Heijmans N.V.

a public limited liability company (*naamloze vennootschap*) incorporated in the Netherlands with its statutory seat (*statutaire zetel*) in Rosmalen

6 for 1 rights offering of 144,435,504 new bearer depository receipts of ordinary shares to existing holders of bearer depository receipts of ordinary shares and certain holders of ordinary shares at an issue price of EUR 0.70 per bearer depository receipt

Heijmans N.V. (**Heijmans** or the **Company**) is offering 144,435,504 new bearer depository receipts of ordinary shares with a nominal value of EUR 0.03 each (the **Offer BDRs**). The Offer BDRs are initially being offered by granting the holders of bearer depository receipts (the **BDRs**) of ordinary shares in the capital of Heijmans with a nominal value of EUR 0.03 each (the **Ordinary Shares**) and holders of Ordinary Shares other than Heijmans Share Administration Trust as at the Record Date the transferable entitlement to subscribe (subject to being an Eligible Person) for the Offer BDRs *pro rata* to their holdings in the BDRs and Ordinary Shares, at an issue price of EUR 0.70 per Offer BDR (the **Issue Price**), subject to applicable securities laws and on the terms set out in this Prospectus (the **Rights Offering**).

Each person holding BDRs or Ordinary Shares, other than Heijmans Share Administration Trust, (for the purposes of this Prospectus each such person shall be referred to as **BDR Holder**) immediately following the close of trading in the BDRs on Euronext Amsterdam by NYSE Euronext (**Euronext Amsterdam**) at 17:40 Central European Time (**CET**) on 29 June 2009 (the **Record Date**) will be granted 1 such transferable subscription entitlement (the **Right**) for each BDR or for each Ordinary Share held. An Eligible Person (whether a BDR Holder as of the Record Date or a subsequent transferee of Rights) will be entitled and will have the right to subscribe for 6 Offer BDRs for every 1 Right held on the Record Date.

Eligible Persons may, subject to applicable securities laws, subscribe for Offer BDRs through the exercise of Rights during the period from 09:00 CET on 30 June 2009 until 15:30 CET on 9 July 2009 (the **Exercise Period**). Rights may only be exercised during the Exercise Period. After the Exercise Period has ended, Rights may no longer be exercised by Eligible Persons. Once an Eligible Person has validly exercised its Rights, that exercise cannot be revoked or modified except otherwise described herein in section 15.6 "The Offering – Exercise Period".

Application has been made for the admission to trading of the Rights on Euronext Amsterdam. Heijmans expects trading of the Rights on Euronext Amsterdam to commence at 09:00 CET on or about 30 June 2009 and to end at 13:15 CET on or about 9 July 2009. The Rights will be traded under the symbol "HEIJR", barring unforeseen circumstances. Application will be made to list the Offer BDRs on Euronext Amsterdam. Heijmans expects that the Offer BDRs will be listed, and that trading in the Offer BDRs will commence, on Euronext Amsterdam on 15 July 2009, barring unforeseen circumstances.

Following the expiry of the Exercise Period, any Offer BDRs that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period (the **Rump BDRs**) will be offered for sale by ING, Rabo Securities and MeesPierson (the **Joint Global Co-ordinators**) by way of private placements in the Netherlands and certain other jurisdictions (the **Rump Offering**).

The Rump Offering is expected to commence at 08:00 CET on or about 10 July 2009 and to end no later than 17:30 CET on or about 10 July 2009. The Joint Global Co-ordinators will procure purchasers for the Rump BDRs at a price per Rump BDR that is at least equal to the Issue Price, plus any expenses related to procuring such purchasers (including any non-recoverable value added tax). Any Rump BDRs not sold in the Rump Offering will be subscribed and paid for by the Joint Global Co-ordinators at the Issue Price, subject to the terms and conditions of an underwriting agreement between Heijmans and the Joint Global Co-ordinators (the **Underwriting Agreement**).

The Rights Offering and the Rump Offering together are referred to as the **Offering**. The Offering will be subject to the terms and conditions of the Underwriting Agreement.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) in respect of the Offering have been excluded for the purpose of the Offering. The Offering is subject to a number of conditions. If any or all of the conditions of the Offering are not met or waived by the Joint Global Co-ordinators prior to payment for and delivery of the Offer BDRs and if certain circumstances occur prior to payment for and delivery of the Offer BDRs, the Joint Global Co-ordinators may, at their discretion, terminate the Rump Offering and their obligation to subscribe for any Rump BDRs. In such event, the Offering will be withdrawn and both the exercised and unexercised Rights will be forfeited without compensation to their holders and subscription for and allotments of Offer BDRs that have been made will be disregarded. Any subscription payments received by Heijmans, the Subscription, Listing and Paying Agent or the Joint Global Co-ordinators 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 of any Rights purchased in the market. All trades in Rights and Offer BDRs prior to closing of the Offering are at sole risk of the parties concerned. The Joint Global Co-ordinators, the Company, the Subscription, Listing and Paying Agent and Euronext Amsterdam N.V. do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer BDRs on Euronext Amsterdam. For more information regarding the conditions to the Offering and the consequences of any termination or withdrawal of the Offering, see section 15 "The Offering" and section 16.2 "Conditions to the Offering".

No action has been or will be taken to permit a public offer of the Rights or Offer BDRs in any jurisdiction outside the Netherlands. Heijmans is only offering the Rights and the Offer BDRs to those persons to whom, and in those jurisdictions where, the offering of the Rights and the Offer BDRs may lawfully be made. The Rights and the Offer BDRs 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 BDRs in the United States. The Rights and the Offer BDRs offered outside the United States are being offered in reliance on Regulation S under the Securities Act (**Regulation S**). Potential investors in the Rights or the Offer BDRs should carefully read section 17 "Selling and Transfer Restrictions".

Investing in the Offer BDRs and trading in the Rights involves certain risks. See section 2 "Risk Factors" for a description of the factors one should consider before investing in Offer BDRs or trading in the Rights.

The BDRs are admitted to trading on Euronext Amsterdam under the symbol "HEIJM". On 26 June 2009, the closing price on Euronext Amsterdam was EUR 3.94 per BDR. The Rights and the Offer BDRs will be delivered through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Nederland**).

This document (the **Prospectus**) constitutes a prospectus for the purposes of article 3 of Directive 2003/71/EC (the **Prospectus Directive**) and has been prepared in accordance with chapter 5.1 of the Dutch financial supervision act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the **Financial Supervision Act**). This Prospectus was approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (**AFM**).

Joint Global Co-ordinators and Joint Bookrunners

ING, Rabo Securities and MeesPierson

This Prospectus is dated 29 June 2009

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1. SUMMARY

THE FOLLOWING INFORMATION SHOULD BE READ AS AN INTRODUCTION TO THIS DOCUMENT ONLY. ANY DECISION RELATING TO THE OFFERING SHOULD BE BASED ON THIS DOCUMENT AND THE INFORMATION INCORPORATED BY REFERENCE INTO THIS DOCUMENT AS A WHOLE AND NOT JUST THIS SUMMARY.

Where a claim relating to the information contained in, or incorporated by reference into, this document is brought before a court in a Member State, the claimant might, under the national legislation of the Member State, have to bear the costs of translating this document or any document incorporated by reference herein before the legal proceedings are initiated. Civil liability attaches to the Company, which is responsible for this summary, but only if this summary (or any translation of this summary) is misleading, inaccurate or inconsistent when read together with the other parts of this document (including information incorporated by reference herein).

Heijmans Group

In this Prospectus, any references to "**we**", "**us**", "**our**", the "**Company**" or "**Heijmans**" and similar terms refer to Heijmans N.V. and the "**Group**" refers to Heijmans and its subsidiaries and joint ventures. "**Management Board**", "**Board**" or "**Management**", "**Supervisory Board**" and "**General Meeting**" refer to, respectively, Heijmans N.V.'s executive board (*Raad van Bestuur*), Heijmans N.V.'s supervisory board (*Raad van Commissarissen*) and any general meeting of the shareholders of Heijmans N.V. (*algemene vergadering van aandeelhouders*).

The Management Board consists of Messrs. R. van Gelder, G.A. Witzel and D.A.M. van der Kroft. The broader Group-level management (*Concerndirectie*) (**Group-level management**) consists of the members of the Management Board and Messrs. A.G.J. Hillen and L.J.T. van der Els.

1.1 Summary of the business

Heijmans is active in the construction industry. In the Netherlands, Heijmans' business focuses on three strategic business streams: 1) "Property Development and Residential Building", which includes two operations: activities in the property development sector and activities in the residential building sector with a focus on area development (large and small scale projects in urban settings) and on housing construction; 2) "Non-Residential Building and Technical Services", which also includes two operations: activities in the non-residential building sector and activities in the technical services sector with a focus on the construction of high grade buildings in, amongst others, the healthcare sector and education sector; and 3) "Infrastructure", which comprises one operation with activities in the infrastructure sector with a focus on road construction, groundwork, concrete constructions and hydraulic engineering activities.

Heijmans also has foreign operations, which are mainly located in Belgium, the United Kingdom and Germany. In Belgium, Heijmans has activities in the property development, residential building, non-residential building and infrastructure sectors. In the United Kingdom, Heijmans has activities in the residential and non-residential building sectors with a particular focus on the affordable housing market. In Germany, Heijmans is primarily active in the infrastructure sector.

1.2 Background to the Offering

Until recently, Heijmans pursued the strategy of a strong focus on the Netherlands in combination with international ambitions. This strategy required substantial financial and management resources, impacting Heijmans' financial flexibility and therefore also its operating flexibility. Furthermore, certain factors, including the strong decentralisation of the Heijmans organisation, showed that there is an inherent risk of lack of sufficient project, risk and management control. Insufficient control in contracts and projects has resulted in several significant loss-making projects and disappointing financial performance. The financial performance has further been negatively impacted by deteriorating market conditions.

Organisational Restructuring

On 26 September 2008, in response to Heijmans' existing difficulties, Heijmans announced its initial plans for restructuring its organisation in order to make the Company more compact, to reduce risk, to increase and improve its management control systems, contract and risk management procedures and to focus on its core competences in the Netherlands. Heijmans also indicated that the changes in the composition of the Management Board and the appointment of two members of the Group-level management, would be the first steps towards greater effectiveness.

On 13 November 2008, Heijmans announced that as of 1 January 2009 its business will focus on the three strategic business streams. Furthermore, as part of the restructuring of its organisation to make the Company more compact, Heijmans announced that the support staff departments would be decreased with 200 jobs.

On 9 December 2008, Heijmans announced that an additional 450 jobs would be eliminated in the property development, residential building, non-residential building and infrastructure operations in the Netherlands.

On 29 April 2009, in response to the economic crisis which aggravated Heijmans' difficulties, Heijmans further adjusted its strategy and announced its intention to transform Heijmans into a Dutch building company and to dispose of all foreign operations, except for its Infrastructure activities in Belgium, and selectively reduce its land positions with the aim to reduce debt and the capital employed. For more information on the current strategy, please refer to section 5.7 "Strategy".

Financial Restructuring

On 29 April 2009, Heijmans also announced a financial restructuring of its business as part of the overall restructuring (the **Financial Restructuring**). In general, the Financial Restructuring includes: (i) the amendment of the terms of the Syndicated Loan Facility, (ii) an agreement with the USPP Holders concerning the repurchase of their USPP Notes, which has been paid for by Heijmans out of the Bridge Loan Facility, (iii) an agreement with the holders of Financing Preference Shares B regarding certain terms and conditions, in particular with respect to dividend and anti-dilution clauses, (iv) the Offering to finance the redemption of the Bridge Loan Facility, and (v) the possible reduction of debt by disposal of foreign operations and land positions. In addition, Fortis Bank (Nederland) N.V. (**Fortis Bank**), ING Bank N.V. (**ING**) en Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (**Rabobank**) and other key providers of guarantee facilities have confirmed to support the Financial Restructuring.

1.3 Strategy

Heijmans' strategy is to be a Dutch building company with a strong position as a developer and builder in the residential building sector, with a focus on selective, high grade projects in the non-residential building and technical services sectors and with a leading position in the infrastructure sector. As a consequence of the overall restructuring, Heijmans aims to become better capable of managing risks related to the business, more effective and resilient on the basis of a lower level of revenues and a strengthened capital structure.

Following this strategy, Heijmans will focus on the following strategic objectives:

- Focus on its core activities in the Netherlands and further streamlining and flexibilisation of these activities.
- Scale back of the "Property Development and Residential Building" strategic business stream with a focus on reducing employed capital.
- Focus on selective, high grade projects in the "Non-Residential Building and Technical Services" strategic business stream.
- Improve the return of the road building activities in the "Infrastructure" strategic business stream.

- Reduce overhead costs.
- Dispose of or discontinue part or all of the foreign operations.
- Reduce size of the land bank.

Please refer to section 5.7 “Strategy”, for a further description of these strategic objectives.

1.4 Key strengths

Despite an unfavourable short-term outlook given the economic downturn, the Management Board believes that Heijmans is well positioned to pursue its new strategy of focusing on its core business in the Netherlands, as a result of the following key strengths:

- Fundamentally attractive business sectors combined with Heijmans' business mix.
- Heijmans is a key player in the Dutch construction market.
- Development potential provides good basis for future business.
- Revised organisational structure leading to potential margin improvement.

Please refer to section 5.8 “Key strengths”, for a further description of these key strengths.

1.5 The Offering

One of the key elements of the Financial Restructuring is the Offering. The aggregate net proceeds of the Offering will be used to repay the amount under the Bridge Loan Facility and any remainder will be used to repay part of the Syndicated Loan Facility. The Bridge Loan Facility has been used to repurchase the USPP Notes.

1.6 Risk Factors

Risks relating to the Group's business

The Group's financial flexibility is restricted by its level of indebtedness and its financial covenants, which could materially adversely affect its strategy, business, its operational flexibility, its growth potential, financial position (including working capital) or ability to pay dividends in the future.

There can be no assurance that the Company will meet its financial covenants contained in its credit facilities in the future. In case of a breach of the covenants under its Existing Credit Facilities, this could result in materially adverse effects to the Company's financial position, liquidity position and results of operations.

As the working capital requirements of the Group strongly fluctuate over the year, the Company may face a lack of sufficient liquidity at times, which would adversely affect the Group's operations and financial position.

As both guarantee facilities and certain bilateral credit facilities are uncommitted, the providers of these facilities at any time have the authority to decide not to grant such facilities, which could materially adversely affect the Group's operations, financial condition or results of operations.

The global economic downturn, the Group's financial position and the dislocation in the financial markets may expose the Group to a risk of limited availability of funds and may inhibit the Group in drawing on its existing credit facilities or to recapitalise.

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.

Unsuccesful tender processes may result in significant not recouperable costs.

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 Group is exposed to liabilities from projects operated in joint ventures.

Deteriorating markets could result in the impairment of goodwill and other acquired intangibles, which may adversely affect the Group's financial condition or results of operations.

The Group could be required to make additional funds available to meet the deficit in certain pension schemes.

The Group's success depends on attracting and retaining senior personnel, project managers and other skilled personnel.

The construction industry is a complex business in which missing deadlines, contract disputes or general litigation are not uncommon, exposing the Group to financial liability.

Asbestos-related litigation may have a material adverse impact on the Group's financial results.

The Company may be liable for environmental 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 liabilities.

Forward-looking statements may not materialise.

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

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

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

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

Violation of laws could result in damages, fines or other sanctions.

The Company may incur liabilities from former acquisitions and former and planned disposals.

Risks relating to the sectors in which the Group operates

The Group is likely to continue to be negatively impacted by the current economic downturn in the construction industry and may be increasingly impacted.

Certain credit insurers are in the process of reducing, or have expressed their intention to reduce their exposure in the construction industry by lowering credit limits granted to parties, in particular suppliers and SWK, the Dutch guarantee fund for private houses. 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 are 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 material adverse effect on the Group's business, financial condition (including its working capital) or results of operations.

The Group's business may be affected by general risks associated with all companies operating in the same sectors as the Group, these may include, but are not limited to, trends in the construction industry, public spending and payment by public authorities, 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.

Fluctuating commodity prices, in particular of lumber, fuel, bitumen, cement, stone and steel, as well as unexpected shortages may adversely affect the Group's business, financial condition or results of operations.

The Group's results of operations and financial position could be adversely affected by material fluctuations in EUR/GBP exchange rates.

Interest rate exposure, as well as derivative counterparty risk, may have an adverse effect on the financial position and results of the Group.

Adverse weather conditions may impact the Group's results.

Risks relating to the Group's restructuring

Any inability to effect required changes in the Group's organisation, management information systems and internal controls may lead to adverse effects to the operating and financial position of the Group.

The Group's restructuring may prove insufficiently effective to the Group's future operations and results, be delayed or not be fully implemented, any of which could have a materially adverse effect on the Group's business, financial condition or results of operations.

Risks relating to the Offering, the Rights and the BDRs

The price of the Rights and BDRs may fluctuate and the price of BDRs may decline below the Issue Price.

BDR Holders who do not take up their entitlement to BDRs in the Rights Offering in full will experience dilution in their indirect ownership of Heijmans.

The Group's payment of dividends has been suspended and its ability to resume paying dividends in the future will depend on the progress of its business, the Group's profitability, cash and debt position and cash generation by subsidiaries.

In case closing of the Offering does not take place on the Closing Date and the Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders, the subscriptions for and allocation of Offer BDRs that have been made will be disregarded and the agreement with the holders of the Financing Preference Shares B will terminate resulting in a reset of and discussions on the dividend percentage payable to such holders.

An active trading market in the Rights may not develop.

There are limitations on transfers of the BDRs and BDR Holders from certain jurisdictions, including the US, may be excluded from pre-emptive rights issues.

The anti-takeover provisions in the Company's Articles of Association could delay or deter a change of control.

BDR Holders may be subject to exchange rate risks.

The price of the BDRs could be adversely affected by dilution resulting from the exercise of options or the issue of BDRs in connection with (one) equity plan which is currently in place, offers and acquisitions.

In case the Rump Offering is unsuccessful, the Joint Global Co-ordinators may obtain a significant interest in the Company and their interests may conflict with the interests of other BDR Holders.

In case securities or industry analysts do not publish research or reports about the Group's business, or if they change their recommendations regarding the BDRs adversely, the market price and trading volume of the BDRs could decline.

1.7 Summary of the Offering

The summary below describes the principle terms of the Offering. Certain terms and conditions described below are subject to important limitations and exceptions. Please refer to section 15 "The Offering" and section 16.2 "Conditions for the Offering" and 17 "Selling and Transfer Restrictions" for a more detailed description of the terms and conditions of the Offering.

Issuer	Heijmans N.V.
Number of BDRs outstanding at the date of this Prospectus	24,072,164
Number of Ordinary Shares outstanding at the date of this Prospectus	24,072,584
Number of BDRs outstanding after issue of the Offer BDRs	168,507,668
Use of proceeds	The aggregate net proceeds of the Offering will be used to repay the amount under the Bridge Loan Facility and any remainder will be used to repay part of the Syndicated Loan Facility.
Listing of and trading in the BDRs	The BDRs are listed and traded on Euronext Amsterdam under the symbol "HEIJM".
Voting rights	The voting rights attached to the Ordinary Shares (one vote per Ordinary Share) rest with Heijmans Share Administration Trust or other persons directly holding such shares. However, the holders of BDRs who wish to vote at the Company's general meeting of Shareholders (the **General Meeting**) are provided unconditional proxies by Heijmans Share Administration Trust.
Offering	The Offering comprises 144,435,504 Offer BDRs, which are being offered as described in this Prospectus.

