-à-vis the potential risks and control measures; and (v) an assessment of the project's fit within the strategy and the business plan.

The contract committee consists of the members of the Board of Management and the Company secretary who has an advisory vote. The contract committee assesses an approval request on the basis of, amongst others, the following criteria: (i) return and risks; (ii) relationship to the Order Book for the Group as a whole; (iii) capital lock-up and cash flows; and (iv) price sensitivity and political aspects.

Proposals that are in any event submitted to the contract committee for approval are (i) tender procedures for contracts (a) with a value in excess of €25 million, (b) below cost price (including mark-up for general costs and risks) with a value in excess of €2.5 million, (c) outside the ordinary course of business, (d) relating to PFIs, PPPs or DBMFs or other contracts with a distinctive risk profile or contractual terms and I whereby the Company is required to provide guarantees, with the exception of guarantees in favour of the Dutch government agencies and Prorail; (ii) entering into commitments to acquire real estate in excess of €1.0 million; and (iii) entering into joint ventures outside the ordinary course of business, it being understood that also the entering into of joint ventures in the ordinary course of business shall be subject to approval of the contract committee provided that the internal rules and procedures with respect to the formation of consortia.

(ii) Second line: support functions

Contract managers and legal department

To manage contractual risks effectively, specialised contract managers may be deployed for the procurement and construction phase of a project. The legal department focuses on Group related issues.

Insurance management

Insurance management is responsible for the management of insurance contracts for the Group in line with its insurance policy.

Compliance officer

The Group requires its employees but also its suppliers and subcontractors to behave with integrity. The Group has a zero tolerance policy when it comes to non-compliance with its code of conduct. When potential violations of the code of conduct are reported, the compliance officer carries out an investigation. If violations are found, appropriate measures are taken as soon as possible. To ensure integrity across the organisation, the Group continuously reviews its compliance policies and amends them as required.

Security

A key risk in the implementation of projects is the safety risk. The Group aims to create a proactive safety culture. An important link in the management of safety risks is Dibec B.V. ("**Dibec**"), a Group company with specialists in the field of environment, safety, materials and safety procedures. Dibec develops security plans for the Group and carries out safety audits.

ICT risk management

Major ICT risks relate to the continuity of the ICT infrastructure and ICT information systems. The Group is aware of these risks. All business units make intensive use of ICT infrastructure and ICT information systems. To avoid distortions and achieve as much uniformity as possible across the whole organisation and to ensure the continuity of operations, the Group makes use of proven ICT techniques and infrastructure which are constantly improved and updated through a DTAP approach (Development, Test, Acceptance, Production). The Group's IT infrastructure is based on a wide range of services, modern communication technology and advanced virtualisation technologies for data storage and data processing. This allows the Group to continuously achieve the required capacity, availability and sustainability and monitoring. To manage the IT risks, the Group has taken various measures including amongst others: (i) implementation of the Information Security Code (an international standard for information security in organisations); (ii) authentication for access to the network; (iii) firewall technology for access from the Internet; (iv) external audits; (v) specific portals requiring a combination of user name and password to access; and (vi) management software for mobile hardware, which allows devices to be remotely erased.

(iii) Third line: monitoring

The risk manager

Risk managers may be appointed to support project managers. Whether the risk manager's role is part time or fulltime depends on the complexity of the project. The risk manager facilitates the risk management process, contributes to risk awareness and monitors the project for changes in the risk profile. The risk manager is also responsible for keeping the risk dossier and elaborating periodic project reports on the status of the specific risks of a project. The group of risk managers within the Group is referred to as the "risk community".

Business control and treasury

At all levels within the Group, the operational management and financial control are separated. Payments by the Group are centrally performed and monitored by the treasury function. Additionally, the divisions and related business units prepare weekly liquidity forecasts at the project level which are then evaluated by the treasury function.

In 2014, the Group developed a new format for financial reports which has recently been implemented. With the new system it is easier to monitor the achievement of strategic and financial goals. The new financial reporting format also devotes ample attention to risks both at project level and across the organisation. The business control department compares the risks from the (quarterly) reports from the various divisions together and evaluates them.

(iv) Fourth line: review by Board of Management and Supervisory Board

The Board of Management

The Board of Management plays a leading role and a supervising role regarding risk management. Important sources of information are the periodic management reports where the current risks and opportunities for the various projects across divisions are listed, together with the status of the control measures thereof. The Board of Management discusses risks with the division boards. Consequently, the division boards conduct similar discussions with the management teams of each business unit. In addition to projects and contracts which are discussed in the contract committee, projects or contracts (i) requiring a pre-investment above the €0.5 million; (ii) having a contract value of more than €100 million; and (iii) relating to PFIs, PPPs or DBFMs or other contracts with a distinctive risk profile or contractual terms, always require the pre-approval of the Board of Management in addition to the approval of the contract committee.

The Supervisory Board and the Audit Committee

The Group's risk profile and the internal risk management and control systems are on the agenda of the meetings of the Supervisory Board and its audit committee (the "**Audit Committee**"). The achievement of the corporate objectives in light of acceptable business risks is a factor in determining the remuneration of the Board of Management. There are at least five Audit Committee meetings per year attended by the chairman, the CFO of the Board of Management and the external auditor. The objective of the meetings is to discuss the financial course of the Group and the findings of the internal audits, risk management and compliance.

Tax compliance

The Group has a backlog in the filing of its Dutch corporate income tax returns and is late with the filing of its Dutch corporate income tax returns for 2012 and 2013 (the corporate income tax return for 2010 and 2011 has been filed with the Dutch tax authorities, and further to the discussions with the Dutch tax authorities the final tax assessment has been issued). This backlog has been discussed with the Dutch tax authorities and the Group has agreed with the Dutch tax authorities to clear this backlog as soon as possible. The Group is currently working with its tax advisor to prepare the Dutch corporate income tax returns for 2012 and 2013 and it is envisaged that these will be filed in the first or second quarter of 2016. As a result, the filing backlog for the Dutch corporate income tax returns is envisaged to be cleared by the end of the second quarter of 2016. For the 2014 Dutch corporate income tax return the Group currently has a regular filing extension until 1 May 2016. This might be adjusted based on the current filing backlog. The Group does not expect the backlog in tax filings to have any material consequences.

Corporate social responsibility

The Group's CSR policy which is expressed in various business principles focuses on the following key areas: community engagement, safety, diversity, CO2 reduction, waste and recycling and compliance and integrity. The Group takes its responsibility for the impact of its operations on the environment and society as a whole seriously. Socially responsible, or sustainable business practices

are about creating value for society at large and earning social approval. Furthermore, in the current economic situation, CSR is also an important cost-reducing driver. CSR is an important theme that is discussed several times each year. Each business unit of the Group produces a quarterly CSR report to shed light on the progress being made on CSR objectives and how it is managed. These CSR reports jointly form the Global Reporting Initiative report which is presented in the annual report of the Company.

Elements of the Group's sustainability policy are discussed in more detail below.

Community engagement

The Group interprets community relations management as anything that helps the Group to get to know and involve all community parties to promote mutual awareness of the Group's various goals while controlling and safeguarding the project objectives. The Group gives priority to communication, safety, tidy work, environmental awareness and social attitude.

Strategic community relations management is a tool for the Group to understand and manage the links between a project and the area concerned at the earliest possible stage. The Group focuses on facilitating good relations between the project organisation and the various stakeholders in the surrounding area, in order to create a win-win situation. Furthermore, it is important for people living in the area where a project is conducted to know who to approach with any questions or comments. An increasing number of projects therefore have their own procedure for registering and handling complaints about the contractor, and additionally reporting the results to the customer.

The Group's social policy is directly related to its visions and key activities. Therefore, the Group supports local communities in the greatest need of time, knowledge, money and expertise. The Group's community investment programme focuses on education, employment and entrepreneurship.

Safety

By its nature, the construction industry is a potentially hazardous environment for human health and safety. The Group continues to develop and improve its safety management systems. The Group has a policy aimed at implementing the measures required to prevent accidents, occupational illness and injuries. The Group aims to have all persons working on its projects to be constantly aware of safety risks and to work safely at all time. The increased attention to safety has raised awareness throughout the organisation. In order to maintain awareness at a high level, safety is a fixed agenda item for the Board of Management meeting with the division managing directors.

In relation to external collaboration and evaluation on health and safety, in January 2014 the 'Safety in the Construction Industry' Governance Code was signed by the CEOs of the participating customers and contractors.

In 2014 the 'injury frequency' was 7.1 and has shown a slight improvement compared to the value for 2013 (7.4). Management and employees are on their way to a higher level of safety awareness. The Group will continue this trend in 2015, in order to realise the vision of an injury-free Ballast Nedam.

Diversity

The Group endeavours to promote diversity throughout its organisation. The Group aims for a balanced male-female distribution in managerial positions, equal promotion opportunities regardless of ethnicity, and encourages the use of senior employees. The Group's salary scales depend on the type of job, not on gender.

CO2 reduction

In 2014, the Group achieved its target of an 18 per cent CO2 reduction in relation to the reference year 2008 and related to the revenue of the activities in the Netherlands. For 2020, the Group's target is to reduce CO2 with at least 30 per cent in relation to the reference year 2008 and related to revenue achieved from its activities in the Netherlands. Again this year, the Group was certified on (the highest) Level 5 of the CO2 performance ladder (*CO2 prestatieladder*). As a result, the Group has an advantage in tendering if customers have included this aspect in the MEAT criteria.

Waste and recycling

The Group aims at eliminating waste in a manner that minimises the impact on the environment and the society. The Group systematically reduces the quantity of waste at the source by raising the productivity of materials used. Furthermore, the adverse effects of waste are reduced by avoiding resource depletion by using renewable and/or secondary materials. Furthermore pollution is prevented by using degradable and reusable materials and optimising waste management procedures.

Compliance and Integrity

The Group's ambition is to be a decent and reliable construction company and the Group intends to realise this ambition through compliance with all applicable legislation and ethical standards and by pursuing a zero tolerance policy in relation to integrity infringements. The central control of compliance in the Group is assigned to the Chief Compliance Officer. This officer reports directly to the Board of Management and the Supervisory Board and also attends the meetings of the Audit Committee as far as it concerns compliance in the presence of the CEO and CFO of the Board of Management and the external auditor. Furthermore, compliance officers are assigned to business units, who are responsible for operational compliance, and simultaneously acts as trusted representative for employees. Specific (international) projects have a designated part-time compliance officer.

Intellectual property and brand

The Group holds the intellectual property rights of the Dutch and English version of the Ballast Nedam figurative trademark in the Benelux and the European Union.

Alongside the main operations and activities of the Group, work is also performed by companies operating under their own brand names being: (i) Heddes Bouw & Ontwikkeling, (ii) Laudy Bouw & Ontwikkeling, (iii) F.W. Onrust Vastgoedonderhoud, (iv) Zomers Bouwbedrijf, (v) Bouwborg, (vi) Spanstaal, (vii) Gebr. Van Leeuwen Verankeringen, (viii) Dibec, (ix) Feniks Recycling, (x) Bichterweerd, (xi) Großkunkel Rurkies GmbH, (xii) Hoco-beton, (xiii) Haistma Beton, (xiv) iQwoning® (xv) Rademakers Gieterij, (xvi) Zand- en Grindhandel Verkaik V.O.F., (xvii) TBS Soest, (xviii) Ursem Modulaire Bouwsystemen (partially owned), (xix) Concrete Valley (partially owned).

The Group and its operating subsidiaries hold, or have application for or licenses in respect of, various trade names, registered trademarks and patents. While its business is not significantly dependent on any such intellectual property, the Group believes that the trade names, trademarks and patents of its core operating subsidiaries and business units are adequately protected and that the expiry of patents and patents licenses will not have a material adverse effect on the Group's business, financial condition or result of operations.

Information technology

IT systems are important to the Group's operations. The Group continuously improves and upgrades the IT systems at various stages, to mitigate risks and in order to manage the associated change processes.

The Group's IT systems exist of a wide range of services, modern communication technologies and advanced virtualisation techniques for data storage and data processing, which enables the Group to continuously achieve and safeguard the required capacity, availability and sustainability.

Appropriate IT systems are set up for each business process, without losing sight of the overall line of the Group. If possible, the Group selects proven technology and standardisation across the business units in order to prevent disruptions, except in the event a business process demands a unique solution allowing the Group to distinguish itself.

The Group has drawn up an internal IT code of conduct, known as the Code for Information Security. This code specifies, amongst others, that access to the Group's networks is subject to authentication. Access to these networks from the internet is centrally arranged and is secured with firewall technology to restrict access to approved applications and protocols. All of the Group's web servers are checked externally each month for abnormalities. Furthermore, portals available are protected by a combination of user name and password issued by the Group and software (Mobile Iron) is installed on mobile devices, which allows for remote erasing or blocking of devices.

Research & development

In 2014, the Group analysed and assessed its performance on innovation. The results of such assessment indicated that the innovation performance has declined during the last years. The cause of this decrease can be partially found in the difficult economic situation of the Group. In response, the Group has drawn up an improvement plan to be carried out in 2015 with the aim to promote the Group's performance on innovation.

The main points of this improvement plan can be summarised as follows: alignment of the Group's strategy and vision of innovation, creation of an 'innovation-roadmap' delineating the strategy for the coming years, improvement of decision making in relation to ideas and innovation, strengthen the focus on innovations within individual divisions and companies, appoint an Innovation liaison officer in each division, responsible for innovation-related matters, and manage idea teams and allocate resources to maximise project realisation.

Modular construction

With the development of its modular construction approach, the Group has taken a step forward in sustainability as well as offering greater efficiency and constant quality. Modular products are fabricated in controlled environments and the technique relieves pressure on available labour capacity by reducing the amount of work performed on the construction site, as well as improving safety, greatly reducing the number of logistics streams and limiting disruption in the surrounding community. The Group has seven production sites of its own that manufacture modular building systems. The Group has developed the following modular concepts:

- (i) iQwoning®: iQwoning® homes have the characteristics and the appearance of a traditionally built home, but are to a large extent produced in a factory and assembled on site in less than six weeks;
- (ii) ModuPark®: modular car park construction system that can be recycled when it is no longer needed, with no material waste. The system was developed together with Oostingh Staalbouw and Grontmij Parkconsult;
- (iii) Ursem 3D®: this is the label under which Ursem Modular Building Systems develops modular products for new building and renovation, such as hotel rooms, student accommodation and bathrooms; and

- (iv) Plug & Play Core® stadium: this completely modular stadium concept has been developed for the 2022 FIFA World Cup in Qatar and is designed to facilitate the dismantling, transport and return of the stadiums. The Group is also developing applications of this concept for the Dutch market, with an emphasis on sustainability and reuse.

Governmental regulation

The Group's operations are affected by various statutes, regulations and laws in the countries and markets in which it operates. While the Group is not engaged in a heavily regulated industry, it is subject to various laws applicable to businesses generally, including laws affecting land usage, zoning, the environment, occupational health and safety, product safety, quality and liability, transportation, labour and employment practices (including pensions), competition and other matters. These laws are administered by various regulatory bodies in the Netherlands and in the other countries in which the Group operates.

Litigation

The Group is currently involved in the following legal proceedings which, if adversely resolved, may have a significant effect on its business or on the financial position of the Group.

Provisions relating to legal or constructive 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 obligation. Legal or constructive 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 the Group.

Nedereindse Plas

During the performance of the remediation of contaminated aquatic sediment at Nedereindse Plas, a dispute has arisen between the municipality of Utrecht as customer and Ballast Nedam Infra B.V. as contractor about the feasibility of the tasks assigned to Ballast Nedam Infra B.V. The dispute was solved through the conclusion of a settlement agreement between the parties. In accordance with the settlement agreement, the municipality commissioned Ballast Nedam Infra B.V. to design and implement a foil construction. After the realisation of the foil construction, a dispute has arisen between parties on the adequate design and implementation of the foil construction and several proceedings have been initiated. At this point parties have entered into discussions in order to try to settle this matter amicably under the supervision of independent consulting engineers and court proceedings have therefore been postponed. As of the date of this Prospectus, the outcome of these discussions is still unclear.

N329

The building consortium Pro N329 v.o.f. has submitted a claim for more than €8.0 million against its customer, the municipality of Oss. The claim has been submitted for damages arising from all costs incurred by the building consortium as a consequence of unexpected and significant settlements occurred during the vibration of sheetpile walls into the ground. The building consortium has submitted the case to arbitration. The Group has notified its claim under its professional indemnity insurance.

Suriname refinery expansion project

A dispute has arisen between the Group and its customer Staatsolie Maatschappij Suriname in relation to civil works carried-out for the Refinery Expansion Project. The Group is engaged in discussions

with Staatsolie Maatschappij Suriname in relation to the claim of the Group amounting to approximately €20 million and the counter claim of Staatsolie Maatschappij Suriname amounting to approximately €5 million, in order to reach an amicable settlement. The claim arose in 2012 following delay and disruption of the project, in respect of which the Group holds the customer responsible. The parties are in discussions to reach an amicable settlement, but have so far not reached an agreement. For that reason, the Group has decided to submit a formal request for ICC arbitration in accordance with the contract.

A15 Maasvlakte-Vaanplein (MaVa)

The Group participates in the A-Lanes A15 construction consortium that performs the A15 Maasvlakte-Vaanplein (MaVa) highway construction work, a DBFM project commissioned by the Directorate-General for Public Works and Water Management. The project consists of construction works in respect of 37 kilometres of the A15 highway between the Maasvlakte and the Vaanplein – the complex Europoort and Botlek area – including the transition towards motorway level, a new Botlek bridge for traffic and the Rotterdam port railway, reconstruction of the Botlek and Thomassen tunnel, reconstruction of 36 viaducts, construction of twelve new civil engineering structures, dynamic traffic management control systems covering the relevant 37 kilometres and maintenance of this section of the A15 up to 2035.

Financial close¹ of this project was reached on 24 December 2010. The tender amounted to €1,496 million, including financing and twenty years of maintenance. The design and build part of the tender, in which Ballast Nedam Infra B.V. participates with Strukton Civiel Projecten B.V. and Strabag AG in the consortium A-Lanes A15 Mobility v.o.f (the "**Consortium**"), amounted to approximately €750 million. Although as at the date of this Prospectus the Group holds a 33.33% stake in the Consortium, it was agreed that Ballast Nedam Infra B.V. would perform a larger portion of the relevant work. To that end, the members of the Consortium agreed separate contractual working arrangements, as a result of which the Group's participation in the project, including its entitlement to any profits and losses, was effectively 40%, even though Ballast Nedam Infra B.V.'s participation in the Consortium remains 33.33%. This, for instance, meant that any cost overruns that the project incurred had to be pre-financed by the Group for 40%. The Group is not currently involved in any other project where there is a difference between the ownership position of the Group in the consortium and the actual liabilities that the Group incurs due to, for example, working arrangements.

On 23 September 2015 the final agreements were signed to decrease the economic interest of the Group from 40% to 10% retroactively as of 30 June 2015 (including the Group's entitlement to any losses and profits, even in case of profits arising out of claim proceeds which are higher than expected), in line with the letters of intent signed with Strukton Groep N.V. and Strabag SE. Also retroactively effective as of 30 June 2015, the joint-venture partners Strukton Groep N.V. and Strabag SE have each increased their share to 45%, thus reducing the Group's risk profile. The risks of cost overruns and the possible share of lower-than-expected proceeds from the claims will thus have been decreased considerably for the Group. As at the date of this Prospectus, Ballast Nedam's share in the operation and maintenance phase of the project remains unchanged at 33.33%.

The Group has taken a total loss of approximately €127 million on this project in FY 2014 and has prefinanced this loss pending the outcome of the contractually agreed dispute resolution procedure. As long as the situation remains unclear with regard to the settlement of the claims submitted by A-Lanes A15, the Group cannot make any statements about the precise level of the loss after the settlement of the claims.

¹ Financial close occurs when all the project and financing agreements have been signed and all the required conditions contained in them have been met. It enables funds – e.g. loans, equity, and grants – to start flowing so that execution of the project can actually start.

Butendiek

The Group is claiming damages from the steel supplier EEW which have arisen due to late delivery of monopiles and transition pieces. The parties' positions are far apart and to achieve a final settlement arbitration may be required.

Group structure

As of the date of this Prospectus, Renaissance Infrastructure holds approximately 79.9% of the DRs. As such, the Renaissance Infrastructure has effective control of the Company. The Company is the holding company of the Group, with no material, direct business operations. The principle assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries.

Legal Structure

The legal structure of the Group consists of a large number of legal entities. Reference is made to the simplified legal structure overview included below. This overview presents the material and active Group Companies and associates held directly or indirectly by the Company, and material and active joint ventures of the Company. Interests in the numerous joint ventures, project companies and partnerships are held either directly by the legal entities referred to in the overview below or indirectly by subsidiaries of these legal entities. The table below provides an overview as at the date of this Prospectus.

Division	Material Group companies	Percentage held
Ballast Nedam N.V.	Ballast Nedam Asphalt B.V.	100
Ballast Nedam Infra B.V.	Ballast Nedam International Projects B.V.	100
Infrastructure	• Ballast Nedam Infra Suriname B.V.	100
	• Ballast Nedam Africa B.V.	100
	• Ballast Nedam Ghana B.V.	100
	• Ballast Nedam Curacao B.V.	100
	• Ballast Nedam Emirates B.V.	100
	• Ballast Nedam Oman B.V.	100
	Ballast Nedam Infra Noord Oost B.V.	100
	Ballast Nedam Infra Noord West B.V.	100
	Ballast Nedam Infra Midden Zuid B.V.	100
	Ballast Nedam Infra Zuid West B.V.	100
	Ballast Nedam Infra Zuid Oost B.V.	100
	• Ballast Nedam Gebiedsontwikkeling B.V.	100
	Ballast Nedam Parking B.V.	100
	• ModuPark V.o.f.	66.66
	Ballast Nedam Infra Business Development B.V.	100
	Bouwcombinatie Pro N329 V.o.f.	50
	Combinatie Versterken Bruggen V.O.F.	50
	A-Lanes A15 Mobility V.o.f.	10
	A-Lanes Civil v.o.f.	10
	A-Lanes Roads V.O.F.	10
	Ballast Nedam Equipment Services B.V.	100
	Ballast Nedam Engineering B.V.	100
Specialised Companies & Supplies	Ballast Nedam Environmental Engineering B.V.	100
	Ballast Nedam Funderingstechnieken B.V.	100
	Ballast Nedam Infra Specialiteiten B.V.	100
	Ballast Nedam International Product Management B.V.	100
	Ballast Nedam Materieel B.V.	100
	Ballast Nedam Milieutechniek B.V.	100
	Ballast Nedam Specialistisch Grondverzet B.V.	100

Division	Material Group companies	Percentage held
	Ballast Nedam Grond en Wegen B.V.	100
	• Dibec B.V.	100
	• Graniet Import Benelux B.V.	8.75
	Gebr. Van Leeuwen Harmelen B.V.	100
	Ballast Nedam Grondstoffen B.V.	100
	• Zand- en Grindhandel Verkaik VO.F.	100
	• N.V. Immobiliën en Grindexploitatiemaatschappij Bichterweerd	100
	• Großkunkel Rurkies GmbH	100
	Ballast van Oord Grondstoffen v.o.f.	50
	• V.o.f. Zandexploitatiemaatschappij Echten	25
	Concrete Valley Group B.V.	40
	• Microbeton B.V.	100
	• Waco Lingen Beton B.V.	100
	• MBX B.V.	100
	Ballast Nedam Participatie B.V.	100
	• Nederlandse Frees Maatschappij B.V.	17
	• Traffic Services Nederland B.V.	25
	Haitsma Beton B.V.	100
	Rademakers Gieterij B.V.	100
	Recycling Maatschappij "Feniks" B.V.	100
	TBS Soest B.V.	100
Building & Development	Ursem Modulaire Bouwsystemen B.V.	41
Ballast Nedam Bouw & Ontwikkeling Holding B.V.		
Building & Development	Ballast Nedam Ontwikkelingsmaatschappij B.V.	100
	• Ballast Nedam Vleuterweide B.V.	100
	• Gebiedsontwikkeling Oud Beijerland Oost C.V.	49
	• Gebiedsontwikkeling Oud Beijerland Zuid C.V.	49
	• Coberco Kwartier Beheer B.V.	50
	• Ballast Nedam Langedijk B.V.	100
	• De Groene Loper v.o.f.	50
	• Ballast Nedam Sigma B.V.	100
	• V.O.F. De Leidse Schans	50
	• Strukton Avenue2 Onroerend Goed B.V.	100
	• Strukton Heerderweg B.V.	100
	• Strukton Groene Loper B.V.	100
	Ballast Nedam Bouw & Ontwikkeling B.V.	100
	• Ballast Nedam Marktkwartier Amsterdam B.V.	100
	• Ballast Nedam DMBO Knoop B.V.	90
	• Teamsport Zuiderpark v.o.f.	75
	• Bouwcombinatie IJsseloord 2 v.o.f.	50
	• Bouwcombinatie voor de nieuwbouw Erasmus MC v.o.f.	50
	• Groote Dok Oost v.o.f.	50
	• OVT-Breda VOF	50
	• Bouwcombinatie OV-Terminal Arnhem v.o.f.	50
	• Pi2 DBMO B.V.	65
	• Bouwcombinatie Archimedes Bouw v.o.f.	50
	Heddes Bouw & Ontwikkeling B.V.	100
	IQ Woning B.V.	100

Division	Material Group companies	Percentage held
Specialised Companies & Supplies	Hoco Beton B.V.	100
Internal joint venture (joint ventures where group companies of multiple divisions hold an interest, with or without third parties)	Avenue2 V.O.F	50
	Ballast Nedam Beheer B.V.	100
	Ballast Nedam Concessies B.V. ("BNC")	100
	• Wind24 B.V.	100
	IXAS Gaasperdammerweg B.V.	33.33
	Pi2 DBMO B.V.	65
	<i>Public Private Partnership (PPP) of BNC</i>	
	Wâldwei.com B.V.	33.33
	A-lanes A-15 Holding B.V.	24
	IXAS Zuid-Oost B.V.	25
	Pi2 B.V.	25

Statements of joint and several liability pursuant to article 2:403 of the Dutch Civil Code

The Company and certain Group Companies have issued the following statements of joint and several liability pursuant to article 2:403 of the Dutch Civil Code:

Guarantor	Beneficiary
Ballast Nedam Infra B.V.	B.V. Grind- en Zandhandel v/h T. Verkaik Ballast Nedam Asfalt B.V. Ballast Nedam Beton en Waterbouw B.V. Ballast Nedam Concessies B.V. Ballast Nedam Egmond Offshore Energy B.V. Ballast Nedam Engineering B.V. Ballast Nedam Equipment Services B.V. Ballast Nedam Funderingstechnieken B.V. Ballast Nedam Gebiedsontwikkeling B.V. Ballast Nedam Grond en Wegen B.V. Ballast Nedam Grond en Wegen Projecten B.V. Ballast Nedam Grondstoffen B.V. Ballast Nedam Industrie en Toelevering B.V. Ballast Nedam Industriebouw B.V. Ballast Nedam Infra Business Development B.V. Ballast Nedam Infra Midden Zuid B.V. Ballast Nedam Infra Noord Oost B.V. Ballast Nedam Infra Noord West B.V. Ballast Nedam Infra Specialiteiten B.V. Ballast Nedam Infra Zuid Oost B.V. Ballast Nedam Infra Zuid West B.V. Ballast Nedam Installatietechniek B.V. Ballast Nedam International Product Management B.V. Ballast Nedam International Projects B.V. Ballast Nedam Milieutechniek B.V. Ballast Nedam Noord B.V. Ballast Nedam Parking B.V. Ballast Nedam Participatie B.V. Ballast Nedam Specialistisch Grondverzet B.V. Ballast Nedam Vepo B.V. Ballast-Nedam Bouw- en Exploitatiemaatschappij B.V. BK Services B.V. BN Solar B.V. Bouwborg Aannemingsbedrijf B.V. De Moel Wegenbouwmaatschappij B.V. Dibec B.V. European Traffic Wash B.V. Freedrain B.V. Gebr. Gelten B.V. Gebr. Van Leeuwen Harmelen B.V. Gebr. Van Leeuwen Verankeringen B.V. Haitsma Beton B.V. Hamstra B.V. Hollebeek & Vens B.V. Hollebeek en Vens Handelsbedrijf N.V. Hollebeek en Vens Heibedrijf N.V. Hollebeek en Vens Verhuurbedrijf B.V. Ingenieursbureau Harmelen B.V.

	Kraggenburg B.V. Rademakers Gieterij B.V. Spanstaal B.V. T.B.S. Soest B.V. Transport- en Handelsmaatschappij Van Drooge B.V. Van Strien Transport en Materieel B.V. Van Strien Verkeersgeleiding B.V. Zand- en Grindhandel Vibouw-Verkaik B.V. Zandexploitatiemaatschappij Zaandam B.V.
Ballast Nedam Bouw & Ontwikkeling Holding B.V.	Ballast Nedam Bouw & Ontwikkeling B.V. Ballast Nedam Concessies B.V. Ballast Nedam Ontwikkelingsmaatschappij B.V. HBC Bouwborg B.V. Heddes Bouw & Ontwikkeling B.V. Hoco Beton B.V. Hoco Groep International B.V. Hoco Systems B.V. Hollestelle Vastgoed Ontwikkeling B.V. IQ Woning B.V. LAUDY Bouw & Ontwikkeling B.V. Laudy Materieel & Transport B.V. Monumenten Limburg B.V. Omnia Plaatvloer B.V. Ringwade deelneming De Blauwe Stad B.V. Ringwade Deelneming PBIC B.V. Zomers Bouwbedrijf B.V.
Ballast Nedam N.V.	Ballast Nedam Beheer B.V. Ballast Nedam ICT B.V. Ballast Nedam Materieel B.V. Ballast Nedam Prefab B.V.
Ballast Nedam Bouwborg B.V.	Bouwborg Planontwikkeling B.V.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This chapter summarises the relevant information concerning the Board of Management, the Supervisory Board as well as a highlight of certain relevant provisions of Dutch corporate law and the Articles. This section further includes a brief summary of information concerning the employees, incentives, co-determination and pension plans.

Two-tier board structure and structure regime

The Company has a two-tier board structure consisting of the Board of Management and the Supervisory Board. The Company is subject to the provisions in the Dutch Civil Code referred to as the 'structure regime' (*structuurregime*). The Company is a company under a mitigated structure regime by use of the exemption referred to in Section 2:155 of the Dutch Civil Code. The consequence thereof is that members of the Board of Management are appointed by the General Meeting and not by the Supervisory Board. Under Dutch law, a company is subject to this mitigated regime if, for a period of three consecutive years:

- its issued capital and reserves amount to not less than €16 million;
- it has a works council instituted pursuant to a statutory requirement;
- it regularly employs at least 100 employees in the Netherlands; and
- a majority stake in the company is held by an entity of which the employees are for the largest part employed outside the Netherlands.

The mitigated structure regime entails, in short, that the relevant company is required to have a supervisory board, whose members are appointed according to a special procedure (described in "*Supervisory Board – Nomination, appointment, retirement, suspension and removal*" below). The supervisory board on its turn approves certain important board of management resolutions, e.g. decisions relating to major investments, the entering into or termination of a substantial cooperation with a third party, the issuance or acquisition of equity or debt and termination of a significant number of employment contracts at once or within a short period of time.

Board of Management

Powers, organisation and functioning

The Board of Management, consisting of Mr E. van der Noordaa as Chief Executive Officer and Mr P. van Zwieten as Chief Financial Officer, is charged with managing the Company. This means that the Board of Management is responsible for, amongst others, achieving the objectives of the Group, the strategy and policies, the results and the CSR issues relevant to the business. Mr Van Zwieten has resigned as CFO of the Company and member of the Board of Management as of 31 December 2015.

In carrying out its duties, the Board of Management is guided by the interests of the Group, the business associated with it and the Group's stakeholders. The Board of Management has specified its responsibilities, composition and working method in the Board of Management Regulations (see "*Board of Management Regulations*" below).

The Group is structured around three divisions: Building & Development, Infrastructure and Specialised Companies & Supplies. The division managing directors and the Board of Management jointly constitute the Ballast Nedam concern council (*Concernraad*) (the "**Ballast Nedam Concern Council**") (see "*Ballast Nedam Concern Council*"). The Board of Management supervises the division management teams, who in turn supervise the management of the business units. The

management of the divisions and of each business unit have clearly defined terms of reference that determine their powers. Board of Management approval is required for projects above a certain value threshold or with a particular risk profile, before the Group can conclude a contract. The same system applies at division level for projects of the business units with a certain value and a certain risk profile. See "*Business Description – Risk management*". Approval from the division management team is required for all major and high-risk projects, which must ultimately also be submitted to the Board of Management for approval.

The Board of Management submits all relevant information to the Supervisory Board, the Supervisory Board committees and/or the General Meeting in a timely manner and is held accountable to the Supervisory Board and the General Meeting. In accordance with the Articles, certain decisions of the Board of Management are subject to the approval of the Supervisory Board and/or the General Meeting, as described in more detail in "*Board of Management meetings and decisions*" below. The lack of such approval does, however, not affect the representative authority of the Board of Management or members of the Board of Management.

The Board of Management determines, with approval of the Supervisory Board, which portion of the profit will be attributed to the reserves of the Company. The remaining profit is at the disposal of the General Meeting.

The Board of Management as a whole, as well two members of the Board of Management acting jointly (or with a holder of a power of attorney acting within the limits of its authority), are authorised to represent the Company.

Board of Management Regulations

The Board of Management has established a code of rules pertaining to its decision-making (the "**Board of Management Regulations**"). The Board of Management Regulations – published on the Group's website – contain additional rules on the allocation of tasks and working methods of the Board of Management and on its dealings with the Supervisory Board, the General Meeting, the central works council (*centrale ondernemingsraad*) and the Group's external auditors. The Board of Management Regulations as well as any changes thereto must be approved by the Supervisory Board.

Appointment and removal

The General Meeting, whether or not on the proposal of the Supervisory Board, determines the number of Board of Management members and may grant a member the title of chairman of the Board of Management. The General Meeting appoints, suspends and removes members of the Board of Management. The Supervisory Board can also suspend a member of the Board of Management. The Articles provide that the Board of Management shall consist of one or more natural persons.

Terms

Pursuant to the Board of Management Regulations, members of the Board of Management are appointed each time for a maximum period of four years. The Company may, however, deviate from this provision if there are circumstances, which – in the Supervisory Board's opinion – preclude application of this general rule at any time.

Qualifications

Dutch legislation that took effect on 1 January 2013 requires a Dutch public limited liability company which meets at least two of the three criteria referred to in article 2:397 subsection 1 of the Dutch Civil Code (which criteria are: (1) the value of the company's assets according to its balance sheet is, on the basis of the purchase price or manufacturing costs, more than €17.5 million; (2) the net

turnover is more than €35 million; and (3) the average number of employees is 250 or more) (such company is referred to as a "**Large Company**"), to pursue a policy of having at least 30% of the seats on the board of management held by men and at least 30% of the seats on the board of management held by women to the extent these seats are held by natural persons. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, the Company will be required to take this allocation of seats into account in connection with the (nomination for the) appointment of members of the Board of Management. If the Company does not comply with these gender diversity rules, it must explain in its annual report (i) why the seats are not allocated in accordance with this ratio, (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future. These rules will automatically lapse on 1 January 2016 unless extended. The seats on the Board of Management are currently not allocated in accordance with the mentioned ratio. The Company aims to achieve a balanced distribution of seats in the Board of Management but given the limited size of both bodies, a well-balanced allocation is not easily achieved. The Group's best interest and the demonstrated capacity and experience of the candidates for positions in these bodies have been prioritised in the selection of candidates. Ballast Nedam intends to seek a balanced distribution of seats on the Board of Management but not without due consideration of the other aforementioned important criteria.

Pursuant to other newly adopted Dutch legislation that took effect on 1 January 2013, restrictions apply with respect to the overall number of board of management (including one-tier board) positions and supervisory board positions that a member of the board of management of, amongst others, a Dutch public limited liability company may hold. Based on the Company's assets and turnover, this rule also applies to the Company. Pursuant to this new legislation, a person may not be a member of the board of management if (a) he holds more than two supervisory positions with a Large Company or (b) if he acts as chairman of the supervisory board or, in the case of a one-tier board, serves as chairman of the board of a Large Company. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board, or member of a supervisory body established by the articles of association. The Company complies with this legislation. An appointment in violation of these restrictions will result in that last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making.

Board of Management meetings and decisions

The Board of Management meets whenever a member of the Board of Management so demands and passes resolutions by an absolute majority of the votes cast. In the event of a tied vote, the chairman of the Board of Management will cast the deciding vote.

Pursuant to the Board of Management Regulations, the Board of Management members must try as much as possible to pass resolutions unanimously and resolutions may not be passed without the agreement of the chairman of the Board of Management. If a resolution is not passed with the agreement of all members of the Board of Management, each member is entitled to request a suspension of the resolution's execution until it has been discussed again in the following scheduled meeting or in a meeting specifically convened for this purpose, unless the chairman of the Board of Management believes that suspension of the resolution's execution is not justified. If consensus cannot be reached in this second meeting either, each Board of Management member is entitled to present the resolution to the chairman of the Supervisory Board for a recommendation.

Resolutions may also be adopted outside a meeting, provided that the proposal concerned has been submitted to all members of the Board of Management and none of them has opposed this manner of decision-making. Resolutions adopted outside a meeting are mentioned in the minutes of the next meeting.

Because the Company is subject to mitigated structure regime, a number of important resolutions of

the Board of Management are mandatorily subject to the Supervisory Board's approval as laid down in the Articles. These resolutions include:

- the issue and acquisition of shares in and debentures against the Company;
- the cooperation in the issue of registered depositary receipts for shares;
- the application for admission of instruments as referred to under (i) and (ii) above to a regulated market or multilateral trading facility as referred to in article 1:1 of the Financial Supervision Act;
- the entering into or the termination of a continuing cooperation of the Company with another legal entity or company or as an active and fully liable partner in a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*), if such cooperation or termination is of fundamental importance to the Company;
- the acquisition of a participation by the Company or a dependent company in the capital of another company and any drastic increase or decrease of such a participation, the value of which is worth at least a quarter of the amount of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes;
- investments requiring an amount equal to at least a quarter of the Company's issued capital plus reserves according to its balance sheet plus explanatory notes;
- a proposal regarding the amendment to the Articles;
- a proposal regarding the liquidation of the Company;
- the filing of a winding up or suspension of payments petition;
- the termination of the employment contracts of a substantial number of employees of the Company or a dependent company at once or within a short period of time;
- a substantial amendment of employment conditions of a substantial number of employees of the Company or a dependent company; and
- a proposal regarding a reduction of the issued capital.