Issue Price	EUR 0.70 per Offer BDR.
Rights	Subject to applicable securities laws, the existing BDR Holders as at the Record Date are being granted Rights to subscribe, subject to being an Eligible Person, for Offer BDRs at the Issue Price, in amounts *pro rata* to their holdings in the BDRs or Ordinary Shares (other than the Heijmans Share Administration Trust). Each Eligible Person holding BDRs or Ordinary Shares (other than the Heijmans Share Administration Trust) immediately following the close of trading on Euronext Amsterdam on the Record Date will be entitled to subscribe for 6 Offer BDRs for every 1 Right held. If you hold BDRs on the Record Date, the financial intermediary through which you hold BDRs will customarily provide you with details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. You should contact your financial intermediary if you are a holder of BDRs entitled to receive Rights but have received no information from your financial intermediary with respect to the Rights Offering. If you hold Ordinary Shares (other than the Heijmans Share Administration Trust) rather than BDRs and your Ordinary Shares are registered in the Company's shareholders' register, you will receive rights to subscribe for Offer BDRs and will be sent a letter by the Company, informing you of the number of Rights to which you are entitled and of the procedures that you must follow to exercise or trade your Rights. Delta Lloyd Groep, managed by Delta Lloyd Asset Management, has committed to participate in the Offering through the exercise of Rights granted to it.
Record Date	The Record Date is immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on 29 June 2009.
Trading in the Rights	Trading in the Rights on Euronext Amsterdam is expected to commence at 09:00 CET on or about 30 June 2009 and to cease at13:15 CET on or about 9 July 2009. The Rights will be traded under the symbol "HEIJR". If you are an Eligible Person and you wish to sell all or part of your Rights and you are holding your BDRs through a financial intermediary, you should instruct the financial intermediary through which you hold your Rights in accordance with the instructions received from it. If you are an Eligible Person you may also instruct your financial intermediary to purchase Rights on your behalf.

If you are interested in trading or purchasing Rights, you should be aware that you may be restricted from purchasing and/or exercising your Rights and acquiring Offer BDRs if you are located in a jurisdiction other than the Netherlands and therefore ineligible to participate in the Rights Offering.

Exercise of Rights

Subject to applicable securities laws, Eligible Persons can only validly exercise their Rights during the Exercise Period. **The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier than the end of the Exercise Period, depending on the financial intermediary through which your Rights are held.**

Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless Heijmans amends a material term of the Offering or amends this Prospectus in any material respect. If you have exercised your Rights, you will be obliged to pay the Issue Price for any Offer BDRs being subscribed for.

If you have not validly exercised your Rights before the end of the Exercise Period at 15:30 CET on 9 July 2009, you will no longer be able to exercise your Rights.

Rump Offering

After the Exercise Period has ended, the Joint Global Co-ordinators will, subject to the terms and conditions of the Underwriting Agreement, commence the Rump Offering, if any, in which they will offer for sale by way of private placements in the Netherlands and certain other jurisdictions the Rump BDRs, being the remaining Offer BDRs that were issuable upon exercise of the Rights, but that were not subscribed for during the Exercise Period.

The price per Rump BDR will be at least equal to the Issue Price plus any selling expenses related to the private placements (including any non-recoverable value added tax).

The Rump Offering is expected to commence at 08:00 CET on or about 10 July 2009 and to end no later than 17:30 CET on or about 10 July 2009.

Any Rump BDRs not sold in the Rump Offering will be subscribed and paid for by the Joint Global Co-ordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement.

Unexercised Rights Payment	Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump BDRs offered and sold in the Rump Offering, after deduction of selling expenses (including any non-recoverable value added tax) exceed the aggregate Issue Price for such Rump BDRs (such amount, the **Excess Amount**), each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account (the **Unexercised Rights Payment**), but only if that amount exceeds EUR 0.01 per unexercised Right. Heijmans cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, Heijmans, the Subscription, Listing and Paying Agent, the Joint Global Co-ordinators or any person procuring purchasers of Rump BDRs will not be responsible for any lack of Excess Amount arising from any placement of the Rump BDRs in the Rump Offering.
Dilution	If a BDR Holder does not participate in the Offering, his proportionate ownership and voting interests in the Company will be diluted by up to 600% by the issue of the Offer BDRs.
Joint Global Co-ordinators and Joint Bookrunners	ING, Rabo Securities and MeesPierson
Subscription, Listing and Paying Agent	Rabo Securities
Payment and delivery	Payment for the Offer BDRs to the Subscription, Listing and Paying Agent must be made no later than on the Closing Date, which is expected to be 15 July 2009. If you hold your Rights through a financial intermediary, you should pay the Issue Price for the Offer BDRs that you subscribe for in accordance with the instructions you receive from such financial intermediary. Financial intermediaries may require payment to be provided to them prior to the Closing Date. Delivery of the Offer BDRs will take place through the book-entry systems of Euroclear Nederland.
Ranking and dividends	The Offer BDRs will, upon issue, rank *pari passu* in all respects with the then outstanding BDRs and will be eligible for any dividends which Heijmans may declare on the Ordinary Shares, from which the BDRs have been issued, after the Closing Date.

Listing and trading of the Offer BDRs	Application will be made to list the Offer BDRs on Euronext Amsterdam. Heijmans expects that the Offer BDRs will be listed, and that trading in the Offer BDRs will commence, on Euronext Amsterdam on or about 15 July 2009, barring unforeseen circumstances. The Offer BDRs will be listed and traded on Euronext Amsterdam under the symbol "HEIJM".
Codes for the BDRs and Offer BDRs	ISIN : NL0000341931 Common code: 007016735
Codes for the Rights	ISIN : NL0009198035 Common code: 043678418
Selling and transfer restrictions	No action has been or will be taken to permit a public offering of the Rights and the Offer BDRs in any jurisdiction outside the Netherlands. The Rights and the Offer BDRs 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. Subject to applicable securities laws, the Rights are being granted to existing BDR Holders. The Rights may only be exercised or sold by Eligible Persons. The Offer BDRs are being offered by the Company only pursuant to Regulation S and only in those jurisdictions in which, and only to those persons to whom, offers and placement of the Offer BDRs (pursuant to the exercise of the Rights or otherwise) may lawfully be made. Holders of Rights who exercise or trade their Rights or persons who purchase Rights will be deemed to have made the representations and warranties set out elsewhere in the Prospectus. Potential investors in the Rights or the Offer BDRs should carefully read section 17 "Selling and Transfer Restrictions".
Conditions to the Offering	The Offering is subject to a number of conditions for the benefit of the Joint Global Co-ordinators. If any or all of the conditions to the Offering are not met or not waived by the Joint Global Co-ordinators or if certain circumstances occur prior to payment for and delivery of the Offer BDRs, the Joint Global Co-ordinators may terminate the Underwriting Agreement, in which case the obligation of the Joint Global Co-ordinators to subscribe and pay for any Rump BDRs not sold in the Rump Offering will lapse. In this event, the Offering will be withdrawn. Upon withdrawal of the Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer BDRs will not be offered and issued. Any subscription payment received by the Company will be returned promptly, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-

	settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market. All trades in Rights or Offer BDRs prior to Closing Date are at the sole risk of the parties concerned. The Company, the Subscription, Listing and Paying Agent, the Joint Global Co-ordinators and Euronext Amsterdam N.V. do not accept any responsibility or liability for any loss or damage incurred by any person as a result of a withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.
Lock-up arrangements	The Company and the Heijmans Share Administration Trust have agreed certain lock-up arrangements with the Joint Global Co-ordinators. These arrangements will be effective from the period after the execution of the Underwriting Agreement and until 180 days after the Closing Date.
Governing law	Dutch law

1.8 Expected Timetable of the Offering

Record Date	Immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on 29 June 2009
Ex Rights trading in the BDRs commences on Euronext Amsterdam	30 June 2009
Exercise Period commences	09:00 CET on 30 June 2009
Trading in the Rights commences on Euronext Amsterdam	09:00 CET on 30 June 2009
Trading in the Rights ceases on Euronext Amsterdam	13:15 CET on 9 July 2009
End of Exercise Period	15:30 CET on 9 July 2009
Rump Offering expected to commence at	08:00 CET on 10 July 2009
Rump Offering expected to end no later than	17:30 CET on 10 July 2009
Allotment of Offer BDRs	10 July 2009
Listing of, and start of trading in, the Offer BDRs on Euronext Amsterdam commences at	09:00 CET on 15 July 2009
Issuance of, payment for and delivery of the Offer BDRs	15 July 2009

The results of the Offering will be made public through publication of a press release as soon as possible after allotment of the Offer BDRs.

Heijmans may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If Heijmans should decide to adjust dates, times or periods, it will notify Euronext Amsterdam N.V. and the AFM and issue a press release and (if required) an advertisement in a Dutch national daily newspaper and in the Daily Official List. Any other material alterations will be published in a press release, in an advertisement in the Daily Official List and a Dutch national daily newspaper and in a supplement to this Prospectus (if required).

1.9 Summary of financial information

The following is a summary of the audited consolidated financial information for the financial years ended 31 December 2006, 2007 and 2008 of Heijmans. The summary of the audited consolidated financial information for the financial years ended 31 December 2006, 2007 and 2008, should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditor's reports, which are incorporated by reference in this Prospectus (in this respect, reference is made to section 3.3 "Incorporation by reference").

The audited consolidated financial statements for the financial years ended 31 December 2006, 2007 and 2008 have been prepared in accordance with IFRS.

This summary of financial information also contains unaudited financial information which has been included in the trading update issued by the Company in connection with the Offering on 29 June 2009 (figure 1.5). The Company's results for this period are not necessarily indicative of the Company's results for the half year or full year 2009. The financial information is based on unaudited management information and the presentation and disclosure are not in conformity with EU-IFRS.

The selected consolidated financial information set forth below may not contain all of the information that is important to investors.

Combined statement of income data in EUR millions	**2008**	**2007**	**2006**
Revenues	3,631.0	3,731.9	2,942.1
Cost of sales	-3,458.3	-3,484.1	-2,702.7
Gross Result	**172.7**	**247.8**	**239.4**
Other operating income	47.2	15.2	10.6
Gain on sale of assets classified as held for sale	0.0	0.0	5.2
Selling expenses	-49.7	-36.8	-30.1
Administrative expenses	-149.4	-134.1	-107.3
Other operating expenses	-34.4	-3.9	-0.5
Operating Result	**-13.6**	**88.2**	**117.2**
Financial income	16.6	10.8	8.3
Financial expenses	-19.7	-21.5	-14.1
Share of profit of associates	0.4	1.0	0.5
Result before tax	**-16.3**	**78.5**	**112.0**
Income tax expense	-17.8	-22.1	-29.5
Result after tax	**-34.1**	**56.4**	**82.5**
Earnings per share (in EUR)			
Basic earnings per share	-1.41	2.34	3.43
Diluted earnings per share	-1.41	2.34	3.43

Figure 1.1 – Combined statement of income data for the financial years ended 31 December 2006, 2007 and 2008, provided on a consolidated basis.

Combined cash flow data in EUR millions	2008	2007	2006
Cash flow from operating activities	79.8	258.5	-30.0
Cash flow from investment activities	-0.1	-87.7	-39.2
Net cash flow from financing activities	63.4	-126.3	77.2

Figure 1.2 – Combined cash flow data for the financial years ended 31 December 2006, 2007 and 2008, provided on a consolidated basis.

Combined balance sheet data in EUR millions	2008	2007	2006
Non-current assets	506.6	543.0	446.9
Current assets	1,713.2	1,662.0	1,682.9
Total assets	**2,219.8**	**2,205.1**	**2,129.9**
Equity	370.7	462.5	441.8
Non-current liabilities	692.0	569.1	515.4
Current liabilities	1.157.2	1,173.4	1,172.7
Total equity and liabilities	**2,219.8**	**2,205.1**	**2,129.9**

Figure 1.3 – Combined balance sheet data for the financial years ended 31 December 2006, 2007 and 2008, provided on a consolidated basis.

EBITA in EUR millions	2008	2007	2006
Operating Result	-13.6	88.2	117.2
Amortisation	34.4	3.9	0.3
EBITA	20.7	**92.1**	**117.5**
EBITA margin	0.6%	2.5%	4.0%

Figure 1.4 – EBITA for the financial years ended 31 December 2006, 2007 and 2008, provided on a consolidated basis.

	Revenues		Underlying results of operations*		Order book	
Revenues, underlying results of operations* and order book in EUR millions	**Q1 2009**	**Q1 2008**	**Q1 2009**	**Q1 2008**	**Q1 2009**	**31 December 2008**
Property Development NL	98	133	-1	6	522	636
Residential Building NL	128	133	-2	-6	580	640
Non-Residential Building NL	48	85	-1	-5	198	192
Infrastructure NL	139	175	-6	-21	716	765
Technical Services NL	63	59	2	-2	238	257
Other/ elimination NL	-63	-80	-8	-4	-229	-261
Total the Netherlands	**413**	**505**	**-16**	**-32**	**2,025**	**2,229**
Belgium	54	62	0	-3	179	159
United Kingdom	83	85	3	1	322	343
Germany	80	80	-4	-4	296	273
Total foreign operations	**217**	**227**	**-1**	**-6**	**797**	**775**
Total	**630**	**732**	**-17**	**-38**	**2,822**	**3,004**

Figure 1.5 – Revenues, underlying results of operations for Q1 2009 and Q1 2008 and order book for Q1 2009 and as at 31 December 2008

* The "underlying results of operations" refer to the operating result adjusted for the expenses in relation to the organisational restructuring. Please also refer to section 3.8 "Non-IFRS measures"

1.10 Statement of significant changes

There has been no significant change in the financial or trading position of the Group since 31 December 2008 up to the date of this Prospectus, except for:

(i) the Financial Restructuring as announced by Heijmans on 29 April 2009 and which is further set out in section 5.3 "Restructuring" and section 8.2 "Capitalisation and Ratios";

(ii) the "Developments since 31 December 2008" as set out in section 7.2;

(iii) the underlying results of operations of Q1 2009, the revenues for Q1 2009 and the order book as at 31 March 2009, as set out in section 6 "Selected Financial Information" (figure 6.5); and

(iv) the conversion of an uncommitted credit facility of EUR 50 million to a committed facility as set out in section 2.1 (d) "Risk Factors" and section 7.8 (e) "Indebtedness".

1.11 Current trading and prospects

In the first three months of 2009, certain key aspects of the organisational restructuring announced in 2008 were implemented. The organisational restructuring is aimed at making the Group more compact, reducing risk, expanding and improving its management control systems, contract and risk management procedures and focussing on its core competences in the Netherlands. As a result of the restructuring, some 650 jobs will be eliminated and the Social Plan has been agreed in connection herewith. As of the date of this Prospectus, the organisational restructuring of the operations and the downsizing of the Dutch organisation's support staff departments and of the staff of the operations are on schedule. During the course of 2009 the organisational restructuring is expected to be completed. Furthermore, in accordance with the Group's strategy (reference is made to section 5.7 "Strategy"), the Group is presently engaged in the preparation of possible divestments.

In Q1 2009, the Group's Property Development activities in the Netherlands were severely impacted by the poor residential market conditions, with sales of new homes declining significantly. The Infrastructure activities saw a continued lack of demand from the private sector and lower than anticipated demand from the public sector. The weather conditions in early 2009 were also more severe than normal during the months January, February and March and work could not be carried out on several business days. In particular this had a negative influence on the Infrastructure activities in the Netherlands.

For more information, please refer to section 7.2 "Developments since 31 December 2008".

1.12 Available information

Copies of this Prospectus may be obtained at no cost by sending a request in writing or by fax or email to us or ING, Rabo Securities or MeesPierson, see section 0 "Availability of documents". In addition, copies of this Prospectus may be obtained through the websites of Heijmans (at www.heijmans.nl), Euronext Amsterdam N.V. (at www.euronext.com) (Dutch residents only) or the AFM (at www.afm.nl).

2. RISK FACTORS

Investing in Rights and Offer BDRs involves a high degree of risk. Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus before making an investment decision with respect to any investment decision concerning the Rights or the Offer BDRs. If any of the following risks actually occurs, the Group's business, prospects, financial conditions or results from operations could be adversely affected. In that case, the value of the Rights and the Offer BDRs could decline and you could lose all or part of the value of your investment.

The risks described below are the risks which Heijmans currently considers to be material for the Group, but these risks are not the only ones the Group faces. Additional risks and uncertainties that the Group is currently not aware of or believes to be immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Rights or the Offer BDRs. All of these factors are contingencies which may or may not occur. The Group may face one or more of the risks described below simultaneously.

Prospective investors should carefully review the entire Prospectus and should form their own views and take their own decisions on the merits and risks of trading in the Rights or investing in the Offer BDRs in light of their own personal circumstances. Furthermore, prospective investors should consult their own financial, legal and tax advisors to carefully review the risks associated with an investment in the Rights or the Offer BDRs.

2.1 Risks relating to the Group's business

(a) The Group's financial flexibility is restricted by its level of indebtedness and its financial covenants, which could materially adversely affect its strategy, its business, its operational flexibility, its growth potential, financial position (including working capital) or ability to pay dividends in the future

The Group has a high level of indebtedness. As of 31 March 2009, the Company had a total consolidated gross indebtedness of EUR 814 million, total consolidated assets of EUR 2,132 million and total cash position of EUR 260 million. During the course of the year 2008, the average net debt was approximately EUR 532 million compared to an average net debt of approximately EUR 616 million for the course of the year 2007. Following completion of the Offering, the Company expects to reduce its total consolidated indebtedness, but its financial position will remain substantially leveraged.

Generally, the Group's indebtedness could:

- require the Group to dedicate a substantial portion of its cash flow from operations to make interest and principal payments on its indebtedness, which reduces the availability of the Company's cash to fund working capital, to make capital expenditures, limit the Group's flexibility in acquisitions and other growth possibilities, and to use to further other general corporate purposes;
- increase the Group's vulnerability to general adverse economic and industry conditions; and
- limit the Group's ability to obtain future financing.

Specifically, in connection with the Group's indebtedness, the Group is subject to restrictive covenants and, following the Offering, will continue to be subject to restrictive covenants. Reference is made to section 8 "Capitalisation and Ratios". The restrictive covenants could limit the Group's financial and operational flexibility and this could have a material adverse effect on its business, growth potential, its financial position (including working capital) or ability to pay dividends.

(b) There can be no assurance that the Company will meet its financial covenants contained in its credit facilities in the future. In case of a breach of the covenants under its Existing Credit

Facilities, this could result in materially adverse effects to the Company's financial position, liquidity position and results of operations

The Financial Restructuring, in particular the amendments to the terms and conditions of the Syndicated Loan Facility, has created further flexibility to the Company in view of its financial covenants. Please also refer to section 8 "Capitalisation and Ratios".

Despite the enhanced flexibility, there can be no assurances that the Company can continue to comply with its debt covenants over the shorter or longer term. A breach of any of these restrictions or covenants, over the shorter or longer term, could cause a default with respect to the Company's outstanding debt and, if unremedied, result in the accelerated maturity of some or all of the Company's indebtedness, potentially requiring the Company to dispose of assets at less than full value. Any cross-default provisions in the Company's indebtedness could magnify the effect of an individual default if such a provision were exercised by the Company's lenders. In addition, over the shorter or longer term adverse changes in the value of the Company's commercial assets could cause the amount of any refinancing proceeds, if available, to be insufficient to repay existing debt in full, and the Company may be unable to fund the payment of any shortfall out of other funds. Also the working capital of the Company may be adversely affected. If over the shorter or longer term the Company is unable to dispose of sufficient assets to fund repayment of debt due in the event of an acceleration of maturity, the Company risks becoming insolvent or otherwise ceasing its operations.

(c) As the working capital requirements of the Group strongly fluctuate over the year, the Company may face a lack of sufficient liquidity at times, which would adversely affect the Group's operations and financial position

The working capital requirements available to the Group strongly fluctuate due to a number of reasons, including but not limited to:

- downturn in the economy;
- delayed or failed payments by customers;
- increasing inventory;
- accelerated payments to creditors;
- seasonality in rewarding orders; and
- seasonality in payment behaviour of customers, in particular clients in the public sector, and any changes in such payment behaviour.

A significant and/or continuous increase in working capital requirements may seriously hamper the Group's operational abilities and financial position, since an increase in working capital requirements could create liquidity problems which might lead to an increase in indebtness and in the end to a breach of the Group's financial covenants.

(d) As both guarantee facilities and certain bilateral credit facilities are uncommitted, the providers of these facilities at any time have the authority to decide not to grant such facilities, which could materially adversely affect the Group's operations, financial condition or results of operations

As at 31 March 2009, the Company had available EUR 65 million of bilateral credit facilities, of which approximately EUR 6.9 million was utilised at 31 March 2009 and approximately EUR 660 million of guarantee facilities, of which approximately EUR 588 million was utilised at 31 March 2009. As at 31 March 2009, all these facilities were uncommitted. Subsequently, an uncommitted EUR 50 million bilateral credit facility has been converted to a committed facility.