Furthermore, pursuant to the Articles (except with respect to the fourth bullet below), the Board of Management Regulations are in line with best practice provision II.1.1 of the Dutch Corporate Governance Code (the "**Code**"), resolutions of the Board of Management regarding the matters below shall be submitted to the Supervisory Board for approval:

- the Company's operational and financial objectives;
- the strategy intended to achieve the objectives;
- the parameters to be applied in relation to the strategy; and
- the CSR issues relevant to the Group.

Additionally, in accordance with Dutch law and the Articles, resolutions of the Board of Management relating to a major change in the identity or character of the Company or its enterprise are subject to the General Meeting's approval, which include: (i) the transfer of the enterprise or virtually the whole

enterprise to a third party; (ii) the entering into or the termination of longstanding joint ventures of the Company or a subsidiary with another legal entity or a company or as fully liable partner in a limited partnership (*commanditaire vennootschap*) or a general partnership (*vennootschap onder firma*), if such joint venture or termination is of fundamental importance to the Company; and (iii) the acquisition or disposal by the Company or a subsidiary of a participation in the capital of the Company worth at least one third of the amount of the assets according to the balance sheet with explanatory notes thereto, or if the Company prepares a consolidated balance sheet, according to such consolidated balance sheet with explanatory notes based on the last adopted annual accounts of the Company.

Failure to obtain the approval of either the Supervisory Board or the General Meeting on a decision referred to above, does not affect the authority of the (members of the) Board of Management to represent the Company.

Conflict of interest

As stated in "*Business Description – Group structure*", Renaissance Infrastructure has effective control of the Company. Furthermore, one member of the Board of Management has been nominated by Renaissance Infrastructure and holds positions within the corporate group of Renaissance. However, the Articles state that a member of the Board of Management must abstain from participating in any decision-making that involves a subject or transaction in which such member has a direct or indirect personal interest which conflicts with the interests of the Company and its affiliated enterprise. If in such event a resolution cannot be adopted by the Board of Management, the resolution shall be adopted by the Supervisory Board. Decisions to enter into transactions in which there are conflicts of interest with members of the Board of Management that are of material significance to the Company and/or the relevant member require the approval of the Supervisory Board.

In 2013, the Company and a former member of the Board of Management entered into a termination agreement. In 2014, the Company entered into a termination agreement with Mr Bruijninx, the former CEO of the Company. In 2015 the Company entered into a termination agreement with Mr Van Zwieten, the CFO of the Company. Apart from these agreements, no other transactions have occurred which could potentially lead to a conflict of interest between a member of the Board of Management's private interest and/or duties and any duties such member has towards the Company. Similarly, no transaction took place involving a natural person or a legal person owning at least 10% of the DRs in the Company and which could lead to a conflict of interest between such person and the Company. Under these transactions the Company only understands transactions that are of material importance to the Company or the relevant person.

Members of the Board of Management

The Board of Management currently consists of the following three members:

Name	Position	Member since	Term
Mr E. van der Noordaa	Chairman	27 June 2014	27 June 2018
Mr P. van Zwieten	Chief Financial Officer	19 May 2011	31 December 2015
Mr C. Düzyol	Board member	20 November 2015	20 November 2019*

** Mr Düzyol has been appointed for a four-year term, which term will end upon the first general meeting held after four years have lapsed since his appointment.*

Mr E. van der Noordaa

Mr Erik van der Noordaa was born in 1961 and is a Dutch national. Mr Van der Noordaa was appointed by the General Meeting on 27 June 2014 for a period of four years and serves as CEO.

Prior to joining Ballast Nedam, Mr Van der Noordaa was Chairman of the Executive Board of the Germanischer Lloyd Group (GL Group) from 2010 until 2013. GL Group was a leading global certification body and technical advisory company, active in the maritime, oil & gas and sustainable energy industries, with its head office in Hamburg, Germany and 200 offices in 70 countries, and over 6200 employees. The GL Group merged with the Norwegian company DNV in September 2013 and has since operated under the name DNV GL Group.

Mr Van der Noordaa graduated in naval architecture. After graduating his career started in 1986 at Damen Shipyards Group, a global shipbuilding group with its head office in Gorinchem, the Netherlands. He held various positions at Damen in engineering, operations, marketing and sales, as well as several management positions. In 2004 Mr Van der Noordaa joined the Executive Board of Damen Shipyards Group, and was appointed Chief Operating Officer in 2006. He held this position until his departure in 2010.

Mr P. van Zwieten

Mr Peter van Zwieten was born in 1961 and is a Dutch national. Mr Van Zwieten serves as Chief Financial Officer (CFO) and has been employed by the Company since 1989. He has held various financial positions in different business units and departments, including Ballast Nedam Beton en Waterbouw, Ballast Nedam Groep in Saudi Arabia and for Ballast Nedam International in various European countries and in Taiwan. He has been financial director of Ballast Nedam Ontwikkelingsmaatschappij and became financial director of the Ballast Nedam Infrastructure division in 2002. Mr Van Zwieten was first appointed to the Board of Management for a four-year term on 19 May 2011. Mr Van Zwieten has resigned as CFO of the Company and member of the Board of Management as of 31 December 2015.

Mr C. Düzyol

Mr Cenk Düzyol graduated from the Civil Engineering Department of the Istanbul Technical University in 1994. Mr Düzyol worked in the project management of Alarko, Russia between 1995 – 1999. Mr Düzyol joined Renaissance Holding in 1999 and occupied several positions including project leader and project coordinator. From 2005 to 2009, Mr Düzyol served as the CEO of Renaissance Construction, Russia and subsequently as the Vice President and CEO of Renaissance Russia and CIS Region from 2009 to 2015. Currently, Mr Düzyol serves as a Board Member of Renaissance Construction, Russia. Mr Düzyol was appointed to the Board of Management on 20 November 2015 for a four-year term, which term will end upon the first general meeting held after four years have lapsed since his appointment.

Shareholding information

On the date of this prospectus, neither Mr Erik van der Noordaa nor Mr Düzyol holds any Ordinary Shares, DRs or options. In 2012 Mr Van Zwieten was awarded 30,000 options. The options of Mr Van Zwieten have not been exercised as of the date of this prospectus and will expire in March 2018. Furthermore, Mr Van Zwieten holds 5,282 DRs.

Remuneration Board of Management

General remuneration information

The Supervisory Board determines the remuneration of the members of the Board of Management in accordance with the remuneration policy which was adopted by the General Meeting in 2005.

In accordance with the Articles, the Supervisory Board records the remuneration policy of the individual members of the Board of Management in a remuneration report. The Works Council is given the opportunity to take a position regarding the remuneration policy.

Before drawing up the remuneration policy and determining the remuneration of individual members of the Board of Management, the Supervisory Board analyses the possible outcomes of the variable remuneration components and how they may affect the remuneration of the members of the Board of Management. Based on these scenario analyses, the Supervisory Board subsequently determines the amount and structure of the remuneration of the Board of Management members, also taking into account the pay differentials within the Group.

The Supervisory Board pursues a remuneration policy for the Board of Management that takes into account, amongst others, the results of the Group, the share price performance and non-financial indicators relevant to the long-term objectives of the Group, with due regard for the risks to which variable remuneration may expose the business. The aim of the remuneration policy for the Board of Management is to attract, motivate and retain skilled board of management members capable of leading a major Dutch construction group with international operations. Furthermore, the remuneration structure shall promote the interests of the Group in the medium and long term, but may not encourage the members of the Board of Management to act in their own interests or to take risks that are not aligned with the adopted strategy, and may not reward failing members of the Board of Management upon termination of their employment.

The reference for the remuneration level of the members of the Board of Management is the remuneration level of other (comparable) listed Dutch construction groups. The Supervisory Board takes into consideration the complexity, size, risk profile and management model of the reference companies. The remuneration level of the individual members of the Board of Management is furthermore based on the responsibilities of the respective members.

The remuneration agreements made with the members of the Board of Management are set out in contracts when they take up their positions.

Remuneration and benefits for the Board of Management

The remuneration of the members of the Board of Management consists of a fixed annual salary, bonus payments, options, pension and other reimbursements.

Fixed annual salary

The annual fixed salaries, including holiday allowance, of the members of the Board of Management are as follows as of the dates set forth therein:

<u>Name</u>	<u>1 January 2016</u>	<u>1 January 2015</u>	<u>1 January 2014</u>
Mr E. van der Noordaa	€500,000	€500,000	n/a
Mr P. van Zwieten	n/a	€364,000	€364,000
Mr C. Düzyol	€0	n/a	n/a

The amounts for 2015 consist of the fixed periodic salaries as of 1 January 2015 or 1 January 2014 respectively, multiplied by 13, plus holiday allowance. These annual fixed salaries are based on 52 weeks.

After becoming a member of the Board of Management, potential adjustments of the fixed annual salary of such member are in principle aligned with the adjustments under the collective labour agreement for the building industry (*CAO Bouwnijverheid*).

Short term variable remuneration: bonus payment

Under the current remuneration policy for members of the Board of Management, a bonus may be paid in addition to the fixed salary, up to a maximum of one third of the fixed salary. The bonus payment is built up as follows:

- two thirds of the bonus is determined by reference to financial targets, the profit for the period and average capital employed, as documented in the business plan approved by the Supervisory Board; and
- one third of the bonus is determined by reference to non-financial criteria, as laid down and assessed by the Supervisory Board. These criteria are leadership, quality of relationships with the various stakeholders of the company, sustainability and the quality of the management of specific important issues arising in a given year.

The Supervisory Board bases its assessment of these non-financial criteria on reports, personal observation, discussions with the Board of Management, discussions with third parties, and other information.

The Supervisory Board has discretionary powers to award different bonuses or not to award bonuses, independently of any financial or non-financial criteria. Any bonus payment is made after the end of the financial year to which it relates. For competitive reasons, the financial targets included in the business plan are not publicly disclosed in advance.

At the General Meeting, the Supervisory Board reports on the financial and non-financial targets that were set for the prior financial year, and the extent to which they were achieved.

With regard to 2014, the Board of Management has demonstrated skilled management of important issues for the Group, such as adapting the organisation to the strategy of the Group. In the opinion of the Supervisory Board, the members of the Board of Management have satisfied the nonfinancial criteria. However, the Board of Management members have not met the financial performance criteria that were set. Consequently, the members of the Board of Management are ineligible for a bonus for the year 2014.

Long term variable remuneration: options

The Company implemented a management option scheme which was approved during the extraordinary General Meeting on 26 October 2006. The objectives of this management option scheme are to obtain the long-term loyalty of the members of the Board of Management and to ensure that the interests of these individual members mirror those of the shareholders.

Options under this management option scheme are granted under the following two conditions: (i) the members of the Board of Management must themselves buy DRs equivalent to a minimum of 5% of the number of options granted and (ii) the members of the Board of Management must hold these DRs for at least three years after the option grant.

The authority to grant options to the members of the Board of Management is vested in the Supervisory Board. The decision whether or not options are granted to the members of the Board of Management shall be adopted annually on the date on which the Company's annual results of a given financial year are published. The Supervisory Board bases the number of options to be granted on the following criteria:

- the proven high personal significance for the Company of the member of the Board of Management in question;
- the Supervisory Board's desire to secure the loyalty of the member of the Board of Management for the longer term, in the interests of business continuity; and
- the degree to which the individual member of the Board of Management met the financial and nonfinancial criteria in the preceding financial year.

Under this management option scheme, the aggregate maximum option rights that the Supervisory Board may grant to the members of the Board of Management each year is 2% of the total number of the Company's issued share capital. The Board of Management members may exercise their option rights between three and six years from the date of the option grant.

The exercise price of the options is equal to the average closing price of the Company's shares on Euronext Amsterdam for five trading days prior to the grant of the options, including the date on which they were granted. The option exercise price and other conditions for the granted options remain unchanged throughout the term of the options.

If the conditions are not fulfilled, the options are forfeited at no value. Upon payment of the exercise price during the exercise period, members of the Board of Management may:

- acquire a depositary receipt for one Ballast Nedam N.V. share for each exercised option; and
- exercise the options by announcing that they wish to sell their depositary receipts for shares. In that case the Company will pay the relevant Board of Management member an amount for each option equal to the opening price of the Ballast Nedam N.V. share on Euronext Amsterdam on the following trading day less the exercise price and less the costs involved.

No options were granted to the members of the Board of Management for 2013, 2014 and 2015.

Pensions

Mr Van Zwieten takes part in the Company's pension fund on the same terms as other employees of the Company. The Company bears a portion of the pension financing costs, and Mr Van Zwieten bears the remaining portion. Mr Van der Noordaa does not take part in the Company's pension fund but instead receives a four-weekly contribution of 1/13th of 17 % of his annual fixed salary. This contribution concerns a gross amount, unless the contribution can be made into a pension scheme concluded by Mr Van der Noordaa personally (*derdepijlerproduct*) without any deductions being required. There is no early retirement scheme for the members of the Board of Management. Mr Düzyol does not take part in the Company's pension fund and the Company bears no costs relating to any pension scheme applicable to Mr Düzyol.

Other

The Board of Management members receive a fixed allowance. Mr Van Zwieten also receives a company car and Mr Van der Noordaa receives kilometre compensation. In other respects, the members of the Board of Management are entitled to the provisions of the applicable collective labour

agreement for the building industry (*CAO Bouwnijverheid*), including annual increments. The members of the Board of Management may avail themselves of the same schemes that apply to other employees of the Group, such as tax-efficient gym membership and use of a mobile phone or PDA.

Severance pay

Pursuant to the Supervisory Board Regulations, the Supervisory Board shall determine the amount of the severance pay for members of the Board of Management. The amount of the severance pay for these members may not exceed one year's salary, unless this would be manifestly unreasonable and unless the amount of the severance pay of an individual member is a consequence of an employment agreement entered into before the adoption of these Regulations.

On 26 February 2014 the Group announced that Mr Bruijninx would leave the Company as of 1 July 2014. Mr Bruijninx and the Company agreed that Mr Bruijninx would act as CEO until 1 July 2014. Mr Bruijninx received a severance payment of approximately €700,000 as settlement of his employment agreement, all in accordance with the applicable contractual provisions as described in the annual report of the Company.

Mr Van Zwieten was appointed to the Board of Management for a four-year period on 19 May 2011 which period was extended in 2015 for an additional four-year period. However, on 30 October 2015 the Group announced that Mr Van Zwieten would leave the Company as of 31 December 2015. Mr Van Zwieten and the Company agreed that Mr Van Zwieten would act as CFO until 31 December 2015. It has been agreed with the Company that Mr Van Zwieten will receive a severance payment of approximately €500,000 as settlement of his employment agreement, all in accordance with the applicable contractual provisions as described in the annual report of the Company.

Mr Van der Noordaa was appointed to the Board of Management for a four-year period on 27 June 2014. The notice period for a member of the Board of Management is three months and for the Company 6 months. During the first two years of the employment agreement, the notice period for Mr Van der Noordaa is six months and for the Company twelve months. Severance pay in the event of removal of Mr Van der Noordaa is equal to his fixed annual salary, unless this would be manifestly unreasonable in which case, provided that the termination occurs during the first term of his appointment, Mr Van der Noordaa shall be entitled to a severance pay equal to amount not exceeding two times his fixed annual salary. No severance pay is applicable in the event of removal of Mr Düzyol.

Claw Back

In accordance with new Dutch legislation, the supervisory board of a public limited liability company incorporated under the laws of the Netherlands, is entitled to, in retrospect: (i) adjust the amount of the bonus granted to a member of the Board of Management should the amount of the bonus be unacceptable according to principles of reasonableness and fairness or (ii) reclaim the bonus in the event the bonus was granted on the basis of incorrect information regarding the achievement of targets on which the bonus was based or regarding the circumstances subject to which the bonus was granted.

Ballast Nedam Concern Council

The division managing directors manage the three operating divisions. The Board of Management and the division managing directors jointly form the Ballast Nedam Concern Council. This council is not an official body of the Company, but forms a consultation meeting.

The Ballast Nedam Concern Council currently consists of the following members:

<u>Name</u>	<u>Position</u>	<u>Member since</u>	<u>Term</u>
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Mr E. van der Noordaa	Chairman of the Board of Management	27 June 2014	27 June 2018
Mr P. van Zwieten	Member of the Board of Management	19 May 2011	31 December 2015
Mr J. Niks	division managing director responsible for the Infrastructure division	15 May 2015	indefinite
Mr A.M. de Backker	division managing director responsible for the Building & Development division	11 January 2011	indefinite

The two division managing directors have entered into employment agreements with the Company. No severance payment arrangements have been concluded with any of these directors.

Supervisory Board

Powers, organisation and functioning

The Supervisory Board supervises the policy of the Board of Management, the general performance of the Group and its enterprise and supports the Board of Management with advice. The Supervisory Board performs its tasks mindful of the interests of the Group, the associated business and its stakeholders, including the CSR aspects relevant for the Group.

The supervision of the Board of Management by the Supervisory Board includes:

- achievement of the Group's objectives;
- corporate strategy and the risks inherent to the business activities;
- the structure and operation of the internal risk management and control systems;
- the financial reporting process; and
- compliance with the legislation and regulations.

Currently the Supervisory Board is composed of five members. All Supervisory Board members are independent within the meaning of the Code.

Supervisory Board Regulations

On 21 July 2015, the Supervisory Board adopted regulations with regard to its functioning (the "**Supervisory Board Regulations**"), as published on the Group's website.

The Supervisory Board Regulations contain additional rules on the allocation of tasks and working methods of the Supervisory Board, and on its dealings with the Board of Management, the General Meeting, and the Works Council. These rules are also posted on the Group's website.

Nomination, appointment, retirement, suspension and removal

Nomination and appointment

The Supervisory Board must consist of at least five members, who may not be (i) employed by the Company or a dependent company or (ii) a board member or employee of a worker's organisation involved in determining the terms of employment of employees of the Group or a dependent company. The members of the Supervisory Board must always be natural persons.

The General Meeting appoints the members of the Supervisory Board at the nomination of the Supervisory Board. The nomination will state the reasons on which it is based. The Supervisory Board determines a profile (*profielschets*) for its size and composition, taking into account the nature of the Group's business, its activities and the desired expertise, experience, background and independence of the members of the Supervisory Board.

The Supervisory Board simultaneously informs the General Meeting and the Works Council of the nomination. The General Meeting and the Works Council may recommend candidates to the Supervisory Board to be nominated as Supervisory Board member. The Supervisory Board shall inform them in time, when, why and in accordance with what profile a vacancy has to be filled in its midst.

With regard to one third of the total number of members of the Supervisory Board, the Supervisory Board must include a person recommended by the Works Council on the nomination list, unless the Supervisory Board objects to this recommendation because it is of the opinion that the recommended person would be unsuitable as Supervisory Board member or that the Supervisory Board would consequently not be composed properly. If the number of Supervisory Board members cannot be divided by three, the closest lower number that can be divided by three shall be taken into account in order to establish the number of members of the Supervisory Board for which the stronger right of recommendation applies.

If the Supervisory Board objects to the recommendation by the Works Council, the Supervisory Board shall notify the Works Council and state its reasons for objecting. Should this occur, the Supervisory Board shall at once consult with the Works Council in order to agree on the nomination. If the Supervisory Board finds that no agreement can be reached, a representative of the Supervisory Board appointed to this effect shall request the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the "**Enterprise Chamber**") to uphold the objections. The request shall not be filed before the lapse of a four week period after the commencement of the consultation with the Works Council. The Supervisory Board shall nominate the person recommended by the Works Council, if the Enterprise Chamber declares the objections unfounded. If the Enterprise Chamber upholds the objections, the Works Council may submit a new recommendation.