The Group's ability to carry out construction projects depends significantly on the availability of guarantee facilities. The Group has three different kinds of guarantees in place, the vast majority of which concern performance bonds:

- *Bid Bond*: 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;

- *Performance Bond*: the contractor is asked to supply a performance bond (usually approximately 10% of the project value) to guarantee the finalisation of the project; and

- *Payment Guarantee*: if a payment is done, but the service has not yet been rendered a payment guarantee is requested from a third party to guarantee that the service will be supplied (or the other way around).

All bank guarantees are provided on an uncommitted basis. The non-financial covenants are on average: *pari passu*, negative pledge and cross default. Further, the financial covenants are often linked to the syndicate documentation and in case of default, documentation often stipulates cash collateral or similar security.

For various reasons, ranging from perceptions on the Group's future result of operations to the current economic downturn in general, certain providers of the bilateral credit and guarantee facilities may decide to not grant these facilities or parts thereof or require to amend the terms and conditions of such facilities and to be provided with (additional) collateral. Any such occurrence will most likely result in higher costs and/or will hamper the Group's ability to tender for projects, both of which will have an adverse effect on the Group's business and financial position, including its working capital. In addition, 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 sufficiently available or available at commercially reasonable terms.

Recently, the Company engaged in discussions with certain providers on the continuation, reduction and/or amendment of terms of the uncommitted facilities.

(e) The global economic downturn, the Group's financial position and the dislocation in the financial markets may expose the Group to a risk of limited availability of funds and may inhibit the Group in drawing on its existing credit facilities or to recapitalise

The continuing global economic turmoil and the Group's financial position could inhibit the Group's ability to draw under or could restrict the availability or refinancing of the Existing Credit Facilities. Such events could also affect the Group's ability to obtain new financing. For a further discussion of the Group's financial covenants and the maturity of its facilities, see section 8 "Capitalisation and Ratios".

In addition, present conditions in the credit markets have significantly restricted the supply of credit and have caused some lenders to negotiate a reduction in their exposures. The committed Syndicated Loan Facility provides for EUR 400 million of borrowing capacity, of which EUR 325 million has been drawn as per 31 March 2009. The Syndicated Loan Facility matures on 24 March 2012. The Bridge Loan Facility matures on 29 April 2010, unless prepaid (in whole or in part) prior to that date with the proceeds of the Offering or from the Group's cash flows. The Trading Update figures of the Group for the period ended 31 March 2009 included approximately EUR 168 million in project finance facilities. If project terms are overrun, while the associated project finance facilities mature, the Group may face the necessity to refinance such facilities. Furthermore, the ability for the Company to refinance using its own facilities is restricted to a maximum of EUR 25 million under the Syndicate Loan Facility. Additionally, the Group would need to attract new project finance facilities if new projects are awarded. There can be no assurance that the Group will be able to obtain additional facilities to refinance the Syndicated Loan Facility or such amount as may remain outstanding under the Bridge Loan Facility or any project finance facility at its maturity date or meet any additional borrowing needs that may have arisen at that time on satisfactory terms.

(f) 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

A significant proportion of the Group's business depends for its profit on 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. In case of wrong or inaccurate calculations or estimates or lack of control, lower than anticipated profits may be achieved or a loss may be incurred and the Company may incur penalties if the performance schedule is not met.

Cost overruns can be due to *inter alia* inefficiency, poor design where the contractor or 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, unforeseen changes in the construction plans or other factors which results in lower profit or a loss on a project. A significant number of contracts are based in part on cost calculations that are subject to a number of assumptions. If estimates of the overall risks or calculations of the revenues or costs prove inaccurate or circumstances change, lower profits may be achieved from or greater losses may be incurred on such contracts. Such risks are exacerbated if the contract involves a large and/or complex project. All of these factors will have an adverse effect on the financial positions of the Group, including its working capital.

(g) Unsuccesful tender processes may result in significant not recouperable costs

The Group obtains a large number of its projects by way of successfully completing tender processes initiated by the relevant customer. As with any construction company, the Group also fails to win certain tender processes, while it has invested significant costs and time 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 only increase if the project is more complex. Any such significant costs and time will have an adverse effect on the Group's business and financial position.

(h) 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 based on certain assumptions, such as a possibility of developing (at least part of) the positions. As the development of the strategic land positions depends on the relevant public bodies, in particular city councils, amending the relevant zoning plans (*bestemmingsplannen*), the non-occurrence of such amendments in the future may materially affect the value of the land positions concerned.

There may be other factors, such as successful appeals by nearby residents or a lack of liquidity which limits or impedes the Group to further develop the strategic land positions in the medium to long-term future and consequently create positive financial returns.

Furthermore, the value of the Group's strategic land positions depends on general macro-economic conditions, which for the short-term future do not appear to be favourable.

Pollution or soil problems may have a negative effect on the land positions' value.

Land positions can be relatively illiquid, meaning that it is uncertain if and when the positions will be developed, encumbered or sold and when – as a result – cash will be generated from these land positions. Such illiquidity may affect the Group's ability to value, to 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.

(i) The Group is exposed to liabilities from projects operated in joint ventures

As is customary in the construction industry, many projects and services are generally taken on in the form of partnerships (*vennootschap onder firma*) with other companies, which results in joint and several liability for each of the partners and hence the risk to Heijmans of being held liable for (mis)conduct of others.

Containing such risks at the level of the legal entity that is the partner in such partnerships may not be possible as a result of statements of joint and several liability issued by Heijmans in relation to its Group companies pursuant to article 2:403 of the Dutch Civil Code or in consequence of specific requirements from the relevant principal.

In addition, a majority of the strategic land positions are being held in joint ventures. The development, encumbrance 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 Company's financial position.

(j) Deteriorating markets could result in the impairment of goodwill and other acquired intangibles, which may adversely affect the Group's financial condition or results of operations

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. The Group's recorded impairment losses related to the carrying value of goodwill and other intangible assets amounted to EUR 234,000 in the year ended 31 December 2006 and EUR 305,000 in the year ended 31 December 2007. Over the year ended 31 December 2008, the Group recorded impairment losses related to the carrying value of goodwill and other intangible assets of EUR 31,020,000 reflecting current and expected market conditions. If the current economic downturn worsens or the economies in which the Group operates do not recover, the Group may, however, need to start recording such additional impairment losses relating to its businesses, and such losses, whilst not directly affecting the cash flows of the Group, could have an adverse effect on the Group's financial condition or results of operations.

(k) The Group could be required to make additional funds available to meet the deficit in certain pension schemes

The Group has various pension schemes in place for its employees, the allocation of which depends on position, sector and historical ties.

The vast majority of the Group's employees participate in the following (compulsory) sectoral pension funds: (i) construction industry, (ii) metals and electrical engineering, (iii) concrete production, (iv) railways, (v) transportation and (vi) agriculture.

Additionally, the Group has in place three Group-specific pension funds: the Foundation Pension Scheme Heijmans (*Stichting Pensioenfonds Heijmans*), the Foundation Pension Scheme IBC (*Stichting Pensioenfonds IBC*) and the Foundation Pension Fund Management Board Heijmans (*Stichting Pensioenfonds Raad van Bestuur Heijmans*).

As per 31 December 2008, the pension fund for the Management Board, offered by the Foundation Pension Fund Management Board Heijmans, and the excess pension fund for Heijmans employees, offered by the Foundation Pension Scheme Heijmans, were underfunded by EUR 571,000 and EUR 4,935,000 respectively based on the recovery plans submitted to the DNB. The underfunding is caused by the recent economic downturn, the decrease in interest and significant decreases in value of global stocks. Both pension funds pertain to defined-benefit schemes. As is the case with a significant number of pension funds in the Netherlands, the aforementioned pension funds have submitted recovery plans with the DNB in order re-attain the necessary funding ratios within five years. Failure to reach certain milestones may necessitate measures such as lowering of pension payments, ceasing indexation or increases in premiums, which latter measure may need to be partly borne by the Group.

Any requirement to make additional contributions to the pension schemes to cover any deficits in such schemes, including following the regularly planned actuarial valuations, could have an adverse effect on the Group's financial condition. In addition, actions by the DNB or the trustees of the pension schemes that the Group participates in or any material revisions to the existing pension legislation could result in the Group to incurring significant additional costs. Such costs, in turn, could have an adverse effect on the Group's financial condition.

(l) 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, highly skilled and well-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, develop and retain highly skilled management and personnel. If the Group does not succeed in attracting, developing and retaining skilled personnel, it may not be able to manage its business as anticipated. Further, the departure from the Group of any of the members of the Management Board or certain senior employees could, in the short term, have a material adverse effect on the Group's business.

(m) The construction industry is a complex business in which missing deadlines, contract disputes or general litigation are not uncommon, exposing the Group to financial 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/or 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. Failure to meet any such schedule requirements could result in the Group incurring significant contractual penalties and/or may damage the Group's reliability within the industry and client base. Missing deadlines cause delays, impacting the liquidity position of the Group. For large projects, the risks associated with the realisation of the agreed performance and completion milestones are inherently larger.

The Group's contracts may require 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 generally such contracts 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 included in the original project plans and specifications or, if the customer agrees that the work performed qualifies as extra work, the price the customer is willing to pay for the extra work. 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. If the Group is not able to receive payment for the additional work, this will impact the Group's results adversely. Such impact would be inherently larger with large projects.

In the course of the Group's operations, the Group is exposed to potentially significant litigation including, but not limited to, regulatory violations, breach of contract, contractual disputes and also, in the case of homebuilding, defective title or property misdescription. Insurance, if any, may be insufficient to cover the particular claim or loss. Material litigation may adversely affect the Group's business, financial condition and operating results or cause the Group significant reputational harm. In the experience of the Company, when market conditions are unfavourable, customers and other parties may be more likely to litigate in relation to disputes or losses, for example, in relation to executed projects. While the Group maintains commercial insurances in an amount it believes is appropriate against risks commonly insured against by persons carrying on similar businesses, there is no guarantee that it will be able to obtain the levels of cover desired by the Group on acceptable terms in the future. In addition, even with such insurance in place, the risk remains that the Group may incur liabilities to clients and other third parties which exceed the limits of such insurance cover or are not covered by it. Should such a situation arise it may have a material adverse effect on the Group's business, results of operation, financial condition or prospects. For further information on material litigation and arbitration proceedings in which the Group is currently involved, please refer to section 5.14 "Litigation".

(n) Asbestos-related litigation may have a material adverse impact on the Group's financial results

In the past, the construction industry has used and its employees have worked with or have been in contact with materials containing asbestos. Exposure to asbestos may lead to health problems, such as lung mesoltheliom. The Group's past operations therefore carry a relatively high exposure for asbestos-related litigation from its (former) employees or contractors. Currently, the Group does not face significant claims (from former) employees and contractors in this regard.

The Group has insurance cover that concerns exposure or contamination to asbestos prior to 1 January 2002. This insurance does not pertain to exposures or contamination occurred on or after this date and does not cover any liabilities for companies acquired after 1 January 2007. Based on current estimates, the amount of insurance cover significantly exceeds the current estimated liability relating to asbestos claims, and no material related profit or cash flow impact is therefore expected to arise in the foreseeable future. However, there can be no assurance that these estimates will prove correct. Factors which could cause actual results to differ from these estimates and expectations include: (i) increases in the number of, or adverse trends in, asbestos claims filed against any of the Group's subsidiaries; (ii) increases in the cost of resolving current and future asbestos claims as a result of adverse trends relating to settlement costs, dismissal rates, legal fees and/or judgement sizes; (iii) decreases in the amount of insurance available to cover asbestos claims as a result of adverse changes in the interpretation of insurance policies or the insolvency of insurers; (iv) the emergence of new trends or legal theories that enlarge the scope of potential claimants and/or new procedural mechanisms that facilitate their claims; (v) the impact of bankruptcies of other companies whose share of liability may be imposed on the Group's subsidiaries under state or national liability laws; (vi) unpredictable aspects of the litigation process; (vii) adverse changes in the mix of asbestos-related diseases with respect to which asbestos claims are made against the Group's subsidiaries; (viii) potential legislative changes; and (ix) changes in the discount rate used to determine the discounted liability.

(o) The Company may be liable for environmental issues relating to its current and former operations and properties

The Company is subject to various 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 Company in relation to environmental and health and safety issues that could have a material adverse effect on the Company's business, operations and financial condition.

Under such laws and regulations, the Company 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 Company liable without regard to negligence or fault, and could expose the Company 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 such acts were performed. In addition, contaminated properties may experience decreases in value and are likely to be more difficult for the Company 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. In this regard, it is noted that the Group has included a provision of EUR 3 million in the Financial Statements 2008 to provide for certain environmental exposures.

The Company 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 Company 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 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 Company's business, operations and financial condition.

(p) The Group's operations in the construction industry carry a risk of performance and product liabilities

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.

While the Group currently maintains insurance coverage to address certain of these types of liabilities, there can be no assurance that it will be able to obtain such insurance on acceptable terms in the future, if at all, or that any such insurance will provide adequate coverage against potential claims. 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. 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 or results 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.

(q) Forward-looking statements may not materialise

This Prospectus contains certain forward-looking statements concerning Heijmans' future operations, economic performances, financial conditions and financing plans, including such things as working capital, business strategy and measures to implement strategy, competitive strengths, goals and Heijmans' business and operations and references to future success. These statements are based on the Management Board's beliefs and assumptions and on information currently available to the Management Board. Whether actual results and developments will conform to the Company's expectations and predictions is subject to a number of risks and uncertainties, particularly in the current economic climate and in view of rapidly changing market and sector conditions, as well as the risk factors discussed in this section. In addition, the Company may not be able to recognise or act on, changing market developments. Consequently, all of the forward-looking statements made in this Prospectus are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realised or, even if substantially realised, that they will have the expected consequences for or effects on the Company and its subsidiaries or their business or operations. See section 3.4 "Forward-looking statements" for further information.

(r) The Group could be materially adversely affected if its IT and infrastructure fail 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, 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 materially affect its sales, costs and profitability.

The Group utilises various information (reporting) systems which are inter-connected, but do not always fully match. Despite on-going efforts to improve this situation, the current status of the information (reporting) systems may lead to an unwarranted delay in transmitting all required information through the Group. In its turn, this may cause a delay in the detection of significant events and a delay in consolidation of financial figures.

If – despite the Group's security devices – a major attack on the Group's network or the internet, or failure of a key systems component, were to occur, such disruption could hinder or stop the operation of one or more of the Group's businesses for the period of time it would take to repair and recover the business to the point immediately prior to the failure.

As of 16 January 2009, Centric has agreed to construct and manage the Group's new IT infrastructure. The Group expects to finalise the transition from the services previously offered by Atos Origin to the new IT infrastructure in the first half of 2010. Such large outsourcing projects carry an inherent risk to the business in the event of problems in its implementation or execution. The transition between two suppliers in this respect, Atos Origin and Centric, may in this regard pose additional risks.

(s) The Group may be insufficiently insured against all losses, damage and limitations of use of its properties

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

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

IFRS requires 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.

The Company has recorded tax assets in its financial statements. Although the Company believes its assessment of these assets are appropriate, the tax assets recorded in the Group's consolidated financial statements may not be fully recoverable which may affect its financial results.

(u) Labour costs, work stoppages and other 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 contracts could result in increased operating costs. Most of the Group's employees are covered by the CLA Building Industry (*CAO Bouwnijverheid* – 70% of workforce) and the CLA Metal Electrical Engineering (*CAO Metaal & Techniek* – 25% of workforce), which have a duration until 30 June 2009 and 30 November 2009 respectively. On 16 June 2009, the relevant employers' organisation and trade unions reached agreement on a new CLA

Building Industry entering into effect on 1 July 2009 and with a duration until 31 December 2010. The trade unions are currently consulting their constituents for final approval.

If any such strikes or other work stoppages occur, or if other employees become represented by a union, the Group could experience a disruption of its operations and higher labour 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.

The business of the Group is heavily dependent on its skilled labour force. Should labour costs, either by means of a collective labour agreement or otherwise, rise faster than expected, this could have an adverse impact on the Group's business, financial condition and operating results.

(v) Violation of laws could result in damages, fines or other sanctions

The Group is subject to laws and regulations in areas such as financial supervision, competition, pollution, health and safety, the disposal of hazardous substances and labour, all of which laws and regulations may be subject to change. Any breach of these obligations, or even incidents relating to the environment or health and safety that do not amount to a breach, could adversely effect the Group's business, financial condition and operating results. In addition, a failure to comply with any amended laws or regulations may have an adverse effect on the Group's business, financial condition and operating results.

The construction sector as a whole, including the Company, has been fined for collusive behaviour. Any similar future violation of relevant laws or regulations by the Company or any of its subsidiaries employees will carry increasingly adverse risks including any severely high penalties that may be levied and reputational damage.

(w) The Company may incur liabilities from former acquisitions and former and planned disposals

In the past, Heijmans has disposed of businesses and subsidiaries. For instance, the Group sold Heijmans Industrieservice B.V. in 2008 and Vebo Holding B.V. in 2006. Also, the Group anticipates further disposals in the future as part of its restructuring and its current strategy that the Company announced on 29 April 2009 (please refer to sections 5.3 "Restructuring" and 5.7 "Strategy" for more information). Disposals may not realise the anticipated benefits or there may be other unanticipated or unintended effects. While the Group seeks to limit ongoing 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 unexpected and significant liabilities. 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.

Before making an investment in a company, the Company assesses the value or potential value of such company and the potential return on its investment. In making the assessment and otherwise conducting due diligence, the Company relies on the resources available to it and, in some cases, an investigation by third parties. There can be no assurance, however, that due diligence examinations carried out by the Company or by third parties in connection with any companies the Company has acquired in the past have revealed all of the risks associated with such company, or the full extent of such risks. When the Company has acquired a company in the past, the company may still be subject to hidden material defects or deficiencies in the title to the company or otherwise which were not apparent at the time of acquisition.

Although the Company typically obtains warranties or representations from the seller with respect to certain legal or factual issues, these warranties may not cover all of the problems that may arise following the purchase, and may not fully compensate the Company for any diminution in the value of such company or other loss it may suffer. In addition, it may be difficult or impossible to enforce warranties or representations against a seller for various reasons, including the insolvency of the seller or the expiration of limitation periods or expiry of enforcement periods for such warranties or representations.

2.2 Risks relating to the sectors in which the Group operates

(a) The Group is likely to continue to be negatively impacted by the current economic downturn in the construction industry and may be increasingly impacted

The economic downturn has negatively affected the building markets in particular. In the current economic environment, both the number of newly built residential and non-residential buildings and property development have decreased markedly, and may possibly decrease further. The level of activity in the non-residential building sector depends largely on vacancy rates, commercial investment and general economic conditions. Because the property development, residential building, non-residential building, technical services and infrastructural sectors are sensitive to changes in the economy, downturns (or lack of improvement) in the economy in any of the Group's geographic markets could adversely affect its business, financial condition (including its working capital) or results of operations.

As indications of the way in which the economic downturn affects the construction industry, it may be noted that in the first two months of 2009, the sale of new residential buildings has seen a substantial decline of 60-70% compared to the same period in 2008 (source: press release 11 March 2009, www.nvb-bouw.nl). Research also shows that in February 2009, the "orders in hand" across the residential construction industry were 30% lower than one year ago, while the orders in hand in the non-residential construction industry were over 20% lower (source: adjusted forecasts April 2009, EIB, www.eib.nl). The same research also forecasts an aggregate decline of 15% in the coming three years (2009-2011), before the general construction rate will see a recovery.

The Group expects that its performance is likely to remain under pressure as consumer and business sentiment is further negatively affected by the downturn in global macro-economic conditions. As the economic turmoil may affect the Group's customers, this may lead to a delay in or cancellation of orders. Considering the Group's current order books, the economic downturn may have a delayed and further effect on the Group's future results. The current order books could also be negatively affected by a delay in and cancellation of orders.

Furthermore, it may be that the Group will construct properties for which the Group may be financially affected for any ensuing vacancy rates or lack of sales, including lack of bulk sales to housing associations or financial investors.

The Group may also be financially affected if the number of unsold homes under construction in its accounts increases as a result of the deteriorating housing market due to the financial and economic crisis. The Group's inventory (including inventory outside the Netherlands) of homes under construction that were unsold at year-end 2008 included 870 homes, while mid 2008 this amount was 560 unsold homes under construction. The number of unsold finished homes at year-end 2008 was 53.

In the Infrastructure sector, Heijmans is to a large extent depending on public sector spending since this is of major importance to major infrastructural projects. Although the Dutch government has discussed it may increase such spending, there can be no assurance on the level of public spending. A lack of sufficient spending in the public sector may have an adverse effect on the Company's financial position, including its working capital.

(b) Certain credit insurers are in the process of reducing, or have expressed their intention to reduce their exposure in the construction industry by lowering credit limits granted to parties, in particular suppliers and SWK, the Dutch guarantee fund for private houses. 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 are 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 current economic downturn and the deteriorating economic conditions in the construction industry, many suppliers have been facing difficulties in obtaining credit insurance on their receivables from market parties, such as Heijmans. As a result, this may affect 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 may require prepayments or shorter credit terms from the Group.

To the extent the Group's available cash is limited, 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 the economic downturn, 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. Such may adversely affect the Group's operations and financial position, including in particular its working capital (e.g. in the event of earlier payment requirements).

Although the supply and manufacturing market is fragmented and no single supplier or manufacturer accounted for more than 2% of the Group's total material and supply purchases during the year ended 31 December 2008, the more stringent requirements by their credit insurers as well as the economic downturn affect a large majority of this market.

Certain credit insurers' requirements have also become more stringent by their intention to reduce their exposure to the owner-occupied housing guarantee fund, issuing the SWK (*Stichting Waarborgfonds Koopwoningen*) certificate. The SWK issues certificates to individual purchasers of residential buildings, guaranteeing certain technical requirements of the respective homes and protecting consumers against adverse effects of bankruptcy of the project developer. Certain subsidiaries of the Group participate in this fund. The fund has been re-insured and certain credit insurers have recently indicated their intention to reduce their exposure (via their credit lines) to this fund. Such a reduction may hamper possibilities for the Group to sell residential buildings with a certificate from the SWK. This may result in potential purchasers of homes built by the Group demanding direct recourse, such as through escrow or bank guarantees, or a reduction in demand to purchase such homes. If this would occur, it would adversely affect the Group's financial and operational position.

(c) 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 material adverse effect on the Group's business, financial condition (including its working capital) or results of operations

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 Company 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 risk has been exacerbated by the current macro-economic downturn which has caused significant operational and financial difficulties for financial and other corporate institutions, and has led to an overall lack of availability of credit and funds in the market.

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 customers for instance, the Group has seen signed purchase contracts for residential buildings being dissolved because buyers were unable to obtain financing. 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 effect of the current economic turmoil on the Group's customers may furthermore lead to a delay in or a cancellation of orders. 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 would not be achieved. This risk has materialised last year and the macro-economic downturn and the difficulties in the credit market are expected to prolong this risk for the Group. 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.

Furthermore, the Group's exposure to default by counterparties through the Group's cash balances deposited for short periods with financial institutions may increase as economic conditions further deteriorate. The potential bankruptcies or insolvency of such counterparties, which could arise especially in light of the current economic downturn, could also have a material adverse effect on the Group's business, financial condition or results of operations, as well as in the industry in which the Group operates.

(d) The Group's business may be affected by general risks associated with all companies operating in the same sectors as the Group, these may include, but are not limited to, trends in the construction industry, public spending and payment by public authorities, general economic conditions and legislation

The Group's business may be affected by the general risks associated with all companies operating in the same markets as the Group. The markets in which the Group operates depend on numerous factors, many of which are beyond its 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, see www.nen.nl), 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.

Future developments in laws and regulations concerning the Group's businesses may materially adversely affect its business, financial condition or results of operations.

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 generally in each of the markets in which the Group operates. In addition, with respect to public sector projects, the Group's financial position may be affected by (i) political prioritisation towards operational expenditure, (ii) seasonality in payment behaviour of the public sector bodies and (iii) seasonality in awarding projects.

(e) The Group may lose business to competitors or otherwise be unable to compete favourably in the markets in which it operates

The Group's results of operations depend on its ability to compete in the markets in which it operates. 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 result in material adverse effects on its business, financial condition or results of operations.

Increasing competition from existing competitors, including but not limited to large national construction companies such as Ballast Nedam Group N.V., Royal BAM Group N.V., Dura Vermeer Group N.V., Strukton Group N.V., TBI Holdings B.V. and Royal Volker Wessels Stevin N.V. 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 adversely affect its business, financial condition or results of operations. 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.

(f) Fluctuating commodity prices, in particular of lumber, fuel, bitumen, cement, stone and steel, as well as unexpected shortages may adversely affect the Group's business, financial condition or results of operations

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, can fluctuate, and have fluctuated, quickly and significantly and may adversely affect the Group's results of operations. 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. Although prices of raw materials or semi- or fully-finished component products have declined recently, generally, 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 Heijmans will generally attempt to create the contractual possibility to pass on all or part of material price increases to its customers, 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 adversely affect the Group's business, financial condition or results of operations. On occasion, the Group has hedged price increases of bitumen.

(g) The Group's results of operations and financial position could be adversely affected by material fluctuations in EUR/GBP exchange rates

The Group has certain businesses in the United Kingdom whose revenues and costs are mainly denominated in pound sterling. For the calendar and financial year ended 31 December 2008, approximately 11% of the Group's revenue is in sterling, while its reporting currency is the Euro. Fluctuations in currency exchange rates may affect the Group's consolidated EBITDA which, in turn, could affect the extent to which the Group is in compliance with the financial covenants of its Existing Credit Facilities, (see section 8 "Capitalisation and Ratios" for further information). Fluctuations in the EUR/GBP exchange rate could also further limit the capacity of the Group's UK operations to repay the intra-group loan which has been granted by the Company for the acquisition of J.B. Leadbitter & Co Ltd. (2003). The Group has no hedging in place to mitigate the risk of such fluctuations.

(h) Interest rate exposure, as well as derivative counterparty risk, may have an adverse effect on the financial position and results of the Group

The Group is exposed to changes in interest rates results from borrowing activities undertaken to finance its operations. The Group may enter into interest rate swap agreements to generate the desired interest rate profile and thereby manage its exposure to interest rate fluctuations. An interest rate swap changes the Group's exposure to interest risk by effectively converting a portion of the Group's floating rate debt to a fixed rate or fixed rate debt to a floating rate. The Group may elect in the future to enter into additional floating rate to fixed rate swaps or fixed rate to floating rate swaps. There can be no assurance that the Group will not be materially adversely affected by interest rate changes in the future, notwithstanding its use of certain interest rate swaps.

In addition, the Group's interest rate swaps expose the Group to the risk of default by the counterparties to such arrangements. Any such default could have an adverse effect on the Group's business, financial condition, including its working capital, or results of operations.

(i) Adverse weather conditions may impact the Group's results

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

2.3 Risks relating to the Group's restructuring

(a) Any inability to effect required changes in the Group's organisation, management information systems and internal controls may lead to adverse effects to the operating and financial position of the Group

In the recent past, the Group has been confronted by a number of projects in which 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. For example, at year-end 2008, construction projects, dating from 2005 and primarily in the non-residential sector, generated cumulative losses of EUR 127.2 million for the years ended 31 December 2006, 2007 and 2008. The cumulative losses at year-end 2007 amounted to approximately EUR 100 million in respect of the years ended 31 December 2006 and 2007. At the end of 2008, most of these projects were largely or completely delivered. In 2008, the Group has not met internal EBIT forecasts which were revised several times.

The factors that contributed to lack of or insufficient control include:

- A reduced capability to transmit important information through the reporting lines within the Group, in particular to the Management Board, due to the decentralised nature of the organisation;
- the management information systems were not sufficiently effective; and
- 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 overview of risks, the Group has overhauled the project and risk management and control systems and has taken measures to rationalise and streamline operations, establish shorter reporting lines and where necessary centralise oversight and consolidate activities and sectors. Although certain measures have already been implemented, some measures still need to be implemented. For instance, the integration between the Group's enterprise resource planning (ERP) systems and reporting systems is not yet optimal and could impose risks as to the quality of information relied upon by the Group in making business decisions, internal risk management and financial reporting or prevent the Group from effecting desired changes in the way the Group wishes to run its operations.

As part of the overhaul of the project and risk management, the Group has – in some of its operations and projects - installed (i) process managers, who are responsible for managing an entire project from the beginning to the end, and (ii) so-called PCR-managers (Project Contract and Risk-managers) who are responsible for the contract and risk management of the respective project. The PCR-managers are also responsible for initially assessing legal documentation. Such managers are not necessarily lawyers and it is their responsibility to assess whether assistance from the Group's central legal department is required. Also, no process managers or PCR-managers may be allocated to certain projects. This may entail a certain degree of risk if exposure to contracts or issues derived from contracts are not adequately recognised or addressed.

Also despite the measures taken and planned, such measures may prove insufficient to prevent adverse effects to the Group's financial results.

(b) The Group's restructuring may prove insufficiently effective to the Group's future operations and results, be delayed or not be fully implemented, any of which could have a materially adverse effect on the Group's business, financial condition or results of operations

In response to the recent deterioration of the markets in which the Group operates, as well as the recent and continuing macro-economic downturn, the Group has engaged in a programme of restructuring with the aim of preserving cash, reducing costs of the business and decreasing capital employed. As part of this restructuring, as initiated in September 2008, the Group is in the process of implementing a job reduction of approximately 650 positions and has reduced certain land positions.

In addition, the Group has taken the decision not to pay out dividends on Ordinary Shares over the financial year ended 31 December 2008 and intends to fully or partially dispose of or discontinue its foreign operations and to further reduce its strategic land positions.

The Group's expectations of the financial benefits of this restructuring are based upon certain assumptions and variables regarding, among other things, future market conditions, the proper implementation of the social plan entered into between the Group and the pertinent trade unions, the trading performance of the Group and the timely implementation of the restructuring. There can be no assurance that such assumptions will prove correct, or that the expected annualised savings will materialise as a result of such restructurings. Furthermore, these restructuring initiatives may prove to be more costly than anticipated, for instance if (i) the severance payments paid to redundant staff end up to be higher than as agreed in the social plan, (ii) if the redundancies take longer to effect than anticipated resulting in higher labour costs, (iii) if the indirect costs of redundancies, such as accommodation costs, cannot be reduced quickly or (iv) if certain businesses or assets must be sold at discounts to their expected value, take longer to dispose of than expected or are incapable of being disposed of at all. The success of the intended disposal programme of the Group may also be negatively affected by the lack of available credit for potential purchasers and the strong reduction in demand for acquisitions given the current market conditions. It should be noted that any proceeds from the disposal programma as outlined by the Group's strategy will be applied to repay the Existing Credit Facilities. Please refer to section 8.2 "Ratios" for more information.

Certain aspects of the restructuring, in particular the full or partial disposal of the Group's foreign operations and divestment of certain strategic land positions, may prove detrimental and make the Group less competitive in the future. For instance, the disposal of the strategic land positions may (i) negatively impact future business developments and (ii) not be possible without also disposing associated development or building rights. Also, the disposal of foreign activities would reduce the Group's consolidated EBITDA. If such disposals do not generate sufficient proceeds, the Leverage Ratio may be negatively impacted and such disposals may negatively impact the Group's financial position in light of the financial covenants under the Existing Credit Facilities. In addition, the announced and intended disposals could lead to new orders and projects not being awarded to any of the foreign companies and key personnel of such companies terminating their employment with the Group, all of which will have an adverse effect on the Company's financial results.

Even if the restructuring is implemented on time and as planned, there is a risk that the measures taken are not adequate to preserve the Group's cash position, retain sufficient liquidity and comply with its working capital requirements, reduce its costs, and support its business to the extent required to withstand the economic downturn. If any further restructuring would be deemed required, the Group will incur additional costs.

2.4 Risks relating to the Offering, the Rights and the BDRs

(a) The price of the Rights and BDRs may fluctuate and the price of BDRs may decline below the Issue Price

The market price of any of the Rights or the BDRs (including the Offer BDRs) could be subject to significant fluctuations due to a change in sentiment in the market regarding the Rights and the BDRs (including the Offer BDRs) and may decline below the Issue Price. Such fluctuations may depend on the market's perception of the likelihood of completion of the Offering as well as the impact of completion of the Rights Offering and/or may occur in response to various facts or events, including, but not limited to: actual or anticipated fluctuations in the financial performance of the Group and its competitors; the operating and share price performance of other companies in the industry and markets in which the Group operates; speculation about the Group's business in the press, media or the investment community; changes to the Group's sales or profit estimates; the publication of research reports by analysts; strategic actions by competitors (including acquisitions and restructurings); regulatory changes; large sales or purchases of BDRs (or the perception that such transactions may occur); and general market conditions. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. In particular Euronext Amsterdam has recently exhibited record volatility and declines in trading volumes. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Rights and/or the BDRs (including the Offer BDRs). Investors may, therefore, not recover their original investment.

(b) BDR Holders who do not take up their entitlement to BDRs in the Rights Offering in full will experience dilution in their indirect ownership of Heijmans

If BDR Holders do not take up their entitlement to Offer BDRs under the Rights Offering in full, their proportionate ownership and voting interests in Heijmans will be reduced and the percentage of the total share capital of the Company that their BDRs will represent will be reduced accordingly. Even if a BDR Holder elects to sell his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital that may be caused as a result of the Rights Offering. In addition, if a BDR Holder does not participate in the Offering, his proportionate ownership and voting interests in the Company will be diluted by up to 600% by the issue of the Offer BDRs. Please also refer to section 15 "The Offering". Any further future issues of BDRs may also result in dilution of (certain of) the BDR Holders.

(c) The Group's payment of dividends has been suspended and its ability to resume paying dividends in the future will depend on the progress of its business, the Group's profitability, cash and debt position and cash generation by subsidiaries

In light of the prevailing economic conditions, the Company announced on 29 April 2009 that it does not intend to pay a final dividend for the financial year ended 31 December 2008 and consequently no dividend was paid. Under Dutch corporate law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, Heijmans' results of operations and financial condition are entirely dependent on the trading performance of members of the Group. Heijmans' ability to pay dividends will depend on the level of distributions, if any, received from its operating subsidiaries, the progress of the Group's business, its continuing ability to be profitable, cash received from subsidiaries and its continuing compliance with its Leverage Ratios (see section 8 "Capitalisation and Ratios" for further details). Certain of the Group's operating subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions to Heijmans, and there can be no assurance that such restrictions will not have a material adverse effect on the Group's results of operations or financial condition. These restrictions could limit the payment of dividends and distributions to Heijmans by its subsidiaries, which could in turn restrict Heijmans' ability to fund other operations or to pay a dividend to holders of the BDRs, the Rights, or the Offer BDRs.

(d) In case closing of the Offering does not take place on the Closing Date and the Offering is withdrawn, both the exercised and the unexercised Rights will be forfeited without compensation to their holders, the subscriptions for and allocation of Offer BDRs that have been made will be disregarded and the agreement with the holders of the Financing Preference Shares B will terminate resulting in a reset of and discussions on the dividend percentage payable to such holders

It is expected that the closing of the Offering will take place on or about 15 July 2009. If the closing of the Offering does not take place on the Closing Date, or at all, the Offering 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 BDRs 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 purchased in the market. All trades in Rights prior to the Closing Date are at the sole risk of the parties concerned. The Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators do not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. Euronext Amsterdam does not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam. Withdrawal of the Offering might have a material adverse effect on the market price of the BDRs.

The withdrawal of the Offering will also lead to the agreement of 28 April 2009 between Heijmans and the holders of Financing Preference Shares B not becoming effective. The agreement pertains to certain amendments of the terms and conditions applicable to the Financing Preference Shares B. The withdrawal will result in the former arrangement with the holders of the Financing Preference Shares B continuing to apply, leading to a reset of a dividend percentage as per 1 January 2009. The dividend percentage which will apply as per 1 January 2009 will in that event become the subject of further discussions, which may lead to a dispute settlement procedure whereby the surcharge is determined by an independent expert. The resulting dividend percentage payable on the Financing Preference Shares B may lead to higher costs, negatively affecting the Group's financial position. For further information on the current and former arrangements between the Company and the holders of Financing Preference Shares B, please refer to section 8.3 "Financing Preference Shares B".

(e) An active trading market in the Rights may not develop

An active trading market in the Rights may not develop on Euronext Amsterdam during the trading period. In addition, because the trading price of the Rights depends on the trading price of the BDRs, the Rights price may be volatile and subject to the same risks as noted in section 2.4(a) above. The existing volatility of the BDRs may also magnify the volatility of the Rights. This may impact on investors' ability to sell Rights should they wish to do so.

(f) There are limitations on transfers of the BDRs and BDR Holders from certain jurisdictions, including the US, may be excluded from pre-emptive rights issues

The BDRs have not been and will not be registered under the Securities Act, or the securities laws of any state in the United States. Therefore, the BDRs will not be freely transferable in the United States. BDR Holders in the United States may be subject to the economic risk of an investment in the BDRs for an indefinite period of time since the BDRs may not be sold, transferred or otherwise disposed of without registration under the Securities Act and any other applicable securities laws except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. See section 16 "Plan of Distribution" and section 17 "Selling and Transfer Restrictions".

In the case of an increase of the issued share capital of the Company in the future, existing shareholders may be entitled to pre-emptive rights. US holders of the BDRs may not be able to exercise (proxies granted to exercise) pre-emptive rights for (the shares underlying) their BDRs unless a registration statement under the Securities Act is effective with respect to such rights, or an exemption from the registration requirements thereunder is available. Similar restrictions may apply to holders in other jurisdictions. As a result, the Company excludes US holders and such other holders from the distribution of pre-emptive rights.

For the (issue of the Ordinary Shares necessary for the) Offering, the General Meeting has already approved to waive its pre-emptive rights on 27 May 2009.

(g) The anti-takeover provisions in the Company's Articles of Association could delay or deter a change of control

Heijmans has granted an option to Heijmans Preference Share Trust (*Stichting Preferente Aandelen Heijmans*) pursuant to which Heijmans Preference Share Trust is granted an option to acquire from Heijmans Preference Shares up to an aggregate nominal value that is equal to the aggregate nominal value of almost 100% of the issued and outstanding Heijmans Ordinary Shares and Financing Preference Shares B. In addition, Heijmans entered into a put option agreement with the Heijmans Preference Share Trust under which the initiative lies with the Management Board. On the basis of this put option the Heijmans Preference Share Trust will acquire Preference Shares as soon as the Company issues them. A maximum applies of almost 100% of the face value of the issued capital in ordinary and Financing Preference Shares B. Currently, no Preference Shares have been issued or are outstanding.

The issuance of Preference Shares will cause substantial dilution of the effective voting power of any shareholder, including a shareholder that attempts to acquire Heijmans, and could have the effect of delaying, deferring or preventing a change in control of Heijmans, including proposals that might result in the Company's BDR Holders and/or the shareholders receiving a premium over the market price for the BDRs. As a result, the issuance of such shares may reduce the market price of the BDRs. See section 13 "Description of share capital, BDRs and corporate structure".

(h) BDR Holders may be subject to exchange rate risks

The Rights and Offer BDRs are priced in Euros, and will be quoted and traded in Euros. In addition, any dividends Heijmans may pay will be declared and paid in Euros. Accordingly, BDR Holders resident in non-EMU jurisdictions are 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 BDRs, as well as that of any dividends paid.

(i) The price of the BDRs could be adversely affected by dilution resulting from the exercise of options or the issue of BDRs in connection with (one) equity plan which is currently in place, offers and acquisitions

The Company will issue an additional maximum of 300,000 Ordinary Shares, of the same title and class as those shares underlying the BDRs in order to meet its obligations resulting from the equity-based incentive schemes applicable to its CEO Mr. van Gelder which could adversely affect the price of the BDRs. The relevant issue price is EUR 14.05. See section 10.6 "Equity holdings".

(j) In case the Rump Offering is unsuccessful, the Joint Global Co-ordinators may obtain a significant interest in the Company and their interests may conflict with the interests of other BDR Holders

If any Rights have not been exercised by the end of the Exercise Period, the Joint Global Co-ordinators may offer Rump BDRs relating to such Rights for sale by way of private placements in the Netherlands and certain other jurisdictions. If such Rump Offering proves to be unsuccessful, any remaining Rump BDRs will be acquired by the Joint Global Co-ordinators in accordance with and subject to the terms and conditions of the Underwriting Agreement.