The General Meeting may reject the Supervisory Board's nomination by an absolute majority of the votes cast representing at least one third of the issued capital. If the General Meeting rejects the nomination with an absolute majority of the votes cast, but this majority does not represent at least one third of the issued capital, a new General Meeting may be convened, in which the nomination may be rejected by an absolute majority of the votes cast (regardless of the issued capital represented at this second meeting). In the event the nomination is rejected, the Supervisory Board submits a new nomination. If the General Meeting does not appoint the person nominated and does not resolve to reject the nomination, the Supervisory Board appoints the person nominated.

Retirement, suspension and removal

Each member of the Supervisory Board resigns not later than the day on which the first General Meeting is held after four years have lapsed since his or her latest appointment. The members of the Supervisory Board retire periodically in accordance with a rotation plan prepared by the Supervisory Board.

The Supervisory Board may suspend a member of the Supervisory Board. A suspension terminates by operation of law if the Company does not file a request for removal at the Enterprise Chamber (as described below) within one month after the commencement of the suspension.

The General Meeting may – by an absolute majority of the votes cast representing at least one third of the issued capital – take a vote of no-confidence (*het vertrouwen opzeggen*) in the Supervisory Board. The reasons for this vote must be stated and such a resolution shall not be passed until the Board of Management has notified the Works Council of the proposed resolution and the reasons thereof. The notification shall be made at least thirty days before the General Meeting is held at which the proposal is discussed. If the Works Council defines a position on the proposal, the Board of Management shall inform the Supervisory Board and the General Meeting accordingly. The Works council may explain its position in the General Meeting. A vote of no-confidence by the General Meeting results in the immediate removal of all members of the Supervisory Board, in which case the Board of Management is required to request the Enterprise Chamber to temporarily appoint one or more members of the Supervisory Board.

The Enterprise Chamber may, on request, remove a Supervisory Board member for dereliction of duty, for other important reasons or on account of a major change of circumstances on which ground the relevant person cannot reasonably continue to be a member of the Supervisory Board. This request may be submitted by the Company, represented in this case by the Supervisory Board or by a duly designated representative of the General Meeting or of the Works Council appointed to this effect.

Terms

Pursuant to the Supervisory Board Regulations, members of the Supervisory Board serve in the Supervisory Board for no longer than four years after which they are eligible for reappointment. In total a Supervisory Board member may sit on the Supervisory Board for a maximum of twelve years. The Supervisory Board may deviate from the maximum periods of four and twelve years pursuant to a resolution of the General Meeting.

Qualifications

Similar to the gender diversity rules for the composition of the Board of Management described above, Dutch legislation that took effect on 1 January 2013 requires Large Companies to pursue a policy of having at least 30% of the seats on the supervisory board be held by men and at least 30% of the seats on the supervisory board be held by women. This rule also applies to the Company because it qualifies as a Large Company. Pursuant to this new legislation, the Company will be required to take this allocation of seats into account in connection with the following actions: (i) the (nomination for the) appointment of members of the Supervisory Board; (ii) drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, the appointment, the recommendation and the nomination for appointment of members of the supervisory board; and (iii) drafting a profile for the members of the Supervisory Board. In addition, if the Company does not comply with the gender diversity rules, it is required to explain in the annual report (i) why the seats are not allocated in accordance with this ratio, (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future. Currently two out of five members are women. Hence the Company complies with this provision.

Similar to the rules for the composition of the board of management described above pursuant newly adopted Dutch legislation that took effect on 1 January 2013 restrictions apply as to the overall number of board of management positions and supervisory board positions that a member of the supervisory board of a Dutch public limited liability company may hold. This rule also applies to the Company. Pursuant to this new legislation, a person may not be a member of the supervisory board if he or she holds more than five supervisory positions with Large Companies. Acting as a chairman of

the supervisory board or a supervisory body established by the articles of association or, in case of a one-tier board, chairman of the board of management, of a Large Company will count twice. The term 'supervisory position' refers to the position of supervisory director, non-executive director in case of a one-tier board or member of a supervisory body established by the articles of association. The new legislation does not apply to members of the supervisory board who were appointed prior to 1 January 2013. One of the five current Supervisory Board members was appointed prior to 1 January 2013 and the applicable restrictions were taken into account with the appointment of Mrs C.M. Insinger in 2013 and Mrs Ilicak Kayaalp, Mr Avni Akvardar and Mr Baki in 2015. An appointment in violation of these restrictions will result in that last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making.

Supervisory Board meetings and decisions

The Supervisory Board meets at least five times a year and, in addition, as often as one or more of its members deems necessary. Unless the Supervisory Board decides otherwise, its meetings shall be attended by one or more members of the Board of Management, except for meetings in which e.g. the assessment of the performance of the Board of Management and its individual members is discussed.

The Supervisory Board elects a chairman, and optionally a vice-chairman, from their midst.

Pursuant to the Supervisory Board Regulations, resolutions are validly passed in meetings if a majority of the Supervisory Board members are represented; members having a conflict of interest are not counted in the calculation of this quorum. The Supervisory Board strives to base its decision-making on consensus. However, if consensus cannot be reached, the resolutions shall be postponed until a subsequent meeting. In the event consensus cannot be reached in this subsequent meeting either – or if postponement of the resolutions is not possible or desirable – the resolutions shall be passed by an absolute majority vote. If there is a tie vote, the proposal shall be deemed to have been rejected.

The Supervisory Board may also adopt resolutions outside a meeting, provided that the proposal concerned has been submitted to all the members of the Supervisory Board and none of them has opposed this manner of decision-making. Resolutions adopted outside a meeting are mentioned in the minutes of the next meeting.

Conflict of interest

Three Supervisory Board members have been nominated by Renaissance Infrastructure and hold positions within the corporate group of Renaissance. However, pursuant to the Articles, a Supervisory Board member shall not participate in the deliberation and adoption of resolutions on a subject or transaction in relation to which the Supervisory Board member has a direct or indirect personal interest which conflicts with the interests of the Group and its business enterprise. If in such an event a resolution cannot be adopted by the Supervisory Board, the resolution shall be adopted by the General Meeting. We are not aware of any other circumstance that may lead to a potential conflict of interest between the private interests or other duties of members of the Supervisory Board vis-à-vis the interests of the Group.

Members of the Supervisory Board

The composition of the Supervisory Board is currently as follows:

Name	Position	Member since	Term
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Mrs I. Ilicak Kayaalp	Chairperson	20 November 2015	20 November 2019*
Mr H. Avni Akvardar	Vice-chairperson	20 November 2015	20 November 2019*
Mr E. Baki	Member	20 November 2015	20 November 2019*
Mr L.W.A.M. van Doorne	Member	16 May 2012	16 May 2016
Mrs C.M. Insinger	Member	16 May 2013	16 May 2017

** strictly until the first general meeting held in the fourth year following appointment.*

Mrs I. Ilicak Kayaalp

Mrs Ilicak graduated from the Economics Department of the Middle East Technical University in 2000. She worked in the field of asset management and finance at various international companies until 2006. Ipek Ilicak has been the Executive Board member of Rönesans Holding and the Head of Treasury of Rönesans since 2006. As of 2014, she is the Chairwoman of the Board of Directors of Rönesans Holding. Ipek Ilicak is a member of TÜSİAD (Turkish Industry & Business Association), Kançoder (Association for Children with Cancer) and Rönesans Education Foundation. Mrs Ilicak was first appointed to the Supervisory Board in 2015. Her current term of office expires upon the first general meeting held after four years have lapsed since his appointment.

Mr H. Avni Akvardar

Mr Akvardar graduated from the Civil Engineering Department of the Middle East Technical University in 1989. Upon joining Rönesans Holding in 1989, Avni Akvardar worked as the Director General for Renaissance Construction Russia from 1997 to 2000, and then as the Vice President of Renaissance Construction Russia from 2000 to 2009. Avni Akvardar has been the President of Renaissance Construction since 2010. Mr Akvardar was first appointed to the Supervisory Board in 2015. His current term of office expires upon the first general meeting held after four years have lapsed since his appointment.

Mr E. Baki

Mr Baki graduated from the Business Administration Department of the Middle East Technical University in 1997. Starting his career the same year, he occupied different positions including the position of Manager of the Ankara Office of the Independent Auditing Department at PricewaterhouseCoopers from 1997 to 2006. Emre Baki joined Rönesans Holding in 2006 and is now Head of the Group responsible for Financial Affairs (CFO) at Rönesans Holding. Mr Baki was first appointed to the Supervisory Board in 2015. His current term of office expires upon the first general meeting held after four years have lapsed since his appointment.

Mr L.W.A.M. van Doorne

Mr Van Doorne was born in 1959 and is a Dutch national. He is CEO and major shareholder of Optics Innovation Group B.V. and managing director of Pallieter RENEFF B.V. Mr Van Doorne is also chairman of the supervisory board of Pallieter Group B.V. and a member of the supervisory board of Diana Capital SGEER SA, CityFibre Holdings Ltd. and Shanxi Guangyu LED Lighting Co., Ltd. He is also member of the board of the Muziekgebouw Eindhoven Fund and the Thomas van Villanova Foundation and member of the supervisory board of Verder International B.V., Eindhoven Marketing Foundation and Vrienden van het Hart Z.O. Brabant Foundation. Mr Van Doorne was first appointed to the Supervisory Board in 2012. His current term of office expires on 16 May 2016.

Mrs C.M. Insinger

Mrs Insinger was born in 1965 and is a Dutch national. Mrs Insinger is independent interim manager and advisor. Mrs Insinger is a member of the supervisory board of SNS Reaal N.V. Furthermore, she is the supervisory counsel of Rijnland Zorggroep and Luchtverkeersleiding Nederland. She is also a member of the strategic audit committee of the Dutch Ministry of Foreign Affairs. Mrs Insinger was appointed to the Supervisory Board in 2013. Her current term of office ends on 16 May 2017.

Shareholding information

On the date of this prospectus, none of the members of the Supervisory Board holds any Ordinary Shares, DRs or options.

Committees

The Supervisory Board has formed the Audit Committee, a remuneration committee (the "**Remuneration Committee**") and a selection and appointment committee (the "**Selection and Appointment Committee**"). Each within their field of responsibilities, these committees prepare Supervisory Board decision-making and advise the Supervisory Board. The responsibilities and working methods of these committees are laid down in regulations that are published on the Group's website.

Audit Committee

The Audit Committee is charged with supervising the Board of Management with respect to, amongst others: (i) the operation of the internal risk management and control systems of the Group; (ii) the provision of financial information by the Group; (iii) the Group's fiscal policy; (iv) the financing of the Group; and (v) compliance within the Group. Furthermore, the Audit Committee advises the Supervisory Board on the nomination of the external auditor to be appointed by the General Meeting and discusses and assesses with the Board of Management the general financial strategy and procedures of the Group.

The Audit Committee meets as often as required to ensure its proper functioning, but at least five times per year. The Audit Committee reports its findings and recommendations to the Supervisory Board.

The Audit Committee must consist of at least two members, who are all members of the Supervisory Board. All members of the Audit Committee must be independent. The Supervisory Board appoints one of the members of the Audit Committee as chairman.

Currently, the Audit Committee consists of the following two members:

- Mr H. Avni Akvardar (chairman); and
- Mrs C.M. Insinger.

Remuneration Committee

The Supervisory Board established the Remuneration Committee in 2012. The Remuneration Committee focuses on the structure and size of the remuneration of the Board of Management members and makes proposals to the Supervisory Board in this respect. Furthermore, the Remuneration Committee makes proposals for the remuneration of the individual members of the Supervisory Board, to be approved by the General Meeting. The Remuneration Committee also prepares a remuneration report on the execution of the remuneration policy, to be approved by the

Supervisory Board.

The Remuneration Committee must consist of two members of the Supervisory Board. The members of the Remuneration Committee must be independent. Neither the chairman of the Supervisory Board, nor one or more (previous) members of the Board of Management, nor one or more members of a board of management of another company listed at a stock exchange, is entitled to be chairman of the Remuneration Committee at the same time. Additionally, none of the committee members (with the exception of maximally one individual member) is entitled to be a member of the board of management of another Dutch company listed at a stock exchange at the same time. With due observance of these restrictions, the Supervisory Board appoints one of its members of the Remuneration Committee as its chairman.

Currently, the Remuneration Committee consists of the following two members:

- Mr L.W.A.M. van Doorne (chairman); and
- Mrs I. Ilicak Kayaalp.

Selection and Appointment Committee

The Supervisory Board formed a Selection and Appointment Committee in 2012. The Selection and Appointment Committee supports and advises the Supervisory Board in relation to the selection criteria and appointment procedures for members of both the Supervisory Board and the Board of Management. Furthermore, the Selection and Appointment Committee assesses, at least once a year, (i) the composition of the Supervisory Board and the Board of Management and (ii) the performance of the individual members of the Supervisory Board and the Board of Management. The Selection and Appointment Committee also makes proposals for the (re)appointment of members of the Supervisory Board and the Board of Management and monitors the execution of the policy set out by the Board of Management regarding the selection criteria and the appointment procedures for senior management. The Selection and Appointment Committee reports annually to the Supervisory Board.

The Selection and Appointment Committee must consist of at least two members of the Supervisory Board. The members of Selection and Appointment Committee must be independent. Neither the chairman of the Supervisory Board, nor one or more (previous) members of the Board of Management, nor one or more members of a board of management of another company listed at a stock exchange, is entitled to be chairman of the Selection and Appointment Committee at the same time. Additionally, none of the committee members (with the exception of maximally one individual member) is entitled to be a member of the board of management of another Dutch company listed at a stock exchange at the same time. With due observance of these restrictions, the Supervisory Board appoints one of its members of the Selection and Appointment Committee as its chairman.

Currently, the Selection and Appointment Committee consists of the following two members:

- Mr H. Avni Akvardar (chairman); and
- Mrs I. Ilicak Kayaalp.

Remuneration Supervisory Board

Pursuant to the Articles, the General Meeting determines the remuneration of the members of the Supervisory Board. The remuneration does not depend on the Group's results.

The Supervisory Board members receive a fixed fee that is independent of the Group's performance. The General Meeting set the remuneration of the Supervisory Board in 2005. As of 1 January 2015,

the annual fees for members of the Supervisory Board are as follows:

<u>Name</u>	<u>Remuneration 2016</u>	<u>Remuneration 2015</u>
Mrs I. Ilicak Kayaalp	€45,000	n/a
Mr H. Avni Akvardar	€30,000	n/a
Mr E. Baki	€30,000	n/a
Mr L.W.A.M. van Doorne	€30,000	€45,000
Mrs C.M. Insinger	€30,000	€30,000

The members of the Supervisory Board also receive an allowance for expenses incurred during the performance of their duties.

Apart from the remuneration of the Supervisory Board members, the members of the Audit Committee receive an additional annual remuneration of €5,000.

Indemnification and insurance

Under Dutch law, the members of the Board of Management and the Supervisory Board may be liable to the Company for damages in the event of improper or negligent performance of their duties. They may be held jointly and severally liable for damages to the Company and to third parties for infringement of the Articles or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The liability of the members of the Board of Management and the Supervisory Board has been covered by directors' and officers' liability insurance. These policies contain limitations and exclusions, such as wilful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

Corporate governance

On 9 December 2003, a committee commissioned by the Dutch government (the *Commissie Tabaksblat*) published the Corporate Governance Code. The provisions of the Code took effect on 1 January 2005 and apply to annual reports for financial years starting on or after 1 January 2004. In December 2008, the Monitoring Committee adopted an amended Code which entered into force on 1 January 2009.

The Code applies to all companies listed on Euronext Amsterdam and therefore applies to the Company. The Code contains a number of principles and best practice provisions for listed companies in respect of their boards of management, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards and uses a "comply or explain" approach. Dutch listed companies are under the obligation to discuss compliance with the Code in their annual report. If a company deviates from a best practice provision in the Code, this deviation must be properly explained.

The Company endorses the principles of the Code and adheres to almost all provisions and best practices of the Code. The Company currently deviates from only a few provisions and has appropriately motivated such deviations.

On 10 May 2006, the General Meeting approved the Company's corporate governance policy and structure. Neither the Company's corporate governance structure nor compliance with the Code has changed substantially in the meantime. The corporate governance structure and corporate governance policy are on the agenda of every General Meeting.

The Company does not fully comply with the following best practice provisions of the Code:

- best practice provision III.2.1: the Company does not comply with best practice provision III.2.1, which provides that all Supervisory Board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2. At the date of this Prospectus, three out of five Supervisory Board members are not independent, because they are affiliated with the Renaissance Group.
- best practice provision III.4 and best practice provision III.4.3: In 2014, Ballast Nedam amended the Articles to enable the Supervisory Board to appoint its own secretary who may or not be a current employee of the Company. The separation of the roles of Company secretary and secretary of the Supervisory Board prevents unwanted exchanges of information between both boards and stresses the different roles of the Board of Management on the one hand and the Supervisory Board on the other.
- best practice provision IV.3.1: it is not possible for shareholders to follow analyst meetings, analyst presentations, presentations to institutional and other investors and press conferences simultaneously through webcasting, telephone, or by other means. The Company has no plans to introduce these facilities in the near future since it considers that the costs involved outweigh the benefits.

Other information regarding the Board of Management, the Ballast Nedam Concern Council and the Supervisory Board

At the date of the Prospectus, no member of the Board of Management, the Ballast Nedam Concern Council and the Supervisory Board has in the previous five years (i) been convicted of any offences relating to fraud, (ii) held an executive function at any company at the time of or immediately preceding any bankruptcy, receivership or liquidation, (iii) been subject to any official public sanction by any statutory or regulatory authority (including any designated professional body) or (iv) been the subject of any official public incrimination or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Mrs I. Ilicak Kayaalp, Mr H. Avni Akvardar and Mr E. Baki have been nominated as members of the Supervisory Board by Renaissance Infrastructure, a major DR Holder, and hold positions within the corporate group of Renaissance. We are not aware of any other arrangements or understandings in place with major Shareholders or DR Holders, customers, suppliers or others, pursuant to which any member of the Board of Management, the Ballast Nedam Concern Council or the Supervisory Board was selected as such member.

MAJOR DR HOLDERS AND RELATED PARTY TRANSACTIONS

Major DR Holders

The register of the Financial Supervision Act maintained by the AFM, identifies several investors as holding a significant interest (*substantiële deelneming*) in the Company as per the date of this Prospectus. The following table sets out the name of each DR Holder, who, as far as the Company is aware of, has a significant direct or indirect interest in the Company's share capital.

DR Holder	% of share capital	Number of votes
Renaissance Infrastructure B.V.....	79.86 %	15,705,550
G.M. Fegel.....	3.09%	608,094

Except as disclosed above, the Company is not aware of any person who, on the date of this Prospectus, directly or indirectly, has a beneficial interest of 3% or more in the Company's share capital.

The Company's major DR Holders as set out in the table above do not have other voting rights than other DR Holders, except for Ballast Nedam which cannot vote on the DRs it holds in treasury. As stated in "*Business Description – Group structure*", Renaissance Infrastructure has effective control of the Company. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

Related party transactions

This paragraph will provide an overview of the different types of related party transactions as per the date of this Prospectus.

The Company's related parties are the members of the Board of Management and Supervisory Board, its subsidiaries, associates, joint ventures, the Stichting Pensioenfonds Ballast Nedam, the directors and senior officials of these entities and individuals and legal entities holding 10% or more of the Ordinary Shares. In 2013 a termination agreement was concluded between a former member of the Board of Management and the Company. Otherwise, no transactions took place in 2014 and 2015 that involved any conflict of interest on the part of members of the Board of Management, Supervisory Board Members, or natural or legal persons holding at least 10% of the Ordinary Shares. The above refers to transactions of material significance for the Company or the person or entity in question.