An unsuccessful Rump Offering combined with a significant number of Rights not being exercised may result in the (indirect) ownership and shareholder control to be concentrated with the Joint Global Co-ordinators. These parties may exercise significant influence over corporate matters requiring shareholders' approval after the closing of the Offering. Each of the Joint Global Co-ordinators may vote in a way with which other BDR Holders would not agree and this concentration of ownership could adversely affect the market price and trading volume of the BDRs or delay or prevent a change of control that could otherwise be beneficial to the Company's other BDR Holders.

(k) In case securities or industry analysts do not publish research or reports about the Group's business, or if they change their recommendations regarding the BDRs adversely, the market price and trading volume of the BDRs could decline

The trading market for the BDRs will be influenced by the research and reports that industry or securities analysts publish about Heijmans or its business. If one or more of the analysts who cover the Company or its industry downgrade the BDRs, the market price of the BDRs would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the market price of the BDRs or trading volume to decline.

(l) Other

Furthermore, there may be risks which are unknown to the Company or which are currently believed to be immaterial. To the extent these become material this may have an adverse effect on the financial position of the Company.

3. IMPORTANT INFORMATION

You are expressly advised that an investment in the Offer BDRs or the Rights entails certain risks and that you should therefore carefully review the entire contents of this Prospectus.

3.1 Responsibility Statement

This Prospectus is made available by Heijmans. You should rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of article 5:23 of the Financial Supervision Act, if such supplement were to be published. No person is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Offering. You must not rely upon any information or representation as having been authorised by us or on behalf of the Joint Global Co-ordinators, the Subscription, Listing and Paying Agent or their affiliates, if such information or representation is not contained in this Prospectus.

No representation or warranty, expressed or implied, is made by the Joint Global Co-ordinators, any of their affiliates or selling agents, or the Subscription, Listing and Paying Agent as to the accuracy or completeness of any information contained in this Prospectus, or incorporated by reference herein, and nothing contained in this Prospectus, or incorporated by reference herein, is, or shall be relied upon, as a promise or representation by the Joint Global Co-ordinators, their affiliates or selling agents, or the Subscription, Listing and Paying Agent as to the past or the future.

Although the Joint Global Co-ordinators are a party to various agreements pertaining to the Offering and Fortis Bank, ING and Rabobank have engaged into financing arrangements with Heijmans, this should not be considered as a recommendation by any of them to invest in the Rights or the Offer BDRs. You must consider for yourself, with or without the assistance of an advisor, whether an investment in the Rights or the Offer BDRs is appropriate in light of your particular investment profile, objectives and financial circumstances.

Heijmans accepts responsibility for the information set out in this Prospectus. Having taken all reasonable care to ensure such is the case, Heijmans declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Potential investors should not assume that the information in this Prospectus is accurate as of any other later date than as of the date hereof.

Neither ING, Rabo Securities or MeesPierson in their respective capacities as Joint Global Coordinator and Joint Bookrunner, and for Rabo Securities as Subscription, Listing and Paying Agent for the 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 Heijmans, the Offering or the BDRs. Accordingly, ING, Rabo Securities and MeesPierson disclaim all and any liability whether arising in tort or contract or otherwise in respect of this Prospectus or any such statement.

3.2 Presentation of financial and other information

Unless otherwise indicated, financial information presented in this document relating to the Group as at and for the 12 months ended 31 December 2006, 31 December 2007 and 31 December 2008:

- is presented in Euros;
- has been prepared in accordance with IFRS; and
- has been extracted from the published annual report and accounts of the Group for the 12 months ended 31 December 2006, 31 December 2007 and 31 December 2008, incorporated by reference herein as set out in section 3.3 “Incorporation by reference”.

The audits of the Group’s historical financial information incorporated by reference in this Prospectus were performed in accordance with Dutch law.

Capitalisation and indebtedness information for the Group in this document is extracted from the Trading Update figures of the Group for the period ended 31 March 2009, which information is unaudited and is presented in Euros.

The Group's historical consolidated financial statements include:

- the audited consolidated financial statements of the Group prepared in accordance with IFRS as at and for the year ended 31 December 2006;
- the audited consolidated financial statements of the Group prepared in accordance with IFRS as at and for the year ended 31 December 2007; and
- the audited consolidated financial statements of the Group prepared in accordance with IFRS as at and for the year ended 31 December 2008;

in each case together with the respective notes thereto.

3.3 Incorporation by reference

The following documents, which have previously been published and have been filed with the AFM, shall be incorporated in, and form part of, this Prospectus and are available for inspection as provided in section 18.4 "Availability of documents":

(a) the audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2006 (the **2006 Financial Statements**) including the information set out on the following pages:

Consolidated Income Statement	Page 64
Consolidated Balance Sheet	Pages 66 to 67
Consolidated Cash Flow Statement	Page 68
Accounting Principles and Notes to the consolidated financial statements	Pages 69 to 126
Auditor's Report	Pages 138 to 139

(b) the audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2007 (the **2007 Financial Statements**) including the information set out on the following pages:

Consolidated Income Statement	Page 68
Consolidated Balance Sheet	Pages 70 to 71
Consolidated Cash Flow Statement	Page 72
Accounting Principles and Notes to the consolidated financial statements	Pages 73 to 136
Auditor's Report	Pages 149 to 150

(c) the audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2008 (the **2008 Financial Statements** and, together with the 2006 Financial

Statements and the 2007 Financial Statements, the **Audited Financial Statements**) including the information set out on the following pages:

Consolidated Income Statement	Pages 76
Consolidated Balance Sheet	Pages 78 to 79
Consolidated Cash Flow Statement	Pages 80 to 81
Accounting Principles and Notes to the consolidated financial statements	Pages 82 to 147
Subsidiaries and Joint Ventures	Pages 148 to 150
Auditor's Report	Pages 161 to 162

Please note that the references direct to the pages of the translated English language version of the annual reports for the financial years 2006, 2007 and 2008, in which the Audited Financial Statements have been included.

The Audited Financial Statements and the unqualified auditor's reports thereon have been incorporated by reference.

(d) the articles of association of Heijmans as they read on the date of this Prospectus (the **Articles of Association**). Please note it was decided in the General Meeting of 27 May 2009 to amend the Articles of Association. The first amendment relating to certain technical changes has already been effected and is part of the Articles of Association as incorporated by reference into this Prospectus. The second amendment, which will *inter alia* result in an increase of the authorised share capital, is required to facilitate the Offering and will be effected on the Closing Date. For a further overview of the second amendment, please refer to section 13 "Description of share capital, BDRs and corporate structure".

Any information that is incorporated by reference into documents, which in turn are incorporated into this document, is not incorporated by reference in this document.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Rights, Heijmans will prepare a supplement to this Prospectus to be approved by the AFM in accordance with article 5:23 of the Financial Supervision Act.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Prospective investors should rely only on the information that is incorporated by reference or provide in this Prospectus. No other documents or information, including the contents of the Company's website (www.heijmans.nl) or of websites accessible from hyperlinks on the Company's website, form part of, or are incorporated by reference into this Prospectus.

3.4 Forward-looking statements

The statements contained in this document that are not historical facts are "forward-looking statements". This Prospectus contains forward-looking statements in the sections 2 "Risk Factors", 5 "Business" and section 7 "Operating and Financial Review", which are based on the Company's beliefs and projections and on information currently available to us. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company'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 thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised member of the Management Board of the Company.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Reference is made to section 2 "Risk Factors".

Prospective investors are cautioned that forward-looking statements speak only as at the date of this Prospectus.

Except as required by the Financial Supervision Act, the Prospectus Directive and the rules promulgated thereunder or otherwise required by law or regulation, Heijmans expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

3.5 Market and industry data

This Prospectus contains information about the markets in which the Group competes, including market growth, market sizes, market share information and information on the Group's competitive position and the competitive position of third parties.

The Company has used third-party data from 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**) and the Netherlands Association for developers and construction entrepreneurs (*Nederlandse Vereniging voor Ontwikkelaars en Bouwondernemers*) (www.nvb-bouw.nl)(**NVB**) in relation to certain matters set out in this Prospectus. These data 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 assumptions. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Without prejudice to the statement in the previous sentence and, although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we are not in a position to independently verify the accuracy and completeness of such information and therefore cannot guarantee the accuracy and completeness thereof.

Besides information from EIB and CPB, the Company has assembled information about its competitive and market position through formal and informal contact with industry professionals, publicly available information, such as published accounts and press releases from competitors, and the Company's own experience. Heijmans believes that information on its competitive and market position contained in this Prospectus provides fair and adequate estimates of the volume of its markets and fairly reflects its market position within these markets to the extent possible taking into account the rapidly changing market and sector conditions. However, these estimates have not been verified by an independent expert and may in certain instances be based on third-party data, and the Company cannot guarantee that a third party using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, the Company's competitors may define their markets and their own relative positions in these markets differently than Heijmans does.

3.6 Potential conflicts of interest

The Joint Global Co-ordinators, which are regulated in the Netherlands by the DNB and the AFM, are acting exclusively for us and for no one else in relation to the Offering and the listing of the Offer BDRs and the Rights and will not be responsible to anyone other than to us for giving advice in relation to, respectively, the Offering and the listing of the Offer BDRs and the Rights.

The Joint Global Co-ordinators (and/or their respective affiliates) 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 us or any parties related to us in respect of which the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations including those issued by the AFM. As a result of these transactions these parties may have interests that may not be aligned, or could potentially conflict, with investors' and the Group's interests.

ING, Rabo Securities and MeesPierson are acting as Joint Global Co-ordinators and Joint Bookrunners and Rabo Securities also as Subscription, Listing and Paying Agent, for the Offering. In addition, Fortis Bank, ING and Rabobank are acting as debt providers with respect to the Existing Credit Facilities. Rabo Securities and ING are also acting as financial advisors to the company in relation to the Financial Restructuring.

3.7 Restrictions of the Offering and Sale

The distribution of this Prospectus and the offer and sale of the Rights and the Offer BDRs may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdictions. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell, or a solicitation to purchase, any of the Rights and the Offer BDRs offered hereby in any jurisdiction in which such offer or solicitation is not authorised or is unlawful.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Each prospective investor should consult his own legal counsel, accountant and other advisors before making any investment decision with regard to the Rights and the Offer BDRs and in order to determine whether or not such prospective investor is lawfully permitted to purchase the Rights and the Offer BDRs.

As a condition to a purchase of any Rights in the market and Offer BDRs in the Offering, each purchaser will be deemed to have made, or in some cases, be required to make, certain representations and warranties, which will be relied upon by the Company, the Joint Global Co-ordinators and others. The Company and the Joint Global Co-ordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer BDRs that the Joint Global Co-ordinators believe may give rise to a breach or violation of any law, rule or regulation. For a more detailed description of restrictions relating to the Offering, see section 17 "Selling and Transfer Restrictions".

3.8 Non-IFRS measures

The Group uses certain performance measures in the analysis of its business, financial condition and results of operations. Such performance measures, included in this document, are (i) EBITA, (ii) EBITDA, (iii) Consolidated EBITDA, (iv) profit-, EBITA-, cross- and net margin and (v) number of (un)sold (un) finished homes, order books (together, the **Performance Measures**).

EBITA is the consolidated operating profit for the reporting period, before interest and tax after adding back all amounts provided for amortisation and for write-downs and impairment of intangible fixed assets in such period.

EBITDA is the consolidated operating profit for the reporting period, before interest and tax after adding back all amounts provided for depreciation, amortisation and for write-downs and impairments of intangible fixed assets and property, plants and equipment in such period.

"Consolidated EBITDA" is a measure used by the Group because it is a component of a ratio included in a financial covenant under the Group's Existing Credit Facilities, which requires that the ratio of net debt to Consolidated EBITDA, as at the covenant test dates of 30 June and 31 December, does not exceed the number set out in section 8 "Capitalisation and Ratios".

The Performance Measures are financial measures that are not recognised under IFRS or any other internationally recognised generally accepted accounting principles. The Performance Measures may not be comparable to other similarly titled measures as reported by other companies, as other companies may calculate these measures differently than the Group does. None of the Performance Measures should be considered in isolation, or as a substitute for analysis of the Group's operating results, including its income statements and cash flow statements, as reported under IFRS.

The "underlying results of operations" refer to the operating result adjusted for the expenses in relation to the organisational restructuring. Expenses in relation to the organisational restructuring comprise (i) the costs of the social plan dated 6 January 2009, (ii) the costs as of 1 January 2009 directly relating to the employees to whom this Social Plan applies and (iii) the overcapacity of office space as a result of the organisational restructuring. These reorganisation expenses relate solely to the Group's operations in the Netherlands. The underlying results of operations exclude certain expenses relating to the organisational restructuring that would be included in results of operations if prepared in accordance with EU-IFRS. As such, although based on the measurement and recognition principles of EU-IFRS, the presentation and disclosure of the underlying operating result are not in conformity with EU-IFRS. Information on the expenses in relation to the organisational restructuring is provided separately in relation to the five month period ended on 31 May 2009 and not in relation to Q1 2009. The purpose of presenting the underlying results of operations in section 1.9 "Summary of financial information", section 6 "Selected Financial Information" and section 7 "Operating and Financial Review" is to illustrate the results of operations as if the organisational restructuring was completed as of 1 January 2009. As there were no such organisational restructuring costs in Q1 2008, the underlying results of operations are identical to the operating result.

4. USE OF PROCEEDS

On 29 April 2009, Heijmans announced, amongst others, the Financial Restructuring of its business as part of the overall restructuring (see section 5.3 "Restructuring" for more information). Prior to this announcement, on 28 April 2009, Heijmans entered into a bridge loan facility agreement with Fortis Bank, ING and Rabobank for the amount of EUR 85.6 million and a final maturity date of 29 April 2010 (the **Bridge Loan Facility**). The announced Financial Restructuring includes: (i) the amendment of the terms of the Syndicated Loan Facility, (ii) an agreement with the USPP Holders concerning the repurchase of their USPP Notes, which has been paid for by Heijmans out of the Bridge Loan Facility, (iii) an agreement with the holders of Financing Preference Shares B regarding certain terms and conditions, in particular with respect to dividend and anti-dilution measures, (iv) the proposed Offering, and (v) the possible reduction of debt by disposal of foreign operations and land positions. In addition, Fortis Bank, ING and Rabobank and other key providers of guarantee facilities have confirmed to support the Financial Restructuring.

The aggregate net proceeds of the Offering represent the aggregate gross proceeds of approximately EUR 101 million less expenses, commissions and applicable taxes, which are expected to amount to approximately EUR 10 million. The Company will use the aggregate net proceeds of the Offering to fully repay the Bridge Loan Facility. Any remaining proceeds will be used to further reduce Heijmans' debt level by partial repayment of the Syndicated Loan Facility.

5. BUSINESS

5.1 Introduction

Heijmans N.V. is a public company with limited liability (*naamloze vennootschap met beperkte aansprakelijkheid*) to which the rules for large companies (*structuurvennootschappen*) apply (see section 13.3 "Large company regime"). The Company's commercial name is "Heijmans" and it has its statutory seat in Rosmalen, the Netherlands, with its head office at Graafsebaan 65, 5248 JT Rosmalen, the Netherlands. Heijmans is a holding company of which the BDRs are listed on Euronext Amsterdam.

5.2 History

Heijmans was founded in 1923 by Mr. Jan Heijmans. Heijmans experienced its first period of growth as of the middle of the last century. At the beginning of the sixties, Heijmans focused on the Dutch market, spreading the risk involved by engaging in activities in various different sectors within the construction industry. At that stage, Heijmans introduced its strongly decentralised organisation. In September 1993, Heijmans became a public company and applied for its BDRs to be listed on the Amsterdam Stock Exchange.

In general, over the years Heijmans has realised growth through acquisitions and through organic growth. In the Netherlands, significant acquisitions of Heijmans during the past 10 years include Beleggingsmaatschappij J. van Lee Veghel B.V. (1999), Van Zwol Groep B.V. (1999), IBC B.V. (2001), Proper-Stok Groep B.V. (2002) and Burgers Ergon B.V. (2007). Heijmans also realised acquisitions outside of the Netherlands. In Belgium, acquisitions of Heijmans include Van den Berg N.V. (2000) and Moeskops Bouwbedrijf N.V. (2002). In the United Kingdom, Heijmans acquired J.B. Leadbitter & Co Ltd. in 2003, which, in turn, acquired Denne Construction Ltd. in 2006. In Germany, Heijmans operates primarily in the infrastructure sector and realised growth through asset deals involving Franki Grundbau GmbH & Co KG (2002), Heitkamp Rail GmbH (2006) and three subsidiaries of Oevermann (2007).

5.3 Restructuring

Until recently, Heijmans pursued the strategy of a strong focus on the Netherlands in combination with international ambitions. This strategy required substantial financial and management resources, impacting Heijmans' financial flexibility and therefore also its operating flexibility. Furthermore, in recent years, certain factors, including the strong decentralisation of the Heijmans organisation, showed that there is an inherent risk of lack of sufficient project, risk and management control. Insufficient control over contracts and projects over the past years has resulted in several significant loss-making projects or disappointing financial performance. The financial performance has further been negatively impacted by deteriorating market conditions.

Organisational Restructuring

On 26 September 2008, in response to Heijmans' existing difficulties, Heijmans announced its initial plans for restructuring its organisation in order to make the Company more compact, to reduce risk, to increase and improve its management control systems, contract and risk management procedures and to focus on its core competences in the Netherlands. Heijmans also indicated that the changes in the composition of the Management Board and the appointment of two members of the Group-level management, would be the first steps towards greater effectiveness.

On 13 November 2008, Heijmans announced that as of 1 January 2009 its business focuses on the three strategic business streams. Furthermore, as part of the restructuring of its organisation to make the Company more compact, Heijmans announced that the support staff departments would be decreased with 200 jobs.

On 9 December 2008, Heijmans announced that an additional 450 jobs would be eliminated in the operations property development, residential building, non-residential building and infrastructure in the Netherlands.

On 29 April 2009, in response to the economic crisis which aggravated Heijmans' difficulties, Heijmans further adjusted its strategy and announced its intention to transform Heijmans into a Dutch building company and to dispose of all foreign operations, except for its Infrastructure activities in Belgium, and selectively reduce its land positions with the aim to reduce debt and the capital employed. For more information on the current strategy, please refer to section 5.7 "Strategy".

Financial Restructuring

On 29 April 2009, Heijmans also announced a Financial Restructuring of its business as part of the overall restructuring. In general the Financial Restructuring includes: (i) the amendment of the terms of the Syndicated Loan Facility (ii) an agreement with the USPP Holders concerning the repurchase of their USPP Notes, which has been paid for by Heijmans out of the Bridge Loan Facility, (iii) an agreement with the holders of Financing Preference Shares B regarding certain terms and conditions, in particular with respect to dividend and anti-dilution clauses, (iv) the Offering to finance the redemption of the Bridge Loan Facility, and (v) the possible further reduction of debt by disposal of foreign operations and land positions. In addition, Fortis Bank, ING and Rabobank and other key providers of guarantee facilities have confirmed to support the Financial Restructuring.

5.4 Legal structure

Heijmans N.V. is the holding company of *inter alia* Heijmans Nederland B.V. and Heijmans International B.V. Information with respect to the Group's significant subsidiaries is set out on pages 148 to 150 of Heijmans' 2008 Financial Statements.

5.5 Overview of operations

(a) General

Heijmans is active in the construction industry. In the Netherlands, Heijmans' business focuses on three strategic business streams: 1) "Property Development and Residential Building" which includes two operations: activities in the property development sector and activities in the residential building sector with a focus on area development (large and small scale projects in urban settings) and on housing construction; 2) "Non-Residential Building and Technical Services" which also includes two operations: activities in the non-residential building sector and activities in the technical services sector with a focus on the construction of high grade buildings in, amongst others, the healthcare sector and education sector; and 3) "Infrastructure" which comprises one operation with activities in the infrastructure sector with a focus on road construction, groundwork, concrete constructions and hydraulic engineering activities.

Heijmans also has foreign operations, which are mainly located in Belgium, the United Kingdom and Germany. In Belgium, Heijmans has activities in the property development, residential building, non-residential building and infrastructure sectors. In the United Kingdom, Heijmans has activities in the residential and non-residential building sectors with a particular focus on the affordable housing market. In Germany, Heijmans is primarily active in the infrastructure sector.

The present organisational structure of Heijmans is set out in Figure 5.1 below.

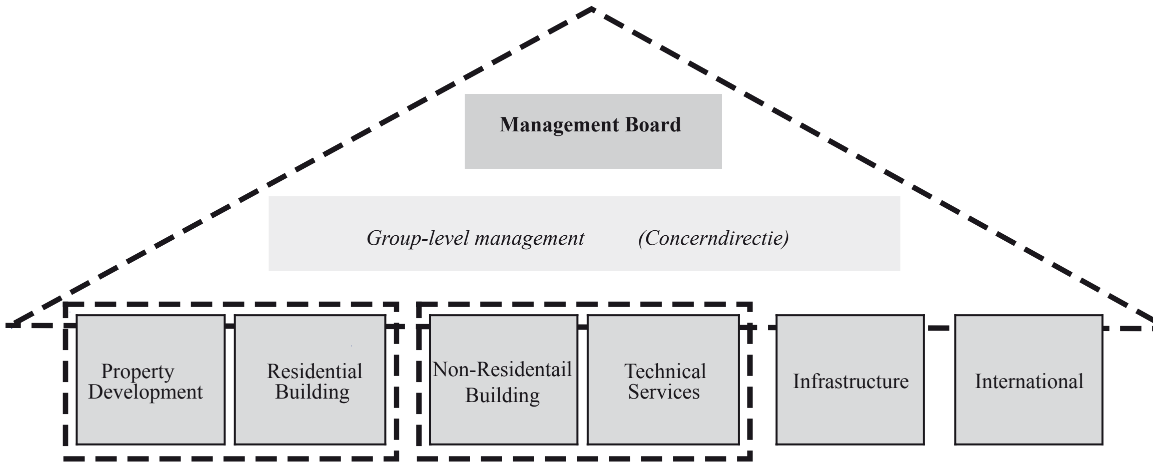

Figure 5.1 – Heijmans' organisational structure

The three strategic business streams in the Netherlands report directly to the Group-level management and consist of five operations. Furthermore, the Group's foreign operations are conducted within the International business stream which also reports directly to the Group-level management.

(b) The Netherlands

(i) **Property Development and Residential Building**

The "Property Development and Residential Building" strategic business stream provides a full-service package for the housing market with activities in, amongst others, the areas of development, building and sale of homes. The activities per operation are described in more detail in sections (A) and (B) below. As part of the organisational restructuring, the former "Building" division was split up into "Residential Building" and "Non-Residential Building". Parts of the former "Property Development" division are now reported under "Residential Building". It is therefore not possible to compare the 2008 property development revenues and order book figures with the 2009 property development revenues and order book figures as set out below.

The property development and residential building operations are conducted through five regions in the Netherlands: the North, the Northeast, the East, the West and the South regions. The regional Heijmans offices are located in Assen (North), Almere (Northeast), Amersfoort (East), Capelle aan den IJssel (West) and Rosmalen (South). In addition to the regional offices, Heijmans' subsidiary Proper-Stok Groep B.V. is active in the property development sector and Heijmans has several subsidiaries, not operating under the Heijmans brand, which are active in both the property development sector and the residential building sector, such as Vos & Teeuwissen B.V., Walcherse Bouwunie B.V. and IJsselbouw B.V. Both the regional offices and the other subsidiaries of Heijmans active in the property development and/or residential building sectors report directly to Heijmans' Group-level management.

(A) Operation: Property Development

Heijmans' operation in the property development sector consists (for approximately 90% up to 2008) of the initiation, development and sale of residential property, but also (for approximately 10% up to 2008) of the initiation, development and sale of retail units, offices, business premises, schools and healthcare establishments. Property development projects are conducted in outer city extension areas as well as in inner city development and redevelopment areas.

Heijmans' Design & Development department has a special focus on consumer-oriented and area-oriented development based on various social themes, such as Wenswonen® (Living as You Wish), Waterwonen (Living on Water), Second Bloom and Seniorenstad (City for Seniors) and has as the objective to realise every possible living desire.

In 2008, Heijmans generated revenues of approximately EUR 875 million with its property development activities, which are provided to both the private and the public sectors. In Q1 2009, Heijmans' property development revenues, without revenues of certain parts of the former "Property Development" division, amounted to approximately EUR 98 million. Please refer to the introduction of this section 5.5(b)(i), in which it is stated that the 2008 property development revenues cannot be compared with the Q1 2009 property development revenues as presented in this paragraph.

Heijmans' development potential in terms of the number of homes which Heijmans can build on land in the Netherlands at the end of 2008 was over 39,000, of which approximately 23,000 relate to land positions, owned by the Group directly and through joint ventures, and approximately 16,000 are the result of competitive tenders (*prijsvraag*) or selection processes.

Land positions represent the potential number of houses which Heijmans can build, because Heijmans: (i) has the ownership either directly or through joint ventures, or has the potential right to obtain the ownership of land on which houses can be built, or (ii) is able to claim the development and building rights for the land from the relevant municipality. Heijmans refers to (i) and (ii) also as "strategic-land positions". Land positions are an important means of generating property development activities. Taking into account the continuing scarcity of land appropriate for residential building in the Netherlands, land positions are important for the Group. Heijmans has however decided to gradually reduce the size of the land positions where it owns the land, for the purpose of reducing capital requirements. Heijmans intends to accomplish this whilst retaining its development rights and building claims as much as possible. Collaboration with government bodies and private parties will be sought for this purpose. In pursuing this policy, in 2008, Heijmans established a land fund with a strategic partner NIBC, to which some of Heijmans' land positions were contributed. Following this new strategy, in December 2008, Heijmans sold its land position on the Oostenburgereiland (a new building location in Amsterdam) to Corporatie Stadgenoot on the condition that Heijmans will be offered the exclusive opportunity to tender for works to be commissioned for the Oostenburgereiland (residential and commercial building and infrastructure construction). Heijmans will be commissioned the work if Heijmans' pricing is on market conditions. Although Heijmans has decided to gradually reduce the size of the land positions where it owns the land, pursuant to existing commitments, Heijmans may be obligated to acquire certain land, which acquisitions will be financed out of the general credit lines, to the extent sufficient.

Development potential can also be obtained through competitive tenders (*prijsvraag*) or selection processes, if Heijmans is selected by a third party to build on the land after having submitted a plan for the development of the land. As mentioned above, of Heijmans' total development potential year-end 2008, approximately 16,000 was derived from competitive tenders and selection processes, mainly by Heijmans' subsidiary Proper-Stok Groep B.V., but also by Heijmans Vastgoed B.V.

The current economic conditions have resulted in a decrease in the order book. The order book year-end 2008 amounted to approximately EUR 746 million, a decrease of approximately 5% compared to the order book value of approximately EUR 786 million year-end 2007. Current projects indicate that of the order book outstanding year-end 2008, approximately EUR 544 million should be realised as revenues in 2009. The order book as at the end of Q1 2009 amounted to EUR 522 million. Please refer to the introduction of this section 5.5(b)(i), in which it is stated that the 2008 property development order book figures cannot be compared with the Q1 2009 property development order book figures as presented in this paragraph.

The order book at year-end 2008 and as at the end of Q1 2009 reflects that there is a slow-down in both the inflow of property development projects as in the outflow of completed residential and commercial property. Heijmans pursues a stringent policy that at least 70% of the homes which are to be built should be sold before a project is started. In practice, this percentage is sometimes even higher. As a result of this policy, at year-end 2008, Heijmans only had 53 unsold finished homes in its accounts in the Netherlands. The Company had 870 unsold houses under construction at year-end 2008. Heijmans had nearly no unsold commercial property in its accounts.

Recent projects

In 2009, Heijmans signed an important contract with the municipality of Tilburg for the re-development of the city centre of Berkel-Enschot. The project requires the development and building of approximately 700 homes and 40,000m² of facilities (such as a shopping area, a parking garage, a library and a healthcare establishment). Heijmans (together with Heijligers, a subsidiary of the Royal BAM Group N.V.) also signed a contract with the municipality of Leusden for the realisation of a new residential area (approximately 142 homes).

(B) Operation: Residential Building

Heijmans' operation in the residential building sector consists of building homes (including apartments, private sector (*vrije sector*) homes and social housing), as well as the restructuring, renovation and conversion of existing homes. Services are provided to both the private and the public sectors (in particular housing associations). Heijmans is a major player in many segments of the Dutch residential building sector, including the segments: high-rise buildings, low-rise buildings and urban renewal and renovation. Based on its broad experience in residential building, Heijmans is able to anticipate on new residential building requirements from a technical perspective, resulting in an efficient, high grade building process.

In 2008, Heijmans generated revenues of approximately EUR 400 million with its residential building activities. In 2008, approximately 35% of Heijmans' residential building activities were derived from Heijmans' activities in the property development sector, thereby generating substantial synergies. In Q1 2009, Heijmans' residential building revenues amounted to approximately EUR 128 million.

Recent projects

An example of Heijmans' activities in the residential building sector is the commission for the construction of recreational homes and apartments for the Efteling amusement park, which was commissioned to Heijmans during the first half year of 2008 and which was supplemented in March 2009 (estimated contract value of EUR 31 million).

(ii) **Non-Residential Building and Technical Services**

The "Non-Residential Building and Technical Services" strategic business stream focuses on the markets for healthcare, real estate properties, governmental building and high tech clean industries. The objective of Heijmans is to be involved in project development and in the building phase and to remain involved with the building after completion, by providing service and maintenance works. The activities per operation are described in more detail in sections (A) and (B) below.

The construction and engineering activities operate on a national scale with distributed resources in a number of operating branches (in Best, Leeuwarden and Rotterdam). In both the non-residential and the technical services operation, service and maintenance works are offered to a number of selected customers.

(A) Operation: Non-Residential Building

Heijmans builds high grade buildings for, amongst others, the healthcare sector, education sector, governmental building and high-tech clean industries. The non-residential building activities include the construction of new buildings as well as the renovation and conversion of existing buildings.

Heijmans is also active as a supplier for service and maintenance works for these buildings, to the extent possible, during the lifetime of the building.

In 2008, Heijmans generated revenues of approximately EUR 300 million with its non-residential building activities (including the revenues from service and maintenance activities). In Q1 2009, Heijmans' non-residential building revenues amounted to approximately EUR 48 million. In 2008, the order book declined, amongst others, as a result of a selective contracting policy. In order to have a more effective project and risk management, the number of projects is being limited and Heijmans is focusing more on margin instead of volume. Furthermore, in the beginning of 2009, the Construction & Design department was established, which reports directly to the Group-level management and is responsible for estimating and calculating costs, contract evaluation and risk assessment for all new projects. The order book as at the end of Q1 2009 increased by EUR 6 million compared to the order book at year-end 2008. This increase is partly due to the increased focus on high grade projects and the positive synergy effects from the close cooperation with the Technical Services operation.

Recent projects

In 2008, Heijmans signed a letter of intent for the construction of Meander Medisch Centrum in Amersfoort. Recently, orders have been received for the construction of the Christiaan Huygens College in Eindhoven, the Community College in Leiden and for the healthcare centre Maaswaard in Venlo. Furthermore, Heijmans is in the process of constructing the new main office for Rabobank in Utrecht.

The Group is also in final negotiation with the city of Utrecht to become part of the building consortium for the construction of Music Hall "Vredenburg" in Utrecht and the redevelopment of the area around the Music Hall into a so-called multi-modal viaduct and revitalising an old canal that used to be a road. Heijmans will use a combination of building, technical services, road construction, and concrete and hydraulic engineering disciplines for the overall project.

(B) Operation: Technical Services

Heijmans' operation in the technical services sector is mainly conducted through the subsidiary Burgers Ergon, which comprises eight business units and specialises in mechanical engineering and electrical engineering projects. In the technical services sector, Heijmans designs, implements and maintains full technical installations for customers in the commercial property, government and semi-government, healthcare and high-tech clean room industry market segments. The bundling of both installation engineering disciplines results in the creation of a multidisciplinary approach to projects and a broad spectrum of installation services. Heijmans' technical services consist of a wide range of specialised activities, including: climate control, fire protection, clean rooms, lighting, data communication cabling, security systems, data communication and telephony systems and building management systems.

The collaboration of Burgers Ergon with other of Heijmans' sectors (mainly non-residential building) results in important synergies, whereby a joint market approach, sharing resources and a rapid time-to-market becomes feasible.

In 2008, the activities in the technical services sector generated revenues of approximately EUR 285 million, which is an increase by 24% compared to the 2007 revenues (EUR 229 million). In Q1 2009, Heijmans' technical services revenues amounted to approximately EUR 63 million. It is estimated that of the order book outstanding at the end of 2008, approximately EUR 193 million should be realised as revenues in 2009. The order book as at the end of Q1 2009 stood at approximately EUR 238 million, compared to approximately EUR 257 million at year-end 2008. This decrease is due to a slow inflow of new projects, compared to Q1 2008 where a number of major projects were included in the order book.

Recent projects

In 2008, Heijmans signed a letter of intent for the construction of Meander Medisch Centrum in Amersfoort. An order has been received for the construction of the Christiaan Huygens College in Eindhoven. These projects are examples of projects involving both the Non-Residential and the Technical Services operation.

(iii) **Infrastructure**

The "Infrastructure" strategic business stream consists of one operation with design, consulting, construction and maintenance activities with respect to road construction, groundwork, concrete construction and hydraulic engineering, the environment, demolition and recycling, technical and traffic infrastructure (cables, pipes, traffic systems), sports facilities and green areas. Services are mainly provided to the public sector. The organisation structure of the Heijmans' infrastructure operation is market-demand oriented. The most important infrastructure business units are: Heijmans Infrastructure Integrated Projects, Heijmans Road Building, Heijmans Concrete Construction & Hydraulic Engineering, Breijn, Heijmans Technical Services & Mobility, Heijmans Infrastructure Technical Services and Heijmans Infrastructure Management.

In 2008, the activities in the infrastructure sector generated revenues of approximately EUR 926 million. Despite the increase in revenues by 2%, an operational loss was booked of EUR 3 million for the year ended 31 December 2008, due to the poor performance of road building operations. These losses in road building were caused by the additional write-offs of asphalt plants due to excess capacity in the market, losses incurred on large and medium-large road building projects and an insufficiently competitive general cost level. Measures were therefore also taken in relation to road building. Aside from the elimination of jobs, the number of asphalt crews, as well as the number of asphalt production units and the number of regional units are being reduced. Furthermore, a large projects organisation has been created with responsibility for managing large projects. In Q1 2009, Heijmans' infrastructure revenues amounted to approximately EUR 139 million.

Recent projects

Projects commissioned in 2008 include the Ommen traffic rerouting project (estimated contract value of approximately EUR 19 million), the widening of the N302 near Harderwijk (estimated contract value of approximately EUR 57 million) and the realisation of civil works related to the new Flevocentrale power plant (estimated contract value of approximately EUR 30 million).

(c) Heijmans International

(i) Belgium

In Belgium, Heijmans' core activities include property development, building and infrastructure. Heijmans operates in the Belgium market under the name of Heijmans Bouw, Heijmans-RE, Heijmans Infra and Heijmans Vastgoed, and with its subsidiaries which are not operating under the Heijmans brand: Van den Berg N.V., De Coene Construct N.V. and Himmos N.V. The Belgium activities generated revenues of approximately EUR 264 million in 2008 and of approximately EUR 54 million in Q1 2009.

Recent projects

In 2009, Heijmans-RE obtained an important commission from the European Commission for building and remodelling activities for the buildings of the European Council in Brussels. The contract value could amount up to EUR 35 million subject to the work being performed and the commission has a duration of approximately seven years.

Furthermore in 2009, the Flemish government has offered a contract consortium THV Silvius (of which Heijmans Infra Belgium forms part of) for the Antwerp Masterplanproject Brabo I, for, amongst others, the construction of tramlines and renovation of roads. The PPS project has a design, build, finance and maintenance structure, with a minimum duration of 25 years and an estimated value for the building phase of approximately EUR 124 million (of which half is for Heijmans Infra Belgium).

(ii) United Kingdom

Heijmans has been active in the United Kingdom since 2003, when J.B. Leadbitter & Co Ltd. was acquired. In 2006, J.B. Leadbitter & Co Ltd. acquired Denne Construction Ltd. These companies are active in the residential and non-residential building sectors. The emphasis of these companies is on building subsidised and affordable housing as well as on public construction projects in the healthcare, education and recreational sectors. Leadbitter continues to benefit from a strong demand for subsidised housing. The activities in the United Kingdom generated revenues of approximately EUR 406 million in 2008 and of approximately EUR 83 million in Q1 2009.

Recent projects

Leadbitter was commissioned a project for Uxbridge Lido with an estimated contract value of GBP 25 million), consisting of the refurbishment of the existing Lido and the construction of a 50 metre indoor swimming pool and several sports facilities. The anticipated completion date of this project is December 2009. Another project commissioned to Leadbitter in 2008, is the design and construction of Bettws High School, which is anticipated to be fully completed in June 2010 (estimated contract value of GBP 26 million).

(iii) Germany

In Germany, Heijmans is active primarily in the infrastructure via three companies: Franki Grundbau GmbH, active in the foundation niche market, Oevermann GmbH (Oevermann Hochbau GmbH, Oevermann Verkehrwegebau GmbH and Oevermann Ingenieurbau GmbH), active in the civil works and non-residential building sector and Heitkamp Rail GmbH, active in the railway construction market. Heitkamp Rail GmbH also has activities outside of Germany, in, amongst other countries, Sweden, France, Poland, China and Taiwan. The German subsidiaries generated revenues of approximately EUR 453 million in 2008 and of approximately EUR 80 million in Q1 2009. Currently, Heijmans is making some operational investments in Heitkamp, such as the investment in equipments (e.g. a new track renewal train), which are financed out of the general credit lines, to the extent sufficient.

Recent projects

In 2009, Heitkamp Rail GmbH signed an important contract with the French railway SNCF (*Société Nationale de Chemins de fer Française*) to renew railways in the Midi-Pyrenées area. The railways which are to be renewed have a total length of approximately 165 kilometres. The estimated contract value is approximately EUR 40 million.

5.6 Market trends of Heijmans' core business

The construction industry operates in a cyclical manner correlating with economic conditions. In general, the CPB expects an economic downturn in the Netherlands of 4.75% in 2009. In that respect, the Company has noticed that in particular credit insurers are in the process of reducing, or have expressed their intention to reduce their exposure in the construction industry by lowering credit limits awarded in this industry, to parties such as suppliers and SWK, the Dutch guarantee fund for private houses. See also section 2.2(b) "Risks relating to the sectors in which the Group operates" for more information.

The EIB expects the economic downturn to result in a sector-wide decrease of 5.5% during 2009. In 2010, a decrease of 9% in the building industry is forecasted by the EIB. Below, the market trends according to EIB as per April 2009 for each of Heijmans' strategic business streams are briefly described.

Property Development and Residential Building

Despite an increasing shortage of residential property, EIB expects a decrease in the production of newly built property of approximately 10.5% in 2009 (compared to a decrease of 0.5% in 2008) as a result of the economic downturn. For the restructuring, renovation and conversion activities in the residential building sector the EIB expects a decrease of approximately 5.5% in 2009 (compared to a growth of 1.5% in 2008). The EIB expects the size of the service and maintenance activities in the residential building sector in 2009 to decrease slightly compared to the growth of 2.5% in 2008.

The economic conditions strongly influence the general consumer confidence and sales in the market for residential property. The decrease of sales of newly built homes is aggravated by the less favourable financing possibilities for prospective purchasers. Future developments of the residential property market are likely to be strongly interrelated with the availability of financing, the development of the mortgage interest rates, and the continued availability of mortgage interest deductions.

According to Primos Prognose 2007 (an investigation into population growth and the housing demand related thereto commissioned by the Ministry of Housing in the Netherlands (*VROM*)), in the residential sector there has historically been (i) an increased trend towards migration (however currently the population growth caused by migration is negative due to an increase of emigration) and (ii) lower average household sizes, which have positively driven residential housing demand in the Netherlands. Heijmans remains positive that these key historic drivers will provide for a stable platform for residential demand in the medium to long-term. In addition, Heijmans believes that the differentiation of demands in relation to different target groups, such as senior citizens, starters and families could create opportunities in the residential sector, if responded to adequately.

Non-Residential Building and Technical Services

The EIB expects a decrease in the production of newly built non-residential buildings of approximately 8% in 2009 (compared to a growth of 8.5% in 2008) as a result of the economic downturn. For the restructuring, renovation and conversion activities in the non-residential building sector the EIB expects a decrease of approximately 3% in 2009 (compared to a growth of 6% in 2008). The EIB expects the size of the service and maintenance activities in the non-residential building sector to decrease slightly compared to the growth of 3% in 2008.