The arrangements in the Merger Agreement, Underwriting and Placing Agreement and the Private Placement qualify as related party transactions. The Private Placement involves Placing DRs being issued to Renaissance Infrastructure which holds a controlling interest in the Company.

The Company is involved in a number of operating activities that are executed in cooperation with subsidiaries or associated companies, for example in joint ventures.

Furthermore, the bank guarantees and parent company guarantees issued by the Company on behalf of its subsidiaries, associated companies and joint ventures qualify as related party transactions. In addition, the Company issued bank guarantees on behalf of subsidiaries.

These bank guarantees relate to the execution of projects for customers and to future investment obligations.

The main task of the Ballast Nedam Pension Fund is to implement the pension scheme for Ballast Nedam employees. The Ballast Nedam Pension Fund uses the services of employees of the Group Companies. The actual costs are charged on.

The Company buys and sells goods and services from and to various related parties in which the Company holds an interest of 50% or less, or with natural or legal persons holding at least 10% of the Ordinary Shares. All these transactions are executed at arm's length, in a comparable manner as for transactions with third parties.

With the exception of their respective remuneration, the termination agreement with Mr Bruijninx (see "*Management, Employees and Corporate Governance*") and the termination agreement with Mr Van Zwieten (see "*Management, employees and corporate governance*"), the Company has no knowledge of any transactions with the members of the Board of Management and Supervisory Board that took place in 2014 or 2015.

DESCRIPTION OF SHARE CAPITAL

Set out below is a summary of the relevant information concerning the Ordinary Shares and the DRs and a brief summary of the Articles and certain provisions of Dutch corporate law.

This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the Articles or with Dutch law, as the case may be. The full text of the Articles is incorporated in this Prospectus by reference and is available at the Group's website (see "*General Information*").

General

Ballast Nedam N.V. is a public limited liability (*naamloze vennootschap*) organised and existing under Dutch law, incorporated by a notarial deed dated 24 December 1987. The Company has its corporate seat in Nieuwegein, the Netherlands and its registered address at Ringwade 71, 3439 LM Nieuwegein, the Netherlands. The Company is registered with the Trade Register of the Chamber of Commerce (*Kamer van Koophandel*) (the "**Chamber of Commerce**") under number 33201106. The telephone number of the Company is +31 (0)30 285 3333.

Corporate objects

Pursuant to the Articles, the Company's corporate objects are, amongst others, to acquire, control, and alienate assets, to participate, manage and have any other interest in companies and enterprises in the field of civil engineering, building and related works, to design such works, to guide the execution, to maintain and see to the operation thereof, to carry out related trading and industrial activities, as well as to render all sorts of financial services on behalf of the Company and/or its Group Companies and finally to bind itself with respect to debts of Group Companies, all this in the broadest sense.

Share capital

As at the date of this Prospectus, the Company's authorised share capital amounts to €45,000,000 divided into 45,000,000 Ordinary Shares, each with a nominal value of €1.00. The Company's issued share capital amounts to €19,667,500 divided into 19,667,500 Ordinary Shares, each with a nominal value of €1.00, of which 19,335,000 are outstanding.

On 30 October 2015, the General Meeting approved a proposed amendment to the Articles by which, among other things, the nominal value of each Ordinary Share will be reduced from €1.00 to €0.01. It is expected that on or before the Settlement Date, the nominal value of each Ordinary Share will be reduced from €1.00 to €0.01 and that the authorised share capital of the Company will be amended in order to enable the Company to complete the Rights Offering and Private Placement.

The Ballast Nedam Administration Office (*Stichting Administratiekantoor van Aandelen Ballast Nedam*) issues DRs and administers the underlying Ordinary Shares. The DRs are fully exchangeable. At year-end 2014, DRs had been issued for 99.72% of the issued capital. The Company has repurchased 332,500 DRs in order to cover the liabilities arising from the current management option scheme.

The DRs are listed on Euronext Amsterdam under the symbol "BALNE". The Company has been included in Euronext's Amsterdam Small Cap Index (AScX) since 2006.

The Ballast Nedam Administration Office

General

The Ballast Nedam Administration Office was established on 26 April 1994 under the laws of the Netherlands. The Ballast Nedam Administration Office is a foundation (*stichting*) and has its statutory seat in Nieuwegein, the Netherlands, with its business address at Ringwade 71, 3439 LM Nieuwegein, the Netherlands and is registered with the Trade register of the Chamber of Commerce under number 41213781.

Pursuant to article 2 of the articles of association of the Ballast Nedam Administration Office, its objects and purposes include the issue of DRs, the administration of the Ordinary Shares for which DRs have been issued and the exercise of the voting and other rights attached to such Ordinary Shares.

In exercising the rights attached to the Ordinary Shares, the Ballast Nedam Administration Office is primarily focused on the interest of the DR Holders, while taking into account the interests of the Company, its affiliates and all other parties involved.

The board of the Ballast Nedam Administration Office consists of:

- Mr P.C. van der Linden;
- Mr W.F.C. Baars; and
- Mr L.H. Keijts.

The Ballast Nedam Administration Office has appointed SGG Netherlands N.V. in Amsterdam as the trust office of the Ballast Nedam Administration Office for the performance of customary administrative tasks relating to the Ordinary Shares and the DRs.

The Company has notified the management board of the Ballast Nedam Administration Office of its intention to terminate the administration and on 29 June 2015, the General Meeting has approved the relevant amendment of the Company's Articles to enable such termination. The Company and the board of the Ballast Nedam Administration Office have expressed the intention to formally resolve to terminate the administration shortly after the closing of the Transaction and to subsequently effectuate this termination.

Rights of DR Holders

DR Holders or their proxy holders have the right to personally attend any General Meeting, subject to informing the Company thereof in writing at the latest on the date and at the place referred to in the notice convening the meeting.

The voting rights attached to the Ordinary Shares – one vote per Ordinary Share – rest with the Ballast Nedam Administration Office, but the Ballast Nedam Administration Office will provide DR Holders who intend to vote at the General Meeting an unconditional proxy to exercise their respective votes at the General Meeting, or to grant voting instructions prior to the General Meeting, at their request.

DR holders have the option to convert DRs into Ordinary Shares. This option has not been exercised in the past three years. DR holders can reclaim an amount of Ordinary Shares of equal nominal value by cancelling the DRs. The conversion of DRs into Ordinary Shares will be effected as soon as possible, subject to the cancellation, by transferring the Ordinary Shares under a deed of transfer drawn up for that purpose and registering such transfer in the share register of the Company (the "**Share Register**").

DR Holders are entitled to dividends. The Ballast Nedam Administration Office will collect all

dividends and all other distributions made on the Ordinary Shares registered in its name from the Company and, will promptly make available for payment a corresponding dividend or distribution on the DRs.

In the event new Ordinary Shares are issued, the Ballast Nedam Administration Office grants DR Holders a pre-emptive right to the issue of DRs in conformity with the pre-emptive right granted to holders of Ordinary Shares.

Share Register and DR Register

The Ordinary Shares are registered in the Share Register and numbered consecutively. Share certificates will not be issued.

The Board of Management keeps the Share Register and ensures that it is kept up to date. The Share Register records the names and addresses of the Shareholders, the amount paid up on each Ordinary Share, the date on which the Ordinary Shares were acquired, as well as the date of acknowledgement or notification. The Share Register also includes the names and addresses of those persons with a right of usufruct or a right of pledge on those Ordinary Shares. In the event an Ordinary Share is part of a collective depot (*verzameldepot*) or a giro depot (*girodepot*), the Company will enter the Ordinary Share in the Share Register in the name of the central institute or the affiliated institution, as the case may be, and will record the name and address of the central institute or the affiliated institution, the date on which the relevant Ordinary Shares became part of a collective depot (*verzameldepot*) or a giro depot (*giro depot*), as well as the date of giving notice to the Company.

The DRs are registered in the DR register, which is kept by the Ballast Nedam Administration Office (the "**DR Register**"). The DR Register includes the names and addresses of the holders of DRs.

Issue of shares

Ordinary Shares are issued pursuant to a resolution of the General Meeting, or the Board of Management if designated thereto by the General Meeting and with the approval of the Supervisory Board. In the event the Board of Management has been authorised to issue shares, the General Meeting may, as long as such authorisation is valid, no longer resolve upon further issuance, unless otherwise provided upon delegation of authority.

The General Meeting or the Board of Management, as the case may be, determines the price and the other conditions of issuance, with due observance of the provisions of the Articles. Such a resolution by the Board of Management is subject to the prior approval of the Supervisory Board.

If the Board of Management is designated as competent to resolve on the further issuance of shares, the number and class of shares must be specified in such designation. The duration of such designation, which may not exceed five years, must also be stipulated in the designation. This designation may be extended, from time to time, for periods not exceeding five years. Unless provided for otherwise upon the delegation of authority, the designation may not be withdrawn.

The provisions of the Articles in respect of the issuance of shares as described above also apply to the granting of rights to subscribe for shares, but do not apply to the issuance of shares to an individual who is exercising a previously acquired right to take shares.

Ordinary Shares cannot be issued below par – without prejudice to the provisions of article 2:80(2) Dutch Civil Code – and at least the nominal amount must be paid up. Should a share be taken for a higher amount, then the difference between the nominal amount and such higher amount must be paid up on the shares. Payment must be made in cash insofar no other form of contribution has been agreed upon (without prejudice to the provisions of article 2:80b Dutch Civil Code).

On 30 October 2015, the General Meeting has authorised the Board of Management for a period of nine months as from 30 October 2015 to resolve on the issuance of the Ordinary Shares underlying the Offer DRs.

Pre-emptive rights

Each Shareholder has a pre-emptive right to any issue of shares, proportional to the aggregate amount of his shares. No pre-emptive right exists in respect of an issue of shares for a consideration other than in cash.

The General Meeting – or the Board of Management if designated thereto by the General Meeting and with the approval of the Supervisory Board – may resolve on the manner and time-frame within which the pre-emptive right may be exercised.

The share issue that is subject to pre-emptive rights and the period during which these rights may be exercised, shall be announced in the manner as stated in the Articles. The pre-emptive rights may be exercised during a period of at least two weeks following the day of the announcement.

The General Meeting may resolve to limit or exclude the pre-emptive rights. Such resolution requires a majority of at least two thirds of the votes cast if less than half of the issued capital is represented at the meeting. In the event half or more of the issued share capital is represented, the resolution is adopted with an absolute majority of the votes cast.

The Board of Management also has the authority to resolve on the limitation or exclusion of the pre-emptive rights, provided that the Board of Management (i) is also authorised to resolve on the issue of shares and (ii) has been designated by the General Meeting to resolve on such matter for a specific period of no more than five years. This designation by the General Meeting may be extended, from time to time, for no longer than five years at a time and only applies alongside the issue of shares to which the Board of Management has competently resolved. A resolution of the Board of Management to limit or exclude pre-emptive rights is subject to the approval of the Supervisory Board.

The above shall also apply to the granting of rights to subscribe for shares. However, Shareholders do not have a pre-emptive right towards shares issued to a person exercising a previously acquired right to take shares.

On 30 October 2015, the General Meeting authorised the Board of Management, subject to the approval of the Supervisory Board, to limit or exclude pre-emptive rights (*wettelijke voorkeursrechten*) for a period of nine months as from 30 October 2015 in connection with the Rights Offering and the Private Placement.

Repurchase of shares

Upon an issue of shares, the Company may not take shares.

The Company may acquire fully paid up Ordinary Shares or DRs for no consideration (*om niet*) or if (i) the distributable part of the Shareholders' equity is at least equal to the purchase price and (ii) the nominal value of the shares or DRs which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the Company's issued share capital.

The Board of Management requires the prior authorisation of the Supervisory Board and the General Meeting to acquire shares for consideration. This authorisation from the General Meeting to acquire shares must specify the number and class of shares that may be acquired, the manner in which shares may be acquired and the price range within which shares may be acquired. Such authorisation will be valid for no more than eighteen months. On 29 June 2015, the Board of Management has been

authorised to repurchase for valuable consideration, on the stock exchange or otherwise, fully paid-up shares or depositary receipts for shares in the company up to the maximum of 10% of the issued capital. The authorisation shall be valid until 29 December 2016.

The validity of any such acquisition shall be determined on the basis of the Shareholders' equity according to the last-adopted balance sheet, less the acquisition price for the shares, the amount of loans as referred to in article 2:98c Dutch Civil Code and distributions from profits or reserves to others that have become payable by the Company and its subsidiaries since the balance sheet date.

The Company may not acquire shares or DRs in the event that more than six months have lapsed since the commencement of the financial year without the Annual Accounts having been adopted.

The Board of Management may, subject to the approval of the Supervisory Board, resolve to dispose of shares acquired by the Company.

Shares held by the Company shall not entitle the Company to any distribution in respect of such shares. For the calculation of the amount of profit to be distributed on each share, the shares held by the Company shall not be included, unless a usufruct (*vruchtgebruik*) has been created on these shares or DRs have been issued with the cooperation of the Company.

The Company or any of its subsidiaries cannot cast votes for shares belonging to the Company or for shares for which the Company or a subsidiary holds DRs. Usufructuaries (*vruchtgebruikers*) of shares belonging to the Company or any of its subsidiaries do, however, retain their voting rights if the usufruct was established before the share belonged to the Company or its subsidiary.

When determining to what extent a certain part of the share capital is represented, shares which are not entitled to voting rights by law are not taken into account.

Capital reduction

The General Meeting may, but only at the proposal of the Board of Management, resolve to reduce the issued share capital by cancelling shares or by reducing the nominal amount of the shares by amending the Articles. A resolution of the General Meeting to reduce the issued share capital must designate the shares to which the resolution relates and provide for the implementation of the resolution. A resolution to cancel shares can only relate to shares which are held by the Company or for which it holds DRs. Any (i) reduction of the amount of shares without repayment of capital and without release from the obligation to pay up and (ii) any partial repayment of capital or release from the obligation to pay up, shall be made *pro rata* to all shares concerned. The *pro rata* requirement may be deviated from if all concerned Shareholders consent.

The General Meeting may only take a decision to reduce the capital with a majority of at least two thirds of the votes cast if less than half the issued capital is represented. The convocation of a meeting in which a resolution to reduce the issued capital of the Company is to be passed, must state the purpose of the capital reduction and the manner of execution.

A resolution to reduce the capital cannot enter into force as long as creditors of the Company may oppose this capital reduction in accordance with the relevant Dutch law provisions.

On 29 June 2015 it was resolved to reduce the capital of the Company by reducing the nominal amount of the Ordinary Shares from €1.00 to €0.01 by amending the Articles. The creditor opposition period in connection with this capital reduction ended on 30 July 2015, and the Midden-Nederland District Court confirmed on 2 September 2015 that no creditors had objected. On 30 October 2015, the General Meeting resolved to confirm that this capital reduction can be implemented to facilitate the Transaction.

Transfer of shares and transfer restrictions

The transfer of shares or the transfer of limited rights thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter is not required in the event the Company is a party to such deed of transfer.

General Meeting

The annual general meeting shall be held within six months following the end of each financial year to discuss the annual report of the Board of Management with respect to the general state of affairs and the auditors' report, consider and adopt the Annual Accounts, determine the profit allocation, discuss the dividend policy and grant discharge to members of the Board of Management and to members of the Supervisory Board. Other General Meetings can be held whenever the Board of Management or the Supervisory Board deem desirable.

General Meetings are held in the municipality of Nieuwegein, Amsterdam or Utrecht. General Meetings must be convened by the Supervisory Board or the Board of Management. In addition, pursuant to the Articles, if one or more DR Holders and/or holders of Ordinary Shares, who jointly represent at least one tenth of the issued capital, has or have requested the Board of Management and the Supervisory Board in writing to call and convene a General Meeting, at the same time specifying the items of business to be discussed at such General Meeting, and neither the Board of Management, nor the Supervisory Board – equally competent to that end in this case – has complied with such request in such a way that the General Meeting can be held within eight weeks of such request, the requesting DR Holders or holders of Ordinary Shares shall be authorised to call such meeting themselves.

The notice convening a General Meeting shall be given no later than the forty-second day before the date of the General Meeting in accordance with the legislation and regulations applicable to the Company. The notice convening a General Meeting must include, amongst others, an agenda indicating the items for discussion, the location and the time of the meeting and any proposals for the agenda. Shareholders holding at least 3% of the issued and outstanding share capital may request that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Board of Management at least sixty days prior to the day of the General Meeting.

Each holder of Ordinary Shares is entitled to attend the General Meeting, to address the meeting and, to exercise voting rights, either in person or by proxy, provided that the holder of Ordinary Shares has communicated in writing its intention to attend the meeting no later than twenty-eight days prior to the date of the General Meeting.

Each DR Holder is entitled to attend the General Meeting, to address the meeting and, to exercise voting rights, either in person or by proxy, provided that the DR Holder has communicated in writing its intention to attend the meeting no later than a number of days prior to the date of the General Meeting to be determined by the Company, which number is typically around seven days, and has been granted a power of attorney thereto by the Ballast Nedam Administration Office.

Members of the Board of Management and of the Supervisory Board have the right to attend General Meetings and in these meetings they have an advisory vote.

Each Ordinary Share or DR confers the right to cast one vote at the General Meeting. The Ballast Nedam Administration Office (*Stichting Administratiekantoor van Aandelen Ballast Nedam*) will provide DR Holders who intend to vote at the General Meeting an unconditional proxy to exercise their respective votes at their request.

Resolutions of the General Meeting are passed by an absolute majority of the votes cast, except where a larger majority is prescribed by law or in the Articles.

Annual Accounts and other financial reports

The Company's financial year coincides with the calendar year. Annually, within four months after the end of the financial year, the Board of Management must draw up the Annual Accounts. The Annual Accounts must be accompanied by an independent auditor's report, an annual report and certain other information required under Dutch law. The Board of Management must make these documents generally available for inspection by the Shareholders at the offices of the Company and in Amsterdam as from the day of the notice convening the General Meeting.

The Annual Accounts must be signed by all members of the Board of Management and the Supervisory Board. If a member has not signed the Annual Accounts, the reason for the missing signature must be indicated. The Annual Accounts are adopted by the General Meeting.

Within two months after the end of the first half of the financial year, the Board of Management must prepare a semi-annual financial statement and make it publicly available. If the semi-annual financial reporting is audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial reporting.

During a period between ten weeks after the start and six weeks before the end of each half of the financial year the Board of Management must prepare an interim statement and make it publicly available. The interim statement includes an explanation of the important events and transactions that took place during the period between the start of the relevant half of the financial year and publication of the interim statement and the consequences for the financial position of the Company. The interim statement also includes a general description of the financial position and the performance of the Company during that period. The Company is obliged to publish the annual, semi-annual and quarterly statements and comply with other reporting obligations, including those resulting from the listing of the shares on Euronext Amsterdam, in accordance with relevant Dutch law.

Amendments of the Articles

The General Meeting may only resolve to amend the Articles pursuant to a proposal of the Board of Management approved by the Supervisory Board and with an absolute majority of the votes cast. In all other cases a majority of the votes representing at least 70% of the issued capital is required in order for the General Meeting to resolve to amend the Articles.

Dissolution and liquidation

The General Meeting may only resolve to dissolve the Company with a majority of the votes representing at least 75% of the issued capital, unless the proposal thereto has been made by the Board of Management with the approval of the Supervisory Board. In the latter case, such decision may be taken with an absolute majority of the votes cast.

In the event of the dissolution of the Company pursuant to a resolution of the General Meeting, the members of the Board of Management shall be charged with the liquidation of the business of the Company and the Supervisory Board with the supervision thereof. The liquidation shall occur in accordance with the statutory provisions. During the liquidation, the provisions of the Articles will remain in effect as much as possible.