In particular investments made by the private sector are usually externally financed and therefore affected by the deteriorating economic conditions, resulting in an increase of the cost of capital due to higher risk surcharges. The investments made by the public sector are expected to be less affected. In 2009, it is expected that these investments will mainly be made in the healthcare sector.

In the non-residential building sector, a trend can be seen that the management of the entire building process, including the provision of technical services, is becoming a core competence of the main contractor.

Infrastructure

The EIB expects the production of newly built infrastructure and the renovation of existing infrastructure to decrease by approximately 3% in 2009 (compared to a growth of 3% in 2008) as a result of the economic downturn. The EIB expects the maintenance activities in the infrastructure sector to be less affected by the economic downturn and forecasts a decrease of 0.5% in 2009 (compared to a growth of 2% in 2008).

The infrastructure sector is influenced by different factors than the factors of influence on the residential and non-residential buildings sectors. One of these factors is that the government (including local governments) is responsible for approximately 50% of total infrastructure production in the Netherlands. The Dutch

Ministry of Waterways and Public Works (*Rijkswaterstaat*) is the largest individual customer in the market. The expenditure of these government organisations is largely determined by the availability of budgets (which pursuant tot the governments budget policy are not directly related to the economic conditions). The Dutch government has already announced its intention to invest approximately EUR 800 million in infrastructure projects spread over 2009 and 2010. This is not expected to yield any significant results for Heijmans in 2009. It is expected that following the Dutch central government's example, municipalities and provinces will also accelerate commissioning projects.

Other factors of influence on the infrastructure sector is that infrastructure projects usually have a long preparation and execution time and the infrastructure production is also strongly affected by large works such as the High Speed Line (*Hoge Snelheids Lijn*) (**HSL**) and Main Port Rotterdam.

Taking into account these factors, the EIB expects that the infrastructure sector will be less affected by the economic downturn. However, the infrastructure sector will not be immune to the economic conditions as a decrease in production in the residential and non-residential sectors means less infrastructure is needed to make building areas accessible and residential or commercial areas fit for use. Furthermore, the infrastructure will also be affected by parties such as industry, harbours and airports investing less in infrastructure as a result of the economic conditions.

5.7 Strategy

Heijmans' strategy is to be a Dutch building company with a strong position as a developer and builder in the residential building sector, with a focus on selective, high grade projects in the non-residential building and technical services sectors and with a leading position in the infrastructure sector. As a consequence of the organisational restructuring, Heijmans aims to become better capable of managing risks related to the business, more effective and resilient on the basis of a lower level of revenues and a strengthened capital structure.

Following this strategy, Heijmans will focus on the following strategic objectives:

- ***Focus on its core activities in the Netherlands and further streamlining and flexibilisation these activities.*** Actions were taken during the second half of 2008, to streamline the Company and to make it more effective. Besides the reorganisation of the top management structure, the organisation will be downsized and become more compact. As previously announced, 650 jobs will be eliminated. The associated costs of the Social Plan amount to approximately EUR 8.6 million (reference is made to section 7.2 "Developments since 31 December 2008" for more information). In addition, there are other costs relating to the reorganisation, such as severance payments, costs of onerous buildings and running costs. The reorganisation is expected to be fully completed in the course of 2009. The property development and residential building activities have been consolidated through the combining and closing of offices. Projects are centrally registered, calculated and executed for the non-residential building and technical services operations and for the infrastructure operation, in order to limit risks and secure efficiency. In response to the current economic crisis, the Company is now taking further far-reaching measures. The Company will be downsized, the debt level is expected to be reduced and new arrangements have been negotiated with financiers.

- ***Scale back of the "Property Development and Residential Building" strategic business stream with a focus on reducing employed capital.*** The economic crisis has had a significant impact on the property development sector and the prospects for this market remain uncertain. As a result, Heijmans' property development and residential building operations in the Netherlands will be scaled back. New projects, where possible, will be deferred and/or redeveloped in terms of size as well as usage. The combination of the property development and residential building operations as part of the reorganisation should increase synergy effects and create sufficient competitive strengths. Furthermore, the combination of these operations should make it possible to reduce lead times and to reinforce innovative strength by linking market knowledge with engineering. It is also intended that the combination of the competences and networks of the property development and residential building businesses strengthen the acquisition phase and create a better operational efficiency and more focused contract, risk and project management.

- ***Focus on selective, high grade projects in the "Non-Residential Building and Technical Services" strategic business stream.*** Whereas in the past Heijmans focused on volume growth within its non-residential building activities, the strategic focus now is on a selective contracting policy, whereby margin improvement is a top priority. Heijmans strives to achieve this by focusing on projects where value and quality are very important and where both non-residential building activities, as well as technical services are required. Heijmans therefore intends to focus on, for example, the healthcare sector (hospitals, laboratories, etc) where technical services play an important role (lighting, climate control, IT and professional installations). Furthermore, Heijmans will expand its level of cooperation with partners in executing such large projects and securing long-term maintenance contracts. Heijmans wants to be a strong, leading niche player.

- ***Improve the return of the road building activities in the "Infrastructure" strategic business stream.*** Heijmans has initiated and will continue with actions that are focused on improving the return on the road building activities. These actions include improving risk and contract management, stricter cost controls, improving the efficiency of work planning and execution, and the increased flexibility of production capacity. Based on the announced acceleration of government contracts, Heijmans expects to be able to better exploit its strong position in this market.

- ***Reduce overhead costs.*** Overhead costs will be further reduced as the scope of Heijmans' business diminishes as a result of terminating foreign operations and reducing the scope of the property development, residential building and non-residential building activities.

- ***Disposals:***

    - *Dispose of or discontinue part or all of the foreign operations.* New owners and/or new ownership structures will be sought for part or all of the foreign operations in the United Kingdom, Germany and Belgium (except for its infrastructure activities in Belgium). Heijmans will exercise due care in disposing of its foreign operations, taking into account the interests of all stakeholders.

    - *Reduce size of the land bank.* The number of the strategic land positions will gradually be reduced for the purpose of reducing capital requirements. Heijmans intends to accomplish this whilst retaining its development rights and building claims as much as possible.

5.8 Key strengths

Despite an unfavourable short-term outlook given the economic downturn, the Management Board believes that Heijmans is well positioned to pursue its present strategy of focusing on its core business in the Netherlands, as a result of the following key strengths:

Fundamentally attractive business sectors combined with Heijmans' business mix.

Whilst the construction industry operates in a cyclical manner correlating with economic output, the Group-level management believes that, in the Netherlands, the long-term drivers for the property development, residential building, non-residential building, technical services and infrastructure sectors remain positive. Demographic and economic factors such as ageing populations and persistent shortage in the supply of homes suggest that the demand for new housing, remodelling and replacement should be strong over the medium to long term. On the relatively short term, the construction industry, especially the infrastructure, certain segments of the residential building sector (e.g. social housing) and non-residential building sector (e.g. healthcare establishments) are expected to be areas of government stimulus to boost overall economic growth during the current economic downturn (although this is not expected to yield any significant results for Heijmans in 2009). The organisational and financial restructuring is envisaged to ensure that Heijmans can benefit from these fundamentally attractive business sectors in the Netherlands going forward.

In addition, Heijmans has a diversified client base and product and services offering within the Dutch construction sector. The cyclicality of the business is reduced due to the diversification of clients as certain business units are mainly driven by public authorities and others by private parties.

Furthermore, Heijmans' revenue stream ranges from front-end to back-end cycle revenue. The property development activity is early-cyclical, whilst the technical services activity is more late-cyclical, but provides a stable stream of revenues with (long-term) service contracts, which are less sensitive to macro-economic developments.

Heijmans is a key player in the Dutch construction market

General

Heijmans has a top three position in the Dutch construction market (which according to EIB, had a total output of EUR 59 billion of revenues (*bouwproductie*) in 2008), based on a comparison of Heijmans' 2008 revenues and the 2008 revenues of Heijmans' competitors, as derived from their financial statements. This corresponds with a market share of approximately 4% in a fragmented sector. Heijmans has in-depth knowledge of different key sectors of the Dutch construction industry, since it has a leading position in the Dutch construction market for many years. By focusing on the Netherlands only and with downsized and more efficient operations, Heijmans envisages to decrease its risk profile.

Property Development and Residential Building

Heijmans is a top three player in the Dutch residential construction and development market, based on a comparison of Heijmans' 2008 property development and residential building revenues and the 2008 construction and development revenues of Heijmans' competitors, as derived from their financial statements. Besides a strong regional presence it has the required scale to execute larger projects. Heijmans recently combined property development with residential building activities into one strategic business stream to increase synergies, create a more efficient organisation and ensure sufficient flexibility to counter a potential decrease in demand. Linking (local) market knowledge with engineering reduces lead times and reinforces innovative strength, which strengthens the position of the Company in the acquisition phase and increases operational efficiency and focus on contract, risk and project management.

Non-Residential Building and Technical Services

After combining the disciplines of non-residential building and technical services into one strategic business stream, Heijmans focuses on a number of selected markets where it can distinguish itself and for which it has the relevant capabilities and experience. Through the acquisition of Burgers Ergon in 2007, Heijmans improved its market position in and market knowledge of the technical services sector. Heijmans envisages reaping the benefits from Burgers Ergon's project management skills within the technical services sector as well as elsewhere within the Company. Heijmans will focus on the markets for healthcare, real estate properties, government buildings and high-tech clean industries whereby the Company aims to remain involved after the completions by providing service and maintenance. High grade projects can be realised through this unique combination, whereby the Company strives for a selective contract policy focusing on margins. As an example of a project where these disciplines are successfully combined, in 2008, Heijmans obtained a commission for the construction of the Music Hall "Vredenburg" in Utrecht.

Infrastructure

Heijmans holds a number three position in the Dutch infrastructure market, based on a comparison of Heijmans' 2008 infrastructure revenues and the 2008 infrastructure revenues of Heijmans' competitors, as derived from their financial statements. This corresponds with a market share of approximately 6%. Through its size and regional presence, Heijmans can focus both on larger national projects as well as on smaller regional projects. The infrastructure activities are well positioned to benefit from the announced acceleration of government investments. Improvement of national, regional and local infrastructure is a typical stimulus measure of the respective governmental bodies at the time of an economic downturn. Furthermore, the flexibilisation of the production capacity, is envisaged to ensure that Heijmans can benefit from its strong market position going forward and the governmental stimulus package.

Development potential provides good basis for future business

Heijmans has a development potential of approximately 39,000 houses of which approximately 23,000 are related to land positions it owns either directly or through joint ventures and of which approximately 16,000 are a result of the competitive tenders and selection processes. This development potential provides an excellent basis for the future business of the operations. Despite the current prevailing market conditions, underlying demographic and economic factors are favourable in the longer term. The size of the land positions will be gradually decreased to reduce capital requirements but with the aim to maintain development and building rights. By owning the land bank, Heijmans is in a more flexible position to redesign and adapt its development planning if required due to the challenging economic climate. In addition, Heijmans has developed a number of concepts (e.g. WensWonen® (*Living as You Wish*)) through which it can increase its competitive position for new projects.

Revised organisational structure leading to potential margin improvement

Heijmans' organisational structure has been revised and shorter reporting lines have been introduced in 2008. Major changes have also been made to both the top management and the organisation as a whole to strengthen the operational performance such as short reporting lines, more effective management control and supervision, limited number of branches and higher cost efficiency rate. The Group level-management has been made directly responsible for the business units and involved in daily operational decisions.

Heijmans' revised strategy focuses on margin improvement instead of revenue and volume growth. This improvement will be realised by selective contracting and through the revised organisational structure, whereby Heijmans restructured its business in the Netherlands into three strategic business streams. The announced reduction of 650 job positions includes the elimination of an entire management layer. In order to limit risks and secure efficiency, larger projects are centrally registered, calculated and executed for the Non-Residential Building and Technical Services strategic business stream and for the Infrastructure strategic business stream. Improving risk and contract management, stricter cost controls, improving the efficiency of work planning and execution, and the increased flexibility of production capacity are designed to enable the required improvement in returns. Additionally, margin improvement can be reached by focus on cost reduction. Overhead costs will be further reduced as the scope of Heijmans' activities becomes more focused as a result of divesting the foreign operations and reducing the scope of the operations Property Development, Residential Building and Non-Residential Building. This total package will enable the Company to contract in a more efficient and effective manner and to focus on projects where value and quality are important to unlock the margin improvement potential to normalised levels.

5.9 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 "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.

5.10 Information Technology

Heijmans' information technology (**IT**) infrastructure is designed to provide the processes to support the Group's business. Besides Microsoft Office other applications that are used within the Group are Baan IV, Coda and SAP ECC 6.0, which are used for financial administration, project preparation, purchase and project control. Beside these ERP systems, a number of engineering applications are used for drawing and project preparation. Autocad is the most important application.

The service and maintenance of the IT infrastructure is currently outsourced to Atos Origin. Over the course of 2009, the service and maintenance of the IT infrastructure will be taken over by Centric. Centric will manage all IT infrastructure components (servers, PC's, data centres, internet access) including the IT service desk. KPN will take care of the wide area network and the fixed telephony. The most important considerations for outsourcing the IT infrastructure are the lower costs, higher level of flexibility and a better access to IT knowledge. The management of applications which directly influences the conduct of business is not outsourced, as this often requires specific business knowledge. The management of the IT (control) and information management are also not outsourced. Costs relating to the transfer and update of the IT infrastructure are financed out of the general credit lines, to the extent sufficient. Please refer to section 2 "Risk factors" for further information on the IT systems.

In project development and for the sale of residential homes, increasing use is being made of IT resources. For example, with Heijmans' "Wenswonen®"-application potential buyers can design tailor-made homes. IT applications are also increasingly used as an innovative aid within non-residential building and infrastructure construction projects. Beside (sharepoint portal) software which advances the cooperation between Heijmans and its partners (architects, subcontractors, suppliers) several 3D engineering applications are being used. This makes projects more effective and failure costs are reduced.

5.11 Research and development

Heijmans is engaged in a number of research and development activities.

Wenswonen® (Living as You Wish). Heijmans' property development department and the IT department, have developed an interactive computer programme with which a home can be designed according to individual wishes, which is accessible via internet (www.wenswonen.nl).

Best Value Procurement. Breijn is the knowledge centre that consolidates all of Heijmans' expertise in the area of infrastructure and integral area development. The core activities are research, design, engineering and consulting, focused on plan development for infrastructure projects and civil engineering development and redevelopment of inner-city areas and industrial areas. The city of 's-Hertogenbosch commissioned Breijn to prepare a tender for the construction of a peripheral facility on the basis of Best Value Procurement (BVP). This public tender carried out according to the Netherlands Public Works Tendering Regulations is the first tender to adhere to this innovative principle.

BVP is a tendering system that provides the customer with a high degree of predictability for the end product in terms of time, quality and result. Furthermore, BVP provides contractors with an opportunity of distinguishing themselves in other areas, rather than on the basis of low price alone. BVP is an innovative way of arriving at a well-considered selection of the principal contracting party, and as a means of limiting problems during execution to a minimum.

The first steps in this procedure have been taken. A project to which the BVP process will be applied has been selected and consists of the construction of a water storage settlement tank at the edge of a park in 's-Hertogenbosch. The volume of the water storage settlement tank will be approximately 1,500 m^3 and the bottom of the basin will be approximately 5 metres below ground level.

ModieSlab. An innovative road deck consisting of prefabricated concrete elements that, depending on the subsoil, is placed on piles or another stable foundation is developed by Heijmans under the name of ModieSlab.

The elements are produced elsewhere in the factory and are subsequently transported to the worksite where they are mounted and positioned. It is a rapid method of construction for new road construction and road-widening. The use of prefabricated concrete elements creates a durable construction that can be rapidly installed and requires low maintenance.

ULTra PRT. Heijmans is bringing an environmentally-friendly and completely automated transportation system to the market in the Benelux, called ULTra. ULTra stands for Urban Light Transport and, in contrast to most forms of mass transport, is an individual transport system. That explains the suffix PRT for Personal Rapid Transport. At this point in time, the first ULTra guideway is being put into operation at London's Heathrow Airport. It is a system of laser-guided, electric vehicles offering an inexpensive, clean and safe alternative to means of transport such as the bus, light rail, tram or taxi. ULTra is suitable as a means of transportation from parking and other transfer areas at airports, industrial parks with many office buildings, but also for providing access to large residential districts. The deployment of ULTra is in keeping with the objectives of the Kyoto treaty to reduce the global emission of CO_2. ULTra's emissions are approximately 50% lower than those of bus and rail and approximately 70% lower than a car's emission. Construction costs are approximately 60% lower than the construction of a light rail network.

5.12 Sustainability

For Heijmans corporate social responsibility and sustainability means the profitable supply of services, products and know-how, that form a long-term substantial contribution to the demands of the customer with an objective of conserving and improving the quality of life. Heijmans thereby aims for a balance between the three P's: people, planet and profit. This balance should provide an balanced return in terms of net profits and social benefits. In practice, Heijmans endeavours to realise this policy by translating sustainability requirements into practical solutions for residential, non-residential and infrastructure projects. Providing practical solutions in this respect requires a profound knowledge of design and maintenance, not only in a constructional aspect, but also in civil and installation techniques.

5.13 Intellectual property

In the Netherlands and Belgium, Heijmans' companies operate under the name of Heijmans. The names of divisions and operating companies can be recognised by the name Heijmans with the additional specification of the activity which they carry out.

A few companies operate under a different name. In the Netherlands this includes Proper-Stok Groep B.V. (property development), Vos & Teeuwissen B.V. (property development and residential building), Walcherse Bouwunie B.V. (property development and residential building), IJsselbouw B.V. (property development and residential building), Burgers Ergon B.V. (technical services), Reukers Bouw B.V. (residential building), Bestcon B.V. (prefabricated concrete (*betonelementen*)) and Breijn B.V. (infrastructure). In Belgium this includes De Coene Construct N.V. (building), Himmos N.V. (property development) and Van den Berg N.V. (infrastructure), in Germany this includes, Franki Grundbau GmbH & Co KG. (infrastructure), Heitkamp Rail GmbH (infrastructure) and the Oevermann subsidiaries (infrastructure) and in the United Kingdom this includes J.B. Leadbitter & Co Ltd. (building) and Denne Construction Ltd. (building).

The Group and its operating subsidiaries hold, or have applications for or licenses in respect of, various trade names, registered trademarks and patents. While its business is not significantly dependent upon 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 an patent licenses will not have a material adverse effect on the Group's business, financial condition or results of operations.

5.14 Litigation

The Group is involved in legal proceedings related to the nature of its business, all of which are expected to be covered by insurance (except regular deductibles and contractual exclusions) or are properly provided for in the Group's financial accounts and, therefore, are not considered material in the context of the Group's business, financial condition or results of operations. The Group maintains insurance to reduce the financial risk associated with claims related to these proceedings. Although it is not possible to predict the outcome of these proceedings, or any claim against the Group related thereto, in the opinion of the Management Board, uninsured losses, if any, resulting from the ultimate resolution of these matters should not have a material effect on the Group's business, financial condition or results of operations.

Heijmans has lodged an appeal with the Court of First Instance in Luxembourg against a decision of the European Commission imposing a fine of EUR 17.1 million for the alleged participation to a cartel on the bitumen market. This fine has already been paid by Heijmans. It is unclear when the Court of First Instance will pass its judgement.

Heijmans has furthermore lodged an appeal with the District Court of Rotterdam in the Netherlands against a fine of EUR 2.7 million imposed on Heijmans by the Dutch Competition Authority for the alleged participation in a cartel on the civil construction market. This fine has not yet been paid, but a bank guarantee has been issued. The court hearing has taken place on 29 April 2009. The court is expected to pass its judgement in July 2009.

The Group was involved in the "Bouwfraude affaire", which included an investigation by the Dutch Parliament in relation to violations of competition regulations in the construction industry (*parlementaire enquête*) which had an adverse effect on the Group in the past. However, in Heijmans' opinion, the "Bouwfraude affaire" was concluded in 2008.

To the best knowledge of the Group there are no and there have not been any governmental, legal or arbitration proceedings (other than set out in this section 5.14), nor is the Group aware of such proceedings threatening or pending, which may have or have had in the 12 months before the date of this Prospectus significant effects on the financial position or profitability of the Group.