The balance of the Company's assets remaining after payment of all debts and the costs of liquidation shall be distributed to the Shareholders in proportion to the aggregate amount of the shares each of them holds.

Rules governing obligations of shareholders to make a public bid

The European Directive 2004/25/EC of 21 April 2004, relating to public takeover bids has been implemented in the Financial Supervision Act. A shareholder who, individually or acting in concert with others, directly or indirectly obtains control of a Dutch public company listed on a regulated market, is required to make a public bid for all shares (whether such shares are listed or not). Such control is deemed present if a person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of the listed company. Furthermore, in general, it is prohibited to launch a public bid for shares of a listed company unless an offer memorandum has been approved by the AFM.

In addition, the Enterprise Chamber may, at the request of any shareholder (or holder of depositary receipts for shares) or the company, order a shareholder with a shareholding of 30% or more to make a public bid. The Enterprise Chamber may also, at the request of the company, determine that such a shareholder is not required to make a public bid when the financial condition of the company and the business related to it gives rise thereto.

Squeeze-out proceedings

Pursuant to article 2:92a of the Dutch Civil Code, a shareholder who for his own account holds at least 95% of the issued share capital of a Dutch public company may initiate proceedings against the minority shareholders jointly for the transfer of their shares to him. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to the acquiring person, such person is required to publish the same in a daily newspaper with a national circulation.

The offeror under a public bid is also entitled to start a squeeze-out procedure if, following the public bid, the offeror holds at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out must be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for a takeover squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch Civil Code also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. This claim must also be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings and transactions

General

Shareholders and DR Holders may be subject to notification obligations under the Financial Supervision Act. Pursuant to chapter 5.3 of the Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in a Dutch listed company must immediately give written notice to the AFM of such acquisition or disposal by means of a standard form if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest or voting rights reaches, exceeds or falls below a threshold due to a change in the company's outstanding share capital, or in votes that can be cast on the Ordinary Shares as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published the company's notification of the change in its outstanding share capital.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and/or voting rights held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; and (iv) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights. Depositary receipts for shares (or negotiable instruments similar to such receipts) also qualify as 'shares'.

Pursuant to the Financial Supervision Act, the Company is required to inform the AFM promptly if the Company's issued share capital or voting rights changes by 1% or more since the Company's previous notification. The AFM must be notified of other changes in the Company's issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM publishes all notifications made pursuant to the Financial Supervision Act in a public register.

Furthermore, each member of the Board of Management and the Supervisory Board must immediately give written notice to the AFM by means of a standard form of changes in their holding of DRs or Ordinary Shares and voting rights in the Company.

Short positions

Each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company must report it to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. There is also an obligation to notify the AFM of gross short positions. The notification thresholds are the same as apply in respect of the notification of actual or potential capital interests in the capital and/or voting rights, as described above.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received.

Market abuse regime

The Financial Supervision Act, implementing the EU Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, provides for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation (the "**EU Market Abuse Rules**"). The Company is subject to the EU Market Abuse Rules as implemented in the Financial Supervision Act and non-compliance with these rules may lead to criminal and/or administrative fines, imprisonment or other sanctions.

Pursuant to the Financial Supervision Act, members of the Board of Management and any other person who has (co)managerial responsibilities in respect of the Company or who has the authority to make decisions affecting its future developments and business prospects and who may have regular access to inside information relating, directly or indirectly, to the Company, must notify the AFM of all transactions conducted for its own account with respect to the Ordinary Shares and/or DRs or in financial instruments the value of which is (co)determined by the value of the Ordinary Shares or the DRs, as the case may be.

In addition, certain persons closely associated with members of the Board of Management or any of the other persons as described above and designated by the Financial Supervision Act Decree on Market Abuse (*Besluit Marktmisbruik Wft*) (the "**Decree**"), must also notify the AFM of any transactions conducted for their own account relating to the Ordinary Shares and/or the DRs or in financial instruments the value of which is (co)determined by the value of the Ordinary Shares or the DRs, as the case may be. The Decree determines the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose, amongst others, managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above or by the relevant member of the Board of Management or other person with any authority in respect of the Company as described above. These notifications must be made no later than on the fifth business day following the transaction date and by means of a standard form. The notification may be postponed until the moment that the value of the transactions performed for that person's own account, together with the transactions carried out by the persons closely associated with that person, reaches or exceeds an amount of €5,000 in the calendar year in question.

The AFM keeps a public register of all notifications under the Financial Supervision Act. Third parties can request to be notified automatically by e-mail of changes to the public register. Pursuant to the Financial Supervision Act, the Company maintains a list of its insiders and has adopted an internal code of conduct (the "**Regulations Concerning Inside Information**") relating to the holding and effecting of transactions by members of the Board of Management and employees in securities in connection with the Company and affiliated issuing institutions and other securities.

TAXATION

Taxation in the Netherlands

The information set out below is a general summary of certain material Dutch tax consequences in connection with the acquisition, ownership and transfer of the Offer DRs and/or Rights in the Rights Offering, including the exercise of the Rights. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Offer DRs and/or Rights. Holders of Offer DRs and/or Rights may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of such Offer DRs and/or Rights.

This summary is based upon the tax laws of the Netherlands as in effect on the date of this Prospectus, including official regulations, rulings and decisions of the Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. All references in this summary to the Netherlands and Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. All of the foregoing is subject to change, which change could apply retroactively and could affect the continuing validity of this summary.

For Dutch tax purposes, a holder of Ordinary Shares, DRs, Offer DRs and/or Rights may include an individual who, or an entity that, does not have the legal title to the Ordinary Shares, DRs, Offer DRs and/or Rights, but to whom nevertheless the Ordinary Shares, DRs, Offer DRs and/or Rights are attributed based either on such individual or entity holding a beneficial interest in the Ordinary Shares, DRs, Offer DRs and/or Rights or based on specific statutory provisions.

As this summary is intended as general information only, (prospective) holders of Offer DRs and/or Rights should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Offer DRs and/or Rights, including, in particular, the application of the tax considerations discussed below to their particular situations.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Offer DRs and/or Rights.

Excluded holders of Offer DRs and/or Rights

The description of taxation set out in this section of this Prospectus is not intended for any holder of Offer DRs and/or Rights, who or which:

- is an individual and for whom the income or capital gains derived from Offer DRs and/or Rights are attributable to employment activities, the income from which is taxable in the Netherlands;
- holds a Substantial Interest (as defined below) or is deemed to hold a Substantial Interest in the Company;
- is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- is an entity for which the income and/or capital gains derived in respect of the Offer DRs and/or Rights are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as meant in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the "**Dutch Corporate**

Income Tax Act 1969"); or

- is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*), as meant in articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively.

Generally a holder of Offer DRs and/or Rights will have a substantial interest in the Company if he holds, alone or, in case a shareholder is an individual, together with his partner (statutorily defined term in Dutch tax law), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit or to 5% or more of the Company's liquidation proceeds ("**Substantial Interest**"). A holder of Offer DRs and/or Rights will also have a Substantial Interest in the Company, if one of certain relatives of that holder or of his partner has a Substantial Interest in the Company.

If a holder of Offer DRs and/or Rights does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

Dividend Withholding Tax

General

Dividends paid on Offer DRs to a holder of such Offer DRs are generally subject to withholding tax of 15% imposed by the Netherlands. Generally, the dividend withholding tax will not be borne by the Company, but will be withheld by the Company from the gross dividends paid on the Offer DRs. The term "dividends" for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the nominal value of shares issued to a shareholder or an increase of the nominal value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- (partial) repayment of paid-in capital that is (a) not recognised for Dutch dividend withholding tax purposes or (b) recognised for Dutch dividend withholding tax purposes, if and to the extent that the Company has net profits (*zuivere winst*), within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the general meeting of Shareholders has resolved in advance to make such a repayment and provided that the nominal value of the shares concerned has been reduced by a corresponding amount by way of an amendment of the Articles. The term net profits includes anticipated profits that still have to be realised.

Holders of Offer DRs Resident in the Netherlands

A holder of Offer DRs who is, or who is deemed to be, a resident of the Netherlands for purposes of

Dutch taxation can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such holder of Offer DRs is not considered to be the beneficial owner of the dividends.

A holder of Offer DRs who is the recipient of dividends (the "**Recipient**"), will not be considered the beneficial owner of these dividends for this purpose if:

- as a consequence of a combination of transactions, a person or legal entity other than the Recipient wholly or partly, directly or indirectly, benefits from the dividends;
- whereby such other person or legal entity retains or acquires, directly or indirectly, an interest similar to that in the Offer DRs on which the dividends were paid; and
- that other person or legal entity is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient ("**Dividend Stripping**").

Holders of Offer DRs not Resident in the Netherlands

With respect to a holder of Offer DRs, who is not and is not deemed to be a resident of the Netherlands for purposes of Dutch taxation and who is considered to be a resident of (a) Aruba, Curacao or St. Maarten under the provisions of the Tax Arrangement for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*) ("**Tax Arrangement for the Kingdom of the Netherlands**")²; (b) who is considered to be a resident of Bonaire, St. Eustatius or Saba under the provisions of the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*) ("**Tax Regulation for the country of the Netherlands**"); or (c) who is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply. Such holder of Offer DRs may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Arrangement for the Kingdom of the Netherlands, the Tax Regulation for the country of the Netherlands or such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

In addition, an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities, provided that the following tests are satisfied:

- the entity is a resident of another EU member state or of a designated state that is a party to the Agreement on the European Economic Area (currently Liechtenstein, Iceland and Norway), according to the tax laws of such state;

the entity at the time of the distribution has an interest in the Company to which the participation exemption as meant in Article 13 of the Dutch Corporate Income Tax Act 1969 or to which the participation credit as meant in Article 13aa of the Dutch Corporate Income Tax Act 1969 would have been applicable, had such entity been a tax resident of the Netherlands;

the entity does not perform a similar function as an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*), as meant in articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively; and

the entity is, in its state of residence, not considered to be resident outside the Member States of the

² A legislative proposal for a separate tax arrangement for Curacao is currently pending.

European Union or the designated states that are party to the Agreement on the European Economic Area under the terms of a double taxation convention concluded with a third state.

The exemption from Dutch dividend withholding tax is not available if pursuant to a provision for the prevention of fraud or abuse included in a double taxation convention between the Netherlands and the country of residence of the non-resident holder of Offer DRs, such holder would not be entitled to the reduction of tax on dividends provided for by such convention. In addition, the exemption from Dutch dividend withholding tax will only be available to the beneficial owner of the dividend.

Furthermore, a refund of Dutch dividend withholding tax may be available to certain entities that are resident in (a) another EU member state; (b) a designated state that is a party to the Agreement on the European Economic Area (currently Liechtenstein, Iceland and Norway); or (c) a designated jurisdiction which has an arrangement for the exchange of tax information with the Netherlands, provided that:

- such entity is not subject to taxation levied by reference to profits in its state of residence;
- such entity, had it been a resident of the Netherlands, would not be subject to corporate income tax in the Netherlands;
- in case of an entity resident in a jurisdiction mentioned under (c) above: such entity holds the Offer DRs as portfolio investment (i.e. such Offer DRs are not held with a view to the establishment or maintenance of lasting and direct economic links between such holder of Offer DRs and the Company and such Offer DRs do not allow such holder of Offer DRs to participate effectively in the management or control of the Company);
- such entity can be considered to be the beneficial owner of the dividends;
- such entity does not perform a similar function to that of an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*), as meant in articles 6a and 28 of the Dutch Corporate Income Tax Act 1969, respectively; and
- certain administrative conditions are met.

Taxes on Income and Capital Gains

Dutch Resident Individuals

An individual who is a resident or deemed to be a resident of the Netherlands for purposes of Dutch income tax (a "**Dutch Resident Individual**") and who or which holds Offer DRs and/or Rights is subject to Dutch income tax on income or capital gains derived from the Offer DRs and/or Rights at progressive rates up to 52% (marginal top rate for 2015) if:

- the holder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Offer DRs and/or Rights are attributable or deemed attributable; or
- the holder derives income or capital gains from the Offer DRs and/or Rights, as the case may be, that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*), as defined in the Dutch Income Tax Act 2001, *Wet inkomstenbelasting 2001*), which include the performance of activities with respect to the Offer DRs and/or Rights, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*)

and also include benefits resulting from a lucrative interest (*lucratief belang*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Offer DRs and/or Rights who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income or capital gains benefits derived from the Offer DRs and/or Rights. This deemed return has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) insofar as this exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets (including, as the case may be, the Offer DRs and/or Rights) held by the Dutch Resident Individual less the fair market value of certain qualifying liabilities, both determined on 1 January of the relevant year. The deemed return of 4% will be taxed at a rate of 30% (rate for 2015).

Dutch Resident Entities

An entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), will generally be subject to Dutch corporate income tax with respect to income and capital gains derived or deemed to be derived from the Offer DRs and/or Rights. The Dutch corporate income tax rate is 20% for the first €200,000 of the taxable amount and 25% for the taxable amount exceeding €200,000 (rates applicable for 2015).

Non-Dutch Residents

A holder of Offer DRs and/or Rights who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity (a "**Non-Dutch Resident**"), and who holds the Offer DRs and/or Rights, is generally not subject to Dutch income tax or corporate income tax (other than dividend withholding tax as described above) with respect to the income and capital gains derived from the Offer DRs and/or Rights, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Offer DRs and/or Rights are attributable or deemed attributable;
- in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Offer DRs and/or Rights, as the case may be, that are taxable as benefits from "miscellaneous activities in the Netherlands" (*resultaat uit overige werkzaamheden in Nederland*, as meant in the Dutch Income Tax Act 2001), which include the performance of activities in respect of the Offer DRs and/or Rights, that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);
- in case such Non-Dutch Resident is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Offer DRs and/or Rights, or payments in respect of the Offer DRs and/or Rights, as the case may be, are attributable; and
- in case such Non-Dutch Resident is an entity, such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Offer DRs and/or Rights, or payments in respect of such Offer DRs and/or Rights, as the case may be, are attributable.

Gift and Inheritance Taxes

Dutch Residents

Generally gift taxes (*schenkbelasting*) and inheritance taxes (*erfbelasting*) may arise in the Netherlands with respect to a transfer of the Offer DRs and/or Rights by way of a gift by, or, on the death of, a holder of Offer DRs and/or Rights who is resident or deemed to be resident in the Netherlands for the purpose of the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*) (the "**Dutch Gift and Inheritance Tax Act 1956**") at the time of the gift or his/her death.

Non-Dutch Residents

No Dutch gift or inheritance taxes will be levied on the transfer of Offer DRs and/or Rights by way of gift by or on the death of a holder, who is neither a resident nor deemed to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions;
- such holder dies while being a resident or deemed resident of the Netherlands within 180 days after the date of a gift of the Offer DRs and/or Rights; or
- the gift is made under a condition precedent and such holder is or is deemed to be a resident of the Netherlands at the time the condition is fulfilled.

For purposes of the Dutch Gift and Inheritance Tax Act 1956, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be a resident of the Netherlands if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override such deemed residency.

Value Added Tax

In general, there is no Dutch value added tax (*omzetbelasting*) payable by a holder of Offer DRs and/or Rights for the issue of the Offer DRs pursuant to this Rights Offering.

Other Taxes and Duties

No Dutch registration tax, transfer tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees is payable in the Netherlands by a holder of Offer DRs and/or Rights in respect of or in connection with the acquisition, ownership or transfer of Offer DRs and/or Rights.

Residence

A holder of Offer DRs and/or Rights will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Offer DRs and/or Rights.

THE TRANSACTION

General

Ballast Nedam is (i) offering 67,672,500 Offer DRs by granting Rights to Shareholders and DR Holders with a nominal value of €0.01 each at an Issue Price of €0.2955 per Offer DR and for a total amount of approximately €20 million and (ii) placing 132,959,776 Placing DRs to Renaissance Infrastructure with a nominal value of €0.01 each at an issue price of €0.2076.

Subject to applicable securities laws and the terms set out in this Prospectus, the Rights will entitle Eligible Persons (as defined in "*Selling and Transfer Restrictions – General*") to subscribe for the Offer DRs in accordance with the terms and conditions set forth herein. No offer of Offer DRs is being made to Shareholders or DR Holders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them. Ballast Nedam, as holder of DRs in treasury and the Ballast Nedam Administration Office, will not be granted any Rights.

Shareholders and DR Holders will suffer a substantial dilution of their proportionate ownership and voting rights as a result of the Transaction; see "*The Transaction – Dilution*" below. However, such Shareholders and/or DR Holders may receive valuable consideration on the sale of their Rights or on the placement of the Offer DRs underlying unexercised Rights. Renaissance Infrastructure will exercise all Rights allotted to it and will also subscribe for Offer DRs not subscribed for through the exercise of Rights in accordance with the terms and subject to the conditions of the Underwriting and Placing Agreement.

For information on applicable selling and transfer restrictions in respect of the DRs and the Rights see "*Selling and Transfer Restrictions – General*".

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in respect of the Rights Offering and in respect of the Private Placement have been excluded for the purpose of the Transaction. See "*Description of share capital – Pre-emptive rights*".

Dilution

The table below sets out the maximum dilution percentage following the Rights Offering and the Private placement for (i) current Shareholders and DR Holders who exercise their rights as well as for (ii) current Shareholders and DR Holders, excluding Renaissance, who do not exercise their Rights. Furthermore, the table below sets out Renaissance's prospective ownership stake in the Company in both cases. See also "*Risk Factors - The Renaissance Group will be in a position to exert substantial influence over the Group. The interests pursued by the Renaissance Group could differ from the interests of other DR Holders*". Renaissance Infrastructure needs to acquire at least 60,619,462 of the 67,672,500 Offer DRs to reach or exceed a 95% ownership of the total outstanding DRs following the Private Placement. If more than 1,614,296 Rights are not validly exercised by Shareholders and DR holders (other than Renaissance Infrastructure) or are acquired by Renaissance Infrastructure, Renaissance Infrastructure will acquire at least 60,619,462 of the 67,672,500 Offer DRs and reach a 95% ownership of the total outstanding DRs following completion of the Private Placement. See also "*Risk Factors - Renaissance Infrastructure has stated the intention to acquire 100% of the DRs through its public bid for the DRs or through other restructuring steps*".

	Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Rights Offering	Maximum dilution percentage for current Shareholders and DR Holders other than Renaissance Infrastructure following the Private Placement	Renaissance Infrastructure's ownership stake in the Company following the Transaction
If current Shareholders and DR Holders, including Renaissance Infrastructure, exercise their Rights.....	-	59.8%	92.4%
If current Shareholders and DR Holders, excluding Renaissance Infrastructure, do not exercise their Rights.....	77.5%	91.1%	98.2%

Expected timetable

Subject to acceleration or extension of the timetable for the Rights Offering, the timetable below lists certain expected key dates for the Rights Offering:

Event	Time (CET) and Date
Record Date	Immediately after close of trading on Euronext Amsterdam at 17:40 hours CET on 14 December 2015
Start of <i>ex</i> -Rights trading in DRs commences on Euronext Amsterdam	9:00 hours CET on 15 December 2015
Start of Exercise Period	9:00 hours CET on 15 December 2015
Start of trading in Rights on Euronext Amsterdam	9:00 hours CET on 15 December 2015
End of trading in Rights on Euronext Amsterdam	14:00 hours CET on 24 December 2015
End of the Exercise Period	14:00 hours CET on 28 December 2015
Allotment of the Offer DRs	Expected 29 December 2015
Listing of and start of trading in the Offer DRs on Euronext Amsterdam	Expected 29 December 2015

Settlement Date

Expected 29 December 2015

Private Placement

Expected 29 December 2015

The number of Offer DRs subscribed for in the Rights Offering will be made public through a press release published in the Netherlands, which will be placed on the Group's website, at the latest in the morning of the day following the end of the Exercise Period.

Ballast Nedam may adjust the dates, times and periods given in the timetable and throughout this Prospectus in consultation with the Subscription, Listing and Paying Agent. If Ballast Nedam should decide to adjust dates, periods or times, Ballast Nedam will notify Euronext Amsterdam, Shareholders, DR Holders, and holders of Rights, as well as the public through a press release published in the Netherlands, which will be placed on its website.

Rights Offering

Rights

Subject to applicable securities laws, each Shareholder and DR Holder as at the Record Date is being granted Rights in registered form to subscribe for the Offer DRs at the Issue Price. Each DR or Ordinary Share held immediately after the close of trading in the DRs on Euronext Amsterdam at 17:40 hours CET on the Record Date will entitle its holder to 1 (one) Right. See section "*Record Date*" below. Eligible Persons will be entitled to subscribe for 14 (fourteen) Offer DRs for every 4 (four) Rights held until the end of the Exercise Period. No Rights allowing it to participate in the Rights Offering will be granted to Ballast Nedam as holder of DRs in treasury and the Ballast Nedam Administration Office. For trading in the Rights see section "*Trading in Rights*" below.

A Shareholder or DR Holder as at the Record Date will customarily receive details of the aggregate number of Rights to which he will be entitled from the financial intermediary through which he holds the DRs. The financial intermediary will provide the relevant Shareholder or DR Holder with this information in accordance with its usual customer relationship procedures. Shareholders and DR Holders should contact the financial intermediary through whom they hold DRs if they are entitled to receive Rights but have received no information from their financial intermediary with respect to the Rights Offering.

Only Shareholders and DR Holders who qualify as Eligible Persons as of the Record Date will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by Ballast Nedam. Rights that are credited to the account of any other person will not constitute an offer of the Offer DRs to such person and will not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights. Receipt of this Prospectus by another person than an Eligible Person shall not, subject to certain exceptions, constitute an offer of Offer DRs to each person.

Ballast Nedam urges holders of Rights to carefully study the restrictions described in "*Selling and transfer restrictions*".

Record Date

The Record Date for determining the Shareholders and DR Holders who will receive Rights (subject to applicable securities laws) is immediately after the closing of trading in the DRs on Euronext Amsterdam at 17:40 hours CET on 14 December 2015.

Until the close of trading in DRs on Euronext Amsterdam on the Record Date, DRs will trade with the Rights (cum-Rights). As from 9:00 hours CET on 15 December 2015, DRs will trade without the

Rights (ex-Rights).

Trading in Rights

Application has been made to admit the Rights to listing and trading on Euronext Amsterdam. Trading in the Rights on Euronext Amsterdam is expected to commence at 9:00 CET hours on 15 December 2015 and will continue until 14:00 hours CET on 24 December 2015.

The Rights will be traded on Euronext Amsterdam under the symbol "BALCR" and ISIN code "NL0011567136".

The transfer of the Rights will take place through the book-entry form system of Euroclear Nederland.

Rights can be traded or purchased by Eligible Persons only. An Eligible Person who wishes to sell one or more Rights should instruct the financial intermediary through which he holds the Rights in accordance with the instructions received from that financial intermediary. An Eligible Person may also instruct a financial intermediary to purchase Rights on his behalf.

All transactions in Rights prior to the Settlement Date are at the sole risk of the parties concerned. Ballast Nedam, Renaissance Infrastructure, the Subscription, Listing and Paying Agent and Euronext Amsterdam do not accept any responsibility or liability with respect to the withdrawal of the Transaction or the related annulment of any transactions in Rights or Offer DRs on Euronext Amsterdam.

Exercise Period

Subject to the restrictions set out below, an Eligible Person, whether a Shareholder or DR Holder as at the Record Date or a subsequent transferee of Rights, can only validly subscribe for Offer DRs by exercising his Rights from 9:00 hours CET 15 December 2015 up to 14:00 hours CET on 28 December 2015, which is the end of the Exercise Period. The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held.

If an Eligible Person has not exercised his Rights by the end of the Exercise Period, these can no longer be exercised by the Eligible Person. Once an Eligible Person has validly exercised his Rights, he cannot revoke or modify that exercise unless Ballast Nedam changes a material term of the Rights Offering or amends this Prospectus in any material respect leading to a supplement to this Prospectus within the meaning of article 5:23 of the Financial Supervision Act being published, in which event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke the exercise. Accordingly, once a holder of Rights has validly exercised his Rights, he must pay the Issue Price for the Offer DRs subscribed for, even if the market price of the DRs fluctuates below the Issue Price. For trading of the Rights, see "*-Trading in Rights*" above.

Neither the Group, Renaissance Infrastructure nor the Subscription, Listing and Paying Agent is taking any action outside the Netherlands to permit the exercise and transfer of Rights by the general public. Ballast Nedam urges holders of Rights to carefully study the restrictions described under "*Selling and Transfer Restrictions*". Ballast Nedam reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to Ballast Nedam to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if Ballast Nedam believes that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described in "*Selling and Transfer Restrictions*".

Subscription and payment

An Eligible Person, whether a Shareholder or DR Holder as at the Record Date or a subsequent transferee of Rights, who wishes to exercise his Rights, should instruct the financial intermediary through which he holds the Rights in accordance with the instructions received from that financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons holding Rights and for informing the Subscription, Listing and Paying Agent.

A holder of Rights that exercises his Rights should pay the Issue Price for the Offer DRs subscribed for in accordance with the instructions he receives from the financial intermediary through which he holds the Rights. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn pay it to Ballast Nedam after deduction of applicable fees and expenses. Payment of the Offer DRs must be made at the office of the Subscription, Listing and Paying Agent no later than the Settlement Date. Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date.

All requirements concerning deadlines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the relevant financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies to the holders of Rights.

None of the Group or the Subscription, Listing and Paying Agent is liable for any action or failure to act by a financial intermediary through which DRs or Rights are held, or by the Subscription, Listing and Paying Agent in connection with any subscriptions or purported subscriptions.

Allotment of Offer DRs

Allotment of Offer DRs issued pursuant to the Rights Offering is expected to take place on 29 December 2015 and will be notified by means of a press release which will also be placed on the Group's website.

Non-Dutch stamp taxes

Purchasers of the Offer DRs may be required to pay stamp taxes and other taxes in accordance with the laws and practices of the country of purchase in addition to the Issue Price.

Governing law and competent courts

The Rights, their terms and conditions and the Rights Offering shall be governed by and construed in accordance with the laws of the Netherlands. Any dispute arising out of or relating to the Rights or the Rights Offering shall be finally and exclusively settled by the competent courts in Amsterdam, the Netherlands.

The Private Placement

Pursuant to the Merger Agreement and the Underwriting and Placing Agreement, immediately following the Rights Offering the Group will place up to 132,959,776 Placing DRs with Renaissance Infrastructure at an issue price per Placing DR of €0.2076 which represents a discount of 30% to the theoretical ex-rights price of the Offer DRs. DR holders who validly exercise their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 59.8% as a result of the Private Placement. DR holders who transfer, or who do not, not timely or not validly, or are not permitted to, exercise, any of their Rights granted under the Rights Offering will suffer a substantial dilution of their proportionate ownership and voting rights of approximately 91.1% as a result of the Private Placement.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of Ordinary Shares in respect of the Rights Offering and the Private Placement have been excluded.

Settlement and listing

Payment for and delivery of the Transaction DRs is expected to take place on 29 December 2015. Delivery of the Transaction DRs will take place through the book-entry system of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Application has been made to admit the Transaction DRs to listing and trading on Euronext Amsterdam. Barring unforeseen circumstances, it is expected that the Transaction DRs will be admitted to listing and trading, and that trading in the Transaction DRs will commence on Euronext Amsterdam on 29 December 2015.

The DRs are listed on Euronext Amsterdam under the symbol "BALNE" and ISIN code "NL0000336543".

Subscription, Listing and Paying Agent

In respect of the Transaction, ING is acting as Subscription, Listing and Paying Agent. The address of the Subscription, Listing and Paying Agent is Bijlmerplein 888, 1102 MG Amsterdam, the Netherlands. The Subscription, Listing and Paying Agent will accept subscriptions for the Offer DRs. The financial intermediary through which Eligible Persons hold their Rights will be responsible (except for subscriptions on Rights held by holders of Ordinary Shares in registered form or their transferees which should be addressed to Ballast Nedam) for collecting instructions from them and for informing the Subscription, Listing and Paying Agent of their exercise instructions.

Ranking and dividends

The Transaction DRs will, upon issue, rank *pari passu* in all respects with the, at that the time, outstanding DRs. The Transaction DRs will be eligible for any dividend payment which Ballast Nedam may declare on Ordinary Shares after the Settlement Date. See "*Dividends and dividend policy*".

Currency

The Rights Offering and the Private Placement will be carried out and trading in the Rights will be effected in euro. The Transaction DRs will be denominated in euro. Distributions, if any, will also be made in euro.

Underwriting and Placing Agreement

On or around the date of this Prospectus, the Company and Renaissance Infrastructure entered into an underwriting and placing agreement with respect to the Transaction (or: the Underwriting and Placing Agreement).

Under the terms and subject to the conditions set forth in the Underwriting and Placing Agreement, Renaissance Infrastructure undertakes to subscribe or procure that other persons subscribe for such number of additional Offer DRs to ensure that the aggregate consideration received by the Company pursuant to the Rights Offering shall not be less than €20 million and to subscribe for the Placing DRs for an aggregate amount of up to €27.6 million.

The commitments of Renaissance Infrastructure under the Underwriting and Placing Agreement are

subject to certain closing conditions, including: (i) the unconditional approval of this Prospectus by the AFM being in full force and effect; (ii) the admission of the Rights and the Offer DRs to listing on Euronext Amsterdam; (iii) the acceptance of the Rights and the Offer DRs for book-entry transfers by Euroclear Nederland; and (iv) receipt by Renaissance Infrastructure of a comfort letter from the Group's independent auditor. Renaissance Infrastructure has the right to waive the satisfaction of any such conditions or part thereof.

The commitments of Renaissance Infrastructure under the Underwriting and Placing Agreement are subject to certain closing conditions, including: (i) the unconditional approval of this Prospectus by the AFM being in full force and effect; (ii) the admission of the Rights and the Offer DRs to listing on Euronext Amsterdam; (iii) the acceptance of the Rights and the Offer DRs for book-entry transfers by Euroclear Nederland; (iv) receipt by Renaissance Infrastructure of a comfort letter from the Group's independent auditor and a bring down confirmation of this comfort letter; (v) receipt by Renaissance Infrastructure of a certificate by an authorised representative of the Company; (vi) the financing agreements of the Group being unconditionally in full force and effect; (vii) the approval of the Transaction by the Company's Board of Management, Supervisory Board and (extraordinary) general meeting of Shareholders; (viii) the Company and the Ballast Nedam Administration Office having complied with all of their obligations under the agreement they entered into; (ix) the availability of this Prospectus and publication by the Company of a public announcement giving details of the Transaction; (x) none of the representations and warranties made by the Company in the Underwriting and Placing Agreement being untrue, inaccurate or misleading; (xi) the Company having complied with all of its material obligations under the agreement it has entered into with the Subscription, Listing and Paying Agent; (xii) no suspension or limitation of trading in Rights and/or DRs on or by Euronext Amsterdam; (xiii) no legal, governmental or regulatory investigations, actions, sanctions, suits or proceedings pending to which the Company is a subject, other than disclosed in this Prospectus; (xiv) the Company having complied with the publicity guidelines that apply with respect to the Rights Offering; (xv) receipt by Renaissance Infrastructure of duly executed amendment and waiver letters from the relevant lenders under the Facility Agreements concerning a waiver of the rights and powers of the lenders under and in connection with the Net Results Threshold (as described in *"Operating and Financial Review – Description of borrowings – Covenants"*); and (xvi) receipt by Renaissance Infrastructure of a duly executed management representation letter to the Group's independent auditor and Renaissance Infrastructure. Renaissance Infrastructure has the right to waive the satisfaction of any such conditions or part thereof. As at the date of this Prospectus, conditions (xv) and (xvi) above have been satisfied.

The Underwriting and Placing Agreement provides that the Company will indemnify Renaissance Infrastructure against certain losses and liabilities arising out of or in connection with the Transaction, including liabilities under the Securities Act and losses and liabilities based upon any actual or alleged breach by the Company of any of its obligations under the Underwriting and Placing Agreement.

The Underwriting and Placing Agreement contains certain termination provisions, pursuant to which, until the Settlement Date, Renaissance Infrastructure may elect to terminate the Underwriting and Placing Agreement in the event of, among others: (i) a breach by the Company of any warranties or provisions of the Underwriting and Placing Agreement; (ii) a suspension or material limitation of trading on Euronext Amsterdam or certain other regulated stock exchanges; (iii) a general moratorium on commercial banking activities in New York, Amsterdam or London, as imposed by the federal US or New York State authorities, the relevant Dutch authorities or the relevant UK authorities, respectively; or (iv) an outbreak or escalation of hostilities, civil unrest, act of terrorism or any calamity or crisis which makes the Rights Offering impracticable or inadvisable. If Renaissance Infrastructure elects to terminate its commitments under the Underwriting and Placing Agreement, the Transaction may be cancelled and, if it is cancelled, no Transaction Securities will be delivered. All dealings in the Transaction Securities prior to delivery and settlement will be at the sole risk of the parties concerned.

The Underwriting and Placing Agreement does not contain any lock-up arrangements.

SELLING AND TRANSFER RESTRICTIONS

General

The Rights Offering to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether the investor requires any governmental or any other consent or needs to observe any other formalities to enable the investor to accept, sell, exercise or purchase the Rights and/or to subscribe for the Offer DRs.

No action has been or will be taken to permit a public offering of the Rights and the Offer DRs in any jurisdiction outside the Netherlands. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. If the investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Rights and the Offer DRs, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer DRs could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute or send it to any person in or into any jurisdiction where to do so would or may contravene local securities laws or regulations. If the investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section "Selling and Transfer Restrictions".

In accordance with the terms and subject to the conditions as contained in this Prospectus:

- the Rights being granted in the Rights Offering may be exercised only by an Eligible Person (as defined below), subject to applicable securities laws;
- the Rights being granted or Offer DRs being offered in the Rights Offering may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, in or into jurisdictions outside the Netherlands wherein the Rights and the Offer DRs may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan (the "**Ineligible Jurisdictions**"); and
- this Prospectus may not be sent to:
 - (a) any person residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Rights Offering; or
 - (b) any Shareholder or DR Holder or any other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer DRs may be offered, but to whom certain restrictions apply, as set out in this section "Selling and Transfer Restrictions", as a result of which he cannot lawfully participate in the Rights Offering,

(such a person being an "**Ineligible Person**").

In this Prospectus, persons who are not Ineligible Persons are referred to as "**Eligible Persons**".

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to subscribe for the Offer DRs or to trade in the Rights,

must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section "Selling and Transfer Restrictions" is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer DRs or to trade in the Rights, should consult their professional adviser without delay.

Representations and warranties by investors in the Rights Offering

If a person (i) takes up, delivers or otherwise transfers the Rights, (ii) exercises the Rights to subscribe for the Offer DRs; or (iii) trades or otherwise deals in the Rights granted or the Offer DRs offered in the Rights Offering, such person will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Subscription, Listing and Paying Agent, to Renaissance Infrastructure and to any person acting on the Company's or their behalf, unless such requirement is waived by the Company and Renaissance Infrastructure:

- such person is not located in an Ineligible Jurisdiction (in which Rights or Offer DRs may not be offered at all) as a result of which such person will be qualified as an Ineligible Person;
- such person is not an Ineligible Person for any other reason;
- such person is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- such person will not offer, sell or otherwise transfer either a Right or an Offer DR to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer DRs in the marketplace through Euronext Amsterdam); and
- such person was a Shareholder or DR Holder at 17:40 hours CET on the Record Date or such person legally acquired Rights in the marketplace during the trading period as set out in "*The Offering – Rights Offering – Trading in Rights*".

The Company, the Subscription, Listing and Paying Agent, Renaissance Infrastructure and any persons acting on behalf of the Company or the Subscription, Listing and Paying Agent or Renaissance Infrastructure will rely upon representations and warranties made by such person. Any provision of false information or subsequent breach of these representations and warranties may subject any person who made and breached these representations and warranties to liability. The Company, the Subscription, Listing and Paying Agent and Renaissance Infrastructure reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer DRs that the Company, the Subscription, Listing and Paying Agent or Renaissance Infrastructure believe may give rise to a breach or violation of any law, rule or regulation.

If a person is acting on behalf of an eligible holder of Rights (including, without limitation, as a nominee, custodian or trustee), such person will be required to provide the foregoing representations and warranties to the Company, the Subscription, Listing and Settlement Agent and Renaissance Infrastructure with respect to the exercise of Rights on behalf of such eligible holder. If a person does not or is unable to provide the foregoing representations and warranties, neither the Company nor the Subscription, Listing and Settlement Agent nor Renaissance Infrastructure will be bound to authorise the allocation of any of the Offer DRs being offered in the Rights Offering to such person or the person on whose behalf such person is acting; neither will they be liable for any damages incurred as a result thereof.

If a person (including, without limitation his/her nominees and trustees) is outside the Netherlands and wishes to exercise or otherwise deal in his Rights or subscribe for the Offer DRs, such person must

satisfy himself as to the observance of all applicable laws of all relevant territories, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only. If a person is in any doubt as to whether such person is eligible to exercise his Rights or subscribe for the Offer DRs, such person should consult a professional adviser without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all Shareholders and DR Holders who hold Ordinary Shares or DRs, respectively, in custody through such financial intermediary on the Record Date. A financial intermediary may not exercise any Right on behalf of any Ineligible Person and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send this Prospectus or any information about the Rights Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of Ineligible Persons does not constitute an offer of the Offer DRs to such persons. Financial intermediaries, including brokers, custodians and nominees, holding Rights for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Rights and the Offer DRs will not be delivered to addresses inside any Ineligible Jurisdiction. The Company, the Subscription, Listing and Paying Agent and Renaissance Infrastructure reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Rights and Offer DRs, who is unable to represent or warrant that such person is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or the Company's agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights that appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if the Company believes that the same may violate or be inconsistent with applicable legal or regulatory requirements, the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described in this Prospectus.

Despite any other provision of this Prospectus, the Company, the Subscription, Listing and Paying Agent and Renaissance Infrastructure reserve the right to permit any person to exercise its Rights if the Company, the Subscription, Listing and Paying Agent and Renaissance Infrastructure, in the Company's absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company, the Subscription, Listing and Agent and Renaissance Infrastructure do not accept any liability for any actions that any person takes or for any consequences that any person may suffer by the Company accepting that person's exercise of Rights.

For investors in the European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), to which an offer to the public of the Offer DRs through a grant of the Rights may not be made in that Relevant Member State other than the offer in the Netherlands once the Prospectus has been approved by the AFM and published in accordance with the Prospectus Directive as

implemented in the Netherlands, except that, with effect from and including the Relevant Implementation Date, an offer to the public of the Offer DRs through a grant of the Rights may be made in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts (if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, this exception is no longer valid);
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Rights and Offer DRs shall result in a requirement for the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive or a supplement to the prospectus pursuant to section 16 of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer to the public' in relation to any Transaction Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Rights Offering and any Transaction Securities to be offered so as to enable an investor to decide to purchase any Transaction Securities, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

For investors in Switzerland

The Rights and/or Offer DRs may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Rights and/or Offer DRs may be offered or distributed in connection with any such offering or distribution.

For investors in the United Kingdom

In addition to the restrictions identified above, any invitation or inducement to engage in investment activities (within the meaning of article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the Rights and the Offer DRs may only be communicated or caused to be communicated in the United Kingdom in circumstances in which article 21(1) of the Financial Services and Markets Act 2000 does not apply or if an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies.

For investors in the United States

The Rights and the Offer DRs have not been and will not be registered under the Securities Act and may not be offered, granted, issued, sold, taken up, delivered, renounced or transferred in or into the

United States. In addition, until 40 days following the commencement of the Rights Offering, an offer or sale of the Rights and the Offer DRs within the United States by any dealer (whether or not participating in the Rights Offering) may violate the registration requirements of the Securities Act.

Each investor in the Rights and the Offer DRs will be deemed to have represented and agreed as follows (terms used in this section that are defined in Regulation S are used herein as defined therein):

- the investor, and the person, if any, for whose account it is acquiring such Rights and Offer DRs (i) is outside the United States; and (ii) is acquiring the Rights and Offer DRs in an offshore transaction meeting the requirements of Regulation S;
- the investor is aware that the Rights and the Offer DRs have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S;
- the Rights and the Offer DRs may not be offered, sold, pledged or otherwise transferred except in accordance with Rule 903 or 904 of Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States; and
- the investor acknowledges that the Company, Renaissance Infrastructure and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any certificate representing the Offer DRs or any depositary receipts representing the right to receive deposited Offer DRs shall bear a legend setting forth the foregoing transfer restrictions.

INDEPENDENT AUDITORS

The 2014 Financial Statements, incorporated by reference into this Prospectus, have been audited by EY, independent auditors, as stated in its independent auditor's report incorporated by reference into this Prospectus, which report was unqualified. The report contains an emphasis of matter paragraph "Material uncertainty regarding continuity", drawing attention to the note on continuity and liquidity in the accounting policies.

The H1 2015 Interim Financial Statements, incorporated by reference into this Prospectus, have been reviewed by EY, independent auditors, as stated in the independent auditor's review report incorporated by reference into this Prospectus. The report contains an emphasis of matter paragraph "Emphasis of uncertainty with respect to the going concern assumption", drawing attention to the note "continuity and liquidity of the company" in the half year accounts of 2015. The report furthermore states that the comparative figures included in the profit and loss account are not audited or reviewed.

Ernst & Young Accountants LLP is an independent registered audit firm. The address of Ernst & Young Accountants LLP is Euclideslaan 1, 3584 BL Utrecht, the Netherlands. The auditor, who signs on behalf of Ernst & Young Accountants LLP, is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). Ernst & Young Accountants LLP has given, and has not withdrawn, its consent to the incorporation by reference of its reports in this Prospectus in the form and context in which they are included. Ernst & Young Accountants LLP has no capital interest in the Company.

The Company confirms that the information in the independent auditor's report and independent auditor's review report which are incorporated by reference into this Prospectus have been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by the auditors, no facts have been omitted which would render the independent auditor's report and independent auditor's review report inaccurate or misleading.

GENERAL INFORMATION

Available information and documents

Copies of the Articles (in Dutch, and an English translation) are available and can be obtained free of charge from the date of publication of this Prospectus from the Company's website at <http://www.ballast-nedam.com>.

Subject to any applicable selling and transfer restrictions (see "*Selling and Transfer Restrictions*"), copies of this Prospectus and any supplement to this Prospectus may be obtained free of charge from the date of publication of this Prospectus from the Group's website at <http://www.ballast-nedam.com>.

In addition, copies of the Articles in Dutch and in English, this Prospectus and any supplement to the Prospectus will be available free of charge at the Company's offices in Nieuwegein during normal business hours for the life of this Prospectus.

Up-to-date investment information and press releases are freely available for download from the Company's website at <http://www.ballast-nedam.com>.

Publication of the results of the Transaction

The number of Offer DRs subscribed for in the Rights Offering will be published through a press release published in the Netherlands, which will be placed on the Company's website as soon as possible after allocation of the Offer DRs.

Expenses of the Transaction

The expenses incurred in relation to the Rights Offering and the Private Placement that are payable by the Group are estimated at approximately €3.4 million and include, among others, the fees due to the AFM and Euronext Amsterdam, the fees due to the Group's accountants and legal advisors, commissions and publication costs.

Corporate Resolutions

On 30 October 2015, the General Meeting designated the Board of Management the authority to (i) grant the Rights; (ii) issue the Transaction DRs; (iii) validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholder and DR Holders in relation to the Rights Offering and the Private Placement; and (iv) to effectuate amendments to the Articles.

On or around the date of this Prospectus, the Board of Management resolved, subject to the approval of the Supervisory Board, to (i) grant the Rights; (ii) issue the Transaction DRs; (iii) validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders and DR Holders in relation to the Rights Offering and the Private Placement; and (iv) to effectuate amendments to the Articles. The Supervisory Board approved, ratified and confirmed the aforementioned resolution of the Board of Management on or around the date of this Prospectus.

On or around the date of this Prospectus, the board of management of the Ballast Nedam Administration resolved, *inter alia*, to (i) approve the Transaction as well as the terms thereof and the transactions contemplated thereby; (ii) accept the ordinary shares underlying the Offer DRs and the Placing DRs which have been issued by the Company to the STAK; and (iii) issue the Offer DRs and the Placing DRs.

No Significant Change

There has been no significant change in the Company's or Group Companies' financial or trading position since 6 September 2015, other than as disclosed herein. See "*Reasons for the Transaction and Use of Proceeds*" and "*Operating and Financial Review – Current trading*".

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Prospectus.

2014 Financial Statements	the audited consolidated annual financial statements of Ballast Nedam N.V. for the financial year ended 31 December 2014.
2014 Refinancing	new loans for a total amount of €80 million with a term until 2017, which partly replaced the then existing (previously uncommitted) facility of €60 million; a €30 million bridge facility; and a €30 million rights offering which proceeds were used to repay the €30 million bridge facility.
2015 Refinancing	the Bridge Loans, the Subordinated Banks Loans, the Revolving Credit Facility, the Committed Guarantee Facility and the Loan Extensions.
AFM	the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>).
Amended and Restated FGH Bilateral Loan	an amendment agreement dated 12 June 2015 with FGH Bank, which, amongst others, has amended and restated the FGH Bilateral Loan by extending the maturity date until 31 December 2016.
Amended and Restated Rabobank Bilateral Loan	an amendment agreement dated 12 June 2015 with Rabobank, which, amongst others, has amended and restated the Rabobank Bilateral Loan by extending the maturity date until 31 December 2016.
Amended and Restated SFA	the Syndicated Facilities Agreement as amended and restated in accordance with the SFA Amendment Agreement.
Annual Accounts	the annual accounts of the Company.
Articles	the articles of association (<i>statuten</i>) of the Company as amended on 20 November 2015.
Audit Committee	the audit committee of the Supervisory Board.
Ballast Nedam	Ballast Nedam N.V.
Ballast Nedam Administration Office	the Ballast Nedam Administration Office (<i>Stichting Administratiekantoor van Aandelen Ballast Nedam</i>).
Ballast Nedam Concern Council	the Company's concern council (<i>Concernraad</i>) consisting of the managing directors of the respective divisions and the Board of Management .
Banks Bridge Loan	a bridge loan of €10 million by ING, Rabobank and RBS.
Board of Management	the board of management (<i>raad van bestuur</i>) of the Company.
Board of Management Regulations	the code of rules pertaining to the Board of Management's decision-making of 23 October 2009.
Bontrup	Beheersmaatschappij Fr. Bontrup B.V.

Bridge Loans	two loan agreements entered into with the Syndicated Lenders and Sanderink for a total amount of €20 million.
CBS	Statistics Netherlands (<i>Centraal Bureau voor de Statistiek, CBS</i>).
CET	Central European Time.
Chamber of Commerce	the Dutch Chamber of Commerce (<i>Kamer van Koophandel</i>).
Code	the Dutch Corporate Governance Code.
Committed Guarantee Facility	a committed guarantee facility of initially €261 million under the Amended and Restated SFA. The committed amount under this guarantee facility is subject to quarterly reductions. As at the date of this prospectus, the committed amount is € 227,000,000.
Company	Ballast Nedam N.V.
CSR	corporate social responsibility.
DBFM	Design, Build, Finance, Maintain.
DBFM(O)	Design, Build, Finance, Maintain, Operate.
Decree	the Financial Supervision Act Decree on Market Abuse (<i>Besluit Marktmisbruik Wft</i>).
Disposal Programme	the programme described in " <i>Financial and Operational Measures and Public Bid – Financial and Operational Measures – The Disposal Programme</i> ".
Dividend Stripping	has the meaning given in " <i>Taxation – Dividend Withholding Tax – Holders of Offer DRs Resident in the Netherlands</i> ".
DNB	the Dutch Central Bank (<i>De Nederlandsche Bank N.V.</i>).
DR Holder	each person holding DRs, other than the Company in respect of the DRs it holds in treasury.
DR Register	the register of DRs, which is kept by the Ballast Nedam Administration Office.
DRs	depository receipts of Ordinary Shares in the capital of the Company.
Dutch Civil Code	the Dutch Civil Code (<i>Burgerlijk Wetboek</i>).
Dutch Corporate Income Tax Act 1969	the Dutch Corporate Income Tax Act 1969 (<i>Wet op de vennootschapsbelasting 1969</i>).
Dutch Gift and Inheritance Tax Act 1956	the Dutch Gift and Inheritance Tax Act 1956 (<i>Successiewet 1956</i>).

Dutch Resident Entity	an entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes.
Dutch Resident Individual	an individual who is resident or deemed to be resident in the Netherlands for purposes of Dutch personal income tax.
EBIT	earnings before interest and taxes.
EBITDA	earnings before interest, taxes, depreciation and amortisation.
EIB	Economic Institute for the Building Industry (<i>Economisch Instituut voor de Bouwnijverheid</i> (www.eib.nl)).
Elements	summaries of disclosure requirements.
Eligible Persons	persons who are not Ineligible Persons.
Enterprise Chamber	the Enterprise Chamber of the Amsterdam Court of Appeal (<i>Ondernemingskamer van het Gerechtshof te Amsterdam</i>).
EPC	engineering procurement and construction company.
EU Market Abuse Rules	the EU Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, providing for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation, and the implementation thereof in the Financial Supervision Act.
EUR, euro or €	the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union.
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euronext Amsterdam	Euronext in Amsterdam.
Exercise Period	from 9:00 hours CET on 15 December 2015 until 14:00 hours CET on 28 December 2015.
Facility Agreements	(i) the Amended and Restated SFA; (ii) the Subordinated Facilities Agreement; (iii) the Amended and Restated Rabobank Bilateral Loan; and (iv) the Amended and Restated FGH Bilateral Loan.
Feniks Recycling	Recycling Mij. "Feniks" B.V.
FGH Bank Bilateral Loan	a bilateral loan agreement with FGH Bank as lender under an agreement originally dated 8 March 2010.
Financial Supervision Act	the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>).
FY 2013	the financial year ended and as at 31 December 2013.

FY 2014	the financial year ended and as at 31 December 2014.
General Meeting	the general meeting of shareholders (<i>algemene vergadering</i>) of the Company.
GRC	governance, risk and compliance.
Group	the Company and its subsidiaries.
Group Company	a subsidiary of the Company.
H1 2014	the first half of the financial year 2014 which ended on 15 June 2014.
H1 2015 Interim Financial Statements	the unaudited condensed consolidated interim financial statements of Ballast Nedam N.V. for the first half of the financial year 2015.
H1 2015	the first half of the financial year 2015, which ended on 14 June 2015.
H2	H2 Equity Partners.
IFRS	International Financial Reporting Standards as adopted by the European Union.
Ineligible Jurisdictions	jurisdictions outside the Netherlands wherein the Rights and the Offer DRs may not be offered at all, including, without limitation, the United States, Australia, Canada and Japan.
Ineligible Person	any Shareholder or DR Holder or any other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer DRs may be offered, but to whom certain restrictions apply, as a result of which he cannot lawfully participate in the Rights Offering.
ING	ING Bank N.V.
ING Guarantee Facility	a working capital facility with ING as lender under an agreement originally dated 16 April 2007.
Issue Price	€0.2955.
Large Company	a Dutch public limited liability company which meets at least two of the three criteria referred to in article 2:397(1) Dutch Civil Code.
Leverage Ratio	the ratio of total net debt to earnings before interest, taxes, depreciation and amortisation.
Loan Extensions	the extensions until 31 December 2016 of the Rabobank Bilateral Loan and the FGH Bank Bilateral Loan.
Margin	EBIT divided by revenue expressed as a percentage.
Merger Agreement	the merger agreement between the Company and Renaissance Construction dated 21 July 2015 and an amendment agreement in relation thereto dated 9 September 2015

Net Debt	a non-IFRS financial measure and represents total interest-bearing loans and borrowings and other interest-bearing liabilities after deduction of cash and short-term deposits and long- and short-term interest-bearing assets.
Non-Dutch Resident	a holder of Offer DRs and/or Rights who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity.
Offer DRs	depository receipts of ordinary shares in the share capital of Ballast Nedam N.V. with a nominal value of €0.01 each to be issued in the context of the Rights Offering.
Ordinary Shares	the ordinary shares in the capital of the Company.
Original Credit Facilities	(i) the Syndicated Loan Facilities; (ii) the Guarantee Facilities; (iii) the Rabobank Bilateral Loan; and (iv) the FGH Bilateral Loan.
PFI	Private Finance Initiative.
Placing DRs	depository receipts of ordinary shares in the share capital of the Company with a nominal value of €0.01 each to be issued in the context of the Private Placement.
PPPs	public-private-partnership.
Private Placement	the private placement to Renaissance Infrastructure of 132,959,776 Placing DRs at an issue price of €0.2076.
Prospectus	this prospectus dated 14 December 2015.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU).
Prospectus Regulation	Regulation (EU) No. 809/2004, as amended from time to time.
Publication Date	14 December 2015.
Rabobank	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Rabobank Bilateral Loan	a bilateral loan agreement with Rabobank as lender under an agreement originally dated 30 January 2007.
Rabobank Guarantee Facilities	two guarantee facilities with Rabobank as lender under agreements originally dated 27 March 2007.
Rabobank / RBS Guarantee Facility	a guarantee facility with Rabobank and RBS as lenders under an agreement originally dated 15 November 2010.
RBS	The Royal Bank of Scotland plc.
RBS Guarantee Facilities	two guarantee facilities with RBS as lender under agreements originally dated 12 February 2007.
Recipient	the holder of Offer DRs, who is the recipient of dividends.

Record Date	14 December 2015.
Regulation S	Regulation S under the Securities Act.
Regulations Concerning Inside Information	the Company's internal code of conduct relating to the holding and effecting of transactions by members of the Board of Management and employees in securities in connection with the Company and affiliated issuing institutions and other securities.
Relevant Implementation Date	the date on which the Prospectus Directive is implemented in a Relevant Member State.
Relevant Member State	each member state of the European Economic Area which has implemented the Prospectus Directive.
Remuneration Committee	the remuneration committee of the Supervisory Board.
Renaissance Construction	RC Rönesans İnşaat Taahhüt A.Ş., the parent company of Renaissance Infrastructure B.V.
Renaissance Group	the group of Renaissance Construction and its subsidiaries from time to time (including Renaissance Infrastructure B.V.), excluding the Ballast Nedam Group.
Revolving Credit Facility	a revolving credit facility of €8.9 million with maturity date on 31 December 2015 granted under the Amended and Restated SFA.
Rights	the transferable subscription rights to subscribe for the Offer DRs.
Rights Offering	the offer to subscribe for Offer DRs through the exercise of Rights.
Securities Act	the US Securities Act of 1933, as amended.
Selection and Appointment Committee	the selection and appointment committee of the Supervisory Board.
Settlement Date	29 December 2015.
Sanderink	Sanderink Investments B.V.
SFA Amendment Agreement	an amendment agreement dated 12 June 2015 with the banking syndicate consisting of ING, Rabobank and RBS, which amongst others, has amended and restated the Syndicated Facilities Agreement by (a) refinancing the Syndicated Loan Facilities into the Revolving Credit Facility; (b) granting the Banks Bridge Loan; and (c) consolidating the Guarantee Facilities into the Committed Guarantee Facility under the Syndicated Facilities Agreement.
Shareholder	each holder of Ordinary Shares other than the Ballast Nedam Administration Office.
Share Register	the Company's register of Ordinary Shares, which is kept by the Board of

	Management.
Solvency Ratio	the ratio of total net debt to earnings before interest, taxes, depreciation and amortisation.
SPC	special purpose company.
Stand-by Facility	a subordinated bank loan of €10 million expiring on 31 March 2017 granted by the Syndicated Lenders pursuant to the Subordinated Facilities Agreement.
Subordinated Bank Loans	the Stand-by Facility and the Subordinated Term Loan Facility.
Subordinated Facilities Agreement	the agreement entered into by Ballast Nedam and certain of its subsidiaries on 12 June 2015, by which the Subordinated Bank Loans are made available.
Subordinated Term Loan Facility	a subordinated bank loan of €43 million expiring on 31 March 2017 granted by the Syndicated Lenders pursuant to the Subordinated Facilities Agreement.
Subscription, Listing and Paying Agent	ING in its capacity as subscription, listing and paying agent.
Substantial Interest	has the meaning given in " <i>Taxation – Excluded Holders of Offer DRs and/or Rights</i> ".
Supervisory Board	the supervisory board (<i>raad van commissarissen</i>) of the Company.
Supervisory Board Regulations	the regulations with regard to the functioning of the Supervisory Board as adopted on 25 October 2012, containing additional rules on the allocation of tasks and working methods of the Supervisory Board, and on its dealings with the Board of Management, the General Meeting, and the Works Council.
SWK	Stichting Waarborgfonds Koopwoningen.
Syndicated Facilities Agreement	a €110 million Syndicated Facilities Agreement with the banking syndicate consisting of ING, Rabobank and RBS, which comprised (x) the Syndicated Loan Facilities and (y) a loan facility in the amount of €30 million that matured on 15 August 2014 and was repaid from the proceeds of the rights offering concluded in 2014.
Syndicated Lenders	ING, Rabobank and RBS.
Syndicated Loan Facilities	loan facilities in the amount of €80 million granted under the Syndicated Facilities Agreement.
Tax Arrangement for the Kingdom of the Netherlands	the Tax Arrangement for the Kingdom of the Netherlands (<i>Belastingregeling voor het Koninkrijk</i>).
Tax Regulation for the country of the Netherlands	the Tax Regulation for the country of the Netherlands (<i>Belastingregeling voor het land Nederland</i>).

Transaction	the Rights Offering and the Private Placement together.
Transaction DRs	the Offer DRs and the Placing DRs together.
Transaction Securities	the Rights and the Transaction DRs together.
Underwriter	Renaissance Infrastructure B.V.
Underwriting and Placing Agreement	the underwriting and placing agreement between the Company and Renaissance Infrastructure B.V. dated on or around the date of this Prospectus.
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
Working Capital	a non-IFRS financial measure and is defined by the Group as current assets (excluding cash and cash equivalents) minus current liabilities (excluding bank overdrafts and current loans and borrowings).

ISSUER

Ballast Nedam N.V.
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The Netherlands

LEGAL ADVISER TO THE ISSUER AS TO DUTCH LAW

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