5.15 Insurance

The Group maintains insurance coverage which is mostly negotiated on a national level. The Group insurances in the Netherlands are D&O, Fraud, Professional Indemnity and Third Party Liability CAR (*vangnet*). Each foreign subsidiary has its own local insurances.

Coverage includes employer liability, workers' compensation, property damage and business interruption, general and product and performance liability, and directors' and officers' liability. The Group has not made any material claims under any of its insurance policies. The Group believes that the level of insurance for the Group is in line with industry standards.

5.16 Property and equipment

The majority of the buildings through which the Group operates its business in the Netherlands are leased properties (amounting to approximately 73 properties as at 31 December 2008). The total lease obligations in relation to these properties add up to approximately EUR 115 million. The duration of the lease contracts entered into vary from 20 months to 12 years.

As at 31 December 2008, the Group owns approximately 15 properties in the Netherlands. The Group is not aware of any environmental issues that may affect the utilisation of any of these properties.

The majority of the equipment employed to operate the business is owned by the Group. The book value of the machinery, installations and equipment owned by the Group amounts to EUR 60.3 million (including equipment acquired through financial lease). All other equipment is leased. As at 31 December 2008, the obligations relating to these lease contracts add up to approximately EUR 88 million. The lease contracts entered into vary from 24 months to 96 months and can only be terminated after lump sum payment of the book value and the lost profits of the lease company.

The Group's properties in Hoogvliet, Rosmalen, Tegelen, Hoogeveen, De Steeg, Burgh Haamstede, Groenlo and Amsterdam (excluding buildings that are subject to a contract for sale to a third party) and all of the Group's moveable assets in the Netherlands (excluding equipment subject to finance leases) have been encumbered to provide security under the Syndicated Loan Facility and the Bridge Loan Facility. For more information on the assets that have been encumbered to provide security under the Syndicated Loan Facility and the Bridge Loan Facility, reference is made to section 8.2 "Ratios".

5.17 Material contracts

Besides the Syndicated Loan Facility and the various security agreements entered into in connection therewith, the Bridge Loan Facility and the Underwriting Agreement, Heijmans has not entered into contracts outside of the ordinary course of its business, for the two years immediately preceding the date of this Prospectus, or which have been entered into at any other time and which contain provisions under which the Group has an obligation or entitlement that is material as of the date of this Prospectus.

For a summary of the Syndicated Loan Facility and the various security agreements entered into in connection therewith and the Bridge Loan Facility, entered into for the financial restructuring, reference is made to section 8.2 "Ratios". For a summary of the Underwriting Agreement, entered into between Heijmans and the Joint Global Co-ordinators for the Offering, reference is made to sections 16.1 "Underwriting arrangements", 16.2 "Conditions to the Offering" and 16.3 "Lock-up arrangements".

6. SELECTED FINANCIAL INFORMATION

This is a selection of the audited consolidated financial information for the financial years ended 31 December 2006, 2007 and 2008 of Heijmans. The selection of the audited consolidated financial information for the financial years ended 31 December 2006, 2007 and 2008, should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditor's reports, which are incorporated by reference in this Prospectus (reference is also made to section 3.3 "Incorporation by reference").

The audited consolidated financial statements for the financial years ended 31 December 2006, 2007 and 2008 have been prepared in accordance with IFRS.

This summary of financial information also contains unaudited financial information which has been included in the trading update issued by the Company in connection with the Offering on 29 June 2009 (figure 1.5). The Company's results for this period are not necessarily indicative of the Company's results for the half year or full year 2009. The financial information is based on unaudited management information and the presentation and disclosure are not in conformity with EU-IFRS.

The selected consolidated financial information set forth below may not contain all of the information that is important to investors.

Consolidated income statement in EUR millions	**2008**	**2007**	**2006**
Revenues	3,631.0	3,731.9	2,942.1
Cost of sales	-3,458.3	-3,484.1	-2,702.7
Gross Result	**172.7**	**247.8**	**239.4**
Other operating income	47.2	15.2	10.6
Gain on sale of assets classified as held for sale	0.0	0.0	5.2
Selling expenses	-49.7	-36.8	-30.1
Administrative expenses	-149.4	-134.1	-107.3
Other operating expenses	-34.4	-3.9	-0.5
Operating Result	**-13.6**	**88.2**	**117.2**
Financial income	16.6	10.8	8.3
Financial expenses	-19.7	-21.5	-14.1
Share of profit of associates	0.4	1.0	0.5
Result before tax	**-16.3**	**78.5**	**112.0**
Income tax expense	-17.8	-22.1	-29.5
Result after tax	**-34.1**	**56.4**	**82.5**
Earnings per share (in EUR)			
Basic earnings per share	-1.41	2.34	3.43
Diluted earnings per share	-1.41	2.34	3.43

Figure 6.1 – Consolidated income statement for the financial years ended 31 December 2006, 2007 and 2008

Revenues in EUR millions		Property Development	Building	Infra-structure	Technical services	Other	Elimination	Consoli-dated
The Netherlands	**2008**	875.3	797.1	926.2	285.4	116.2	-492.9	**2,507.3**
	2007	1,015.2	805.6	911.1	228.9	94.1	-460.6	**2,594.3**
	2006	865.7	845.4	790.6	-	-247.2		**2,254.4**
Belgium	**2008**	50.0	79.0	136.6	-	0.0	-1.1	**264.4**
	2007	68.5	138.5	140.3	-	0.2	0.0	**347.6**
	2006	45.5	100.6	142.2	-	0.2		**288,4**
United Kingdom	**2008**	-	406.3	-	-	-	-	**406.3**
	2007	-	378.5	-	-	-	-	**378.5**
	2006	-	264.1	-	-	-	-	**264.1**
Germany	**2008**	-	-	453.3	-	-	-0.3	**453.0**
	2007	-	-	411.8	-	-	-0.3	**411.5**
	2006	-	-	135.2	-	-0.0		**135.2**
Total	**2008**	**925.3**	**1,282.3**	**1,516.0**	**285.4**	**116.2**	**-494.3**	**3,631.0**
	2007	**1,083.7**	**1,322.6**	**1,463.2**	**228.9**	**94.3**	**-460.9**	**3,731.9**
	2006	**911.2**	**1,210.0**	**1,068.0**	**-**	**-247.1**		**2,942.1**

Figure 6.2 – Revenues by geographical and business segment for the financial years 2006, 2007 and 2008

Consolidated cash flow statement in EUR millions	2008	2007	2006*
Operating Result/Result after tax (2006)	-13.6	88.2	82.5
Cash flow from operating activities	79.8	258.5	-30.0
Cash flow from investment activities	-0.1	-87.7	-39.2
Net cash flow from financing activities	63.4	-126.3	77.2
Net cash flow in the period	143.1	44.5	8.1
Cash and cash equivalents at 1 January	234.4	192.9	173.2
Exchange rate differences in cash and cash equivalents	-9.8	-3.1	-
Cash and cash equivalents at 31 December	**367.7**	**234.4**	**192.9**

Figure 6.3 – Consolidated cash flow statement for the financial years ended 31 December 2006, 2007 and 2008

* The 2006 figures have been adjusted for comparison purposes

Consolidated balance sheet in EUR millions	2008	2007	2006
Non-current assets	506.6	543.0	446.9
Current assets	1,713.2	1,662.0	1,682.9
Total assets	**2,219.8**	**2,205.1**	**2,129.9**
Equity	370.7	462.5	441.8
Non-current liabilities	692.0	569.1	515.4
Current liabilities	1.157.2	1,173.4	1,172.7
Total equity and liabilities	**2,219.8**	**2,205.1**	**2,129.9**

Figure 6.4 – Consolidated balance sheet for the financial years ended 31 December 2006, 2007 and 2008

Revenues, underlying results of operations* and order book in EUR millions	Revenues		Underlying results of operations*		Order book	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	31 December 2008
Property Development NL	98	133	-1	6	522	636
Residential Building NL	128	133	-2	-6	580	640
Non-Residential Building NL	48	85	-1	-5	198	192
Infrastructure NL	139	175	-6	-21	716	765
Technical Services NL	63	59	2	-2	238	257
Other/ elimination NL	-63	-80	-8	-4	-229	-261
Total the Netherlands	**413**	**505**	**-16**	**-32**	**2,025**	**2,229**
Belgium	54	62	0	-3	179	159
United Kingdom	83	85	3	1	322	343
Germany	80	80	-4	-4	296	273
Total foreign operations	**217**	**227**	**-1**	**-6**	**797**	**775**
Total	**630**	**732**	**-17**	**-38**	**2,822**	**3,004**

Figure 6.5 – Revenues, underlying results of operations for Q1 2009 and Q1 2008 and order book for Q1 2009 and as at 31 December 2008

* The “underlying results of operations” refer to the operating result adjusted for the expenses in relation to the organisational restructuring. Please also refer to section 3.8 “Non-IFRS measures”

7. OPERATING AND FINANCIAL REVIEW

The following operating and financial review should be read in conjunction with the information under the caption "Important Information" as well as the Company's audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) for the years ended 31 December 2006, 2007 and 2008 and the related notes as incorporated by reference in this Prospectus (see section 3.2 and 3.3), as well as the Trading Update (as defined hereafter).

The Company's consolidated financial statements include the Company and its subsidiaries and the Group's interest in associates and jointly controlled entities. Accordingly, where a reference is made to Group in this chapter it means the Company, its subsidiaries and the Group's interest in associates and jointly controlled entities. For the definitions of the alternative performance measures, including EBITA, we refer to section 3.8 "Important Information – Non-IFRS measures".

Certain information contained in the following operating and financial review and elsewhere in this Prospectus includes forward-looking statements that are subject to known and unknown risks and uncertainties and speak only as of the date they are made. See "Important Information – Forward-Looking Statements" on page 38 of this Prospectus and "Risk Factors" on page 16 of this Prospectus for a discussion of the important factors that could cause actual results to differ materially from the results described or implied by the forward-looking statements contained in this Prospectus.

The figures as at, and for the financial year ended, 31 December 2006, 2007 and 2008 are reported in millions with one decimal behind the point and the figures referred to in section 7.2 "Developments since 31 December 2008" are reported in millions, in line with the practice of the Company to report its interim figures in millions only.

*The section "Developments since 31 December 2008" contains an explanation of the matters referred to in the trading update issued by the Company in connection with the Offering on 29 June 2009 (the **Trading Update**). The financial information referred to in the Trading Update and such section is based on unaudited management information and the presentation and disclosure are not in conformity with EU-IFRS.*

7.1 Overview

The Group is active in the construction and property development industry and operates predominantly in the Netherlands, Belgium, the United Kingdom and Germany. Prior to 2009, the Group's operations in the Netherlands were divided into four divisions, namely (i) Property Development, (ii) Building, (iii) Infrastructure and (iv) Technical Services.

The operations in the Netherlands form a large majority of the Group's operations. Outside the Netherlands the activities are limited to specific divisions on a country-by-country basis. The operations in the United Kingdom are limited to Building and the operations in Germany primarily relate to Infrastructure. The Belgian activities comprise Property Development, Building and Infrastructure.

Since 1 January 2009, the business of the Group has been operated via three strategic business streams: "Property Development and Residential Building", "Non-Residential Building and Technical Services" and "Infrastructure".

As set out in more detail in section 5 "Business", Heijmans' recent change in strategy involves a focus on the core activities in the Netherlands. Accordingly, more analysis is provided in relation to the Dutch operations than the operations in other jurisdictions.

There have been no significant changes in accounting policies in the period from 1 January 2006 to 31 December 2008.

7.2 Developments since 31 December 2008

This section "Developments since 31 December 2008" contains an explanation of the matters referred to in the Trading Update issued by the Company in connection with the Offering on 29 June 2009. The financial information referred to in the Trading Update and in this section is based on unaudited management information. The Trading Update included details of the revenues and the underlying results of operations in Q1 2009 and the working capital, net debt and the order book as at 31 March 2009.

The financial information referred to in the Trading Update and in this section refer to the underlying results of operations, further described below, which excludes certain expenses relating to the organisational restructuring that would be included in results of operations if prepared in accordance with EU-IFRS. As such, although based on the measurement and recognition pricinples of EU-IFRS, the presentation and disclosure of the underlying operating result are not in conformity with EU-IFRS. Information on the expenses in relation to the organisational restructuring is provided separately in relation to the five month period ended on 31 May 2009 and not in relation to Q1 2009.

In this section, the underlying results of operations refer to the operating result adjusted for the expenses in relation to the organisational restructuring. Expenses in relation to the organisational restructuring comprise (i) the costs of the social plan dated 6 January 2009 (the ***Social Plan****), (ii) the costs as of 1 January 2009 directly relating to the employees to whom the Social Plan applies and (iii) the overcapacity of office space as a result of the organisational restructuring. These reorganisation expenses relate solely to the Group's operations in the Netherlands.*

The purpose of presenting the underlying results of operations is to illustrate the results of operations as if the organisational restructuring was completed as of 1 January 2009. As there were no such organisational restructuring costs in Q1 2008, the underlying results of operations are identical to the operating result.

(a) Overview of key developments since 31 December 2008

In the first three months of 2009, certain key aspects of the organisational restructuring announced in 2008 were implemented. The organisational restructuring is aimed at making the Group more compact, reducing risk, expanding and improving its management control systems, contract and risk management procedures and focussing on its core competences in the Netherlands. As a result of the restructuring, some 650 jobs will be eliminated and the Social Plan has been agreed in connection herewith.

The underlying results of operations of Q1 2009 are a significant improvement on the underlying results of operations of Q1 2008. The negative influence on Q1 2008 of certain specific, primarily non-residential, loss-making projects in the former Building division dating from 2005 on the underlying results of operations was not repeated in Q1 2009. In addition, the exceptional losses incurred in Q1 2008 in relation to certain specific Infrastructure projects were not repeated in Q1 2009. See for further information section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control".

In Q1 2009, the Group's Property Development activities in the Netherlands were severely impacted by the poor residential market conditions, with sales of new homes declining significantly. Furthermore, a significant number of signed purchase contracts were dissolved because buyers were unable to secure financing or as a result of development projects not being commenced where the threshold for the minimum number of homes to be sold before construction begins in accordance with the Group's risk management policies, was not achieved. The Infrastructure activities saw a continued lack of demand from the private sector and lower than anticipated demand from the public sector. The weather conditions in early 2009 were also more severe than normal during the months January, February and March and work could not be carried out on several business days. In particular this had a negative influence on the Infrastructure activities in the Netherlands.

Subsequent to Q1 2009, the Company has seen an improvement in operational activities from the slow start earlier in the year.

The organisational restructuring of the operations and the downsizing of the Dutch organisation's support staff departments and of the staff of the operations are on schedule. The total expenses relating to the reorganisational restructuring amount to EUR 20.7 million for the first five months of 2009. During the course of 2009 the organisational restructuring is expected to be completed. Furthermore, in accordance with the Group's strategy (reference is made to section 5.7 "Strategy"), the Group is presently engaged in the preparation of possible divestments.

The Financial Restructuring will be completed upon completion of the Offering. The Financial Restructuring will not only imply significantly higher interest charges for the coming years, but will also be accompanied by significant transaction costs. These costs, to the extent attributable to 2009, will put pressure on the 2009 results.

(b) Results of Operations

General

At the beginning of 2009, the Building division in the Netherlands was split up into "Residential Building" and "Non-Residential Building". This implies a change from regionally operating business units to a national consolidated approach. In addition, as part of this restructuring, parts of the former Property Development division are now reported under Residential Building activities. The Q1 2008 figures and the year-end 2008 figures of the order book have been adjusted in order to facilitate comparability with the Q1 2009 results.

Due to the seasonality of the construction business, the underlying results of operations of the first quarter are typically significantly lower than compared to the second, third or fourth quarter of each year. This is particularly the case for the road building activities, which form part of the Infrastructure activities.

Revenues

Revenues decreased in Q1 2009 by EUR 102 million or 13.9% to EUR 630 million. The geographic distribution of revenues (after eliminating intercompany revenues) is as follows:

Geographic distribution revenues in EUR millions	**Q1 2009**	**Q1 2008**	**Variance (in %)**
The Netherlands	413	505	-18.2
Belgium	54	62	-12.9
United Kingdom	83	85	-2.4
Germany	80	80	0.0
Total revenues	**630**	**732**	**-13.9**

Figure 7.1 – Geographic distribution revenues for Q1 2009 and Q1 2008

The decrease in revenues in comparison to Q1 2008 is largely attributable to the Netherlands. The Q1 2008 revenues of the Netherlands include revenues of EUR 18 million originating from Heijmans Industrieservice B.V. (**Heijmans Industrieservice**) which was divested on 1 October 2008. See the following subparagraphs for further information.

Underlying results of operations

The underlying results of operations of Q1 2009 are a significant improvement on the underlying results of operations of Q1 2008. The underlying results of operations increased by EUR 21 million, from an underlying operating result of EUR -38 million in Q1 2008 to an underlying operating result of EUR -17 million in Q1 2009. The distribution by geographic segment of the underlying results of operations is as follows:

Geographic distribution underlying results of operations in EUR millions	Q1 2009	Q1 2008	Variance (in %)
The Netherlands	-16	-32	50.0
Belgium	0	-3	100.0
United Kingdom	3	1	200.0
Germany	-4	-4	0.0
Total underlying results of operations	**-17**	**-38**	**55.3**

Figure 7.2 – Geographic distribution underlying results of operations for Q1 2009 and Q1 2008

This improvement, although there is an underlying operating loss in both Q1 2008 and Q1 2009, is predominantly attributable to the improvement in the underlying results of operations of the Netherlands. See the following subparagraphs for further information.

Organisational restructuring expenses

The expenses relating to the organisational restructuring amount to EUR 20.7 million for the first five months of 2009. These comprise (i) the costs of the Social Plan, which are expected to amount to approximately EUR 8.6 million, (ii) the costs as of 1 January 2009 directly relating to the employees to whom the Social Plan applies and (iii) the overcapacity of office space as a result of the organisational restructuring. These expenses will be recognised, in accordance with EU-IFRS, in the operating result for the first five months of 2009. These expenses were calculated as per 31 May 2009 on the basis of the most recent information available and comprise the vast majority of the anticipated expenses relating to this phase of the organisational restructuring. The expenses relating to the organisational restructuring relate solely to the Group's operations in the Netherlands. The costs of the Social Plan were initially estimated at EUR 6.3 million, which amount was referred to in the annual report for the year ended 31 December 2008 (although it had no impact on the financial statements for the period ended on such date). Based on developments since that date, including the actual implementation of the organisational restructuring and the actual elections of employees to take advantage of the Social Plan, this has been revised to EUR 8.6 million.

Net financing result

The net financing result is not quantified in this section 7.2 "Developments since 31 December 2008".

The net financing result of 2009 will not be comparable to the net financing result of the previous financial years and will be heavily negatively impacted by the financial restructuring costs, including costs related to the renewal of the Syndicated Loan Facility, the repurchase of the USPP notes, the entry into of the Bridge Loan Facility, the renegotiation of the Financing Preference Shares B, and the advisory costs in relation to all of the foregoing. The financing charges will furthermore increase significantly due to the losses for the Group on the unwinding of the cash flow hedges relating to the USPP notes and the Syndicated Loan Facility. In addition, the interest margin on the Syndicated Loan Facility and the dividend percentage on the Financing Preference Shares B will be higher than in previous years.

Order Book

The geographic distribution of the order book is as follows:

Order book in EUR millions	31 March 2009	31 December 2008	Variance (in %)
The Netherlands	2,025	2,229	-9.2
Belgium	179	159	12.6
United Kingdom	322	343	-6.1
Germany	296	273	8.4
Total order book	**2,822**	**3,004**	**-6.1**

Figure 7.3 – Geographic distribution of the order book for Q1 2009 and the financial year 2008

More detail on the results of operations of each country is given in the following subparagraphs.

(i) The Netherlands

The segmental distribution of revenues in the Netherlands is as follows:

Distribution revenues in the Netherlands in EUR millions	Q1 2009	Q1 2008	Variance (in %)
Property Development	98	133	-26.3
Residential Building	128	133	-3.8
Non-Residential Building	48	85	-43.5
Infrastructure	139	175	-20.6
Technical Services	63	59	6.8
Other / eliminations	-63	-80	21.3
The Netherlands revenues	**413**	**505**	**-18.2**

Figure 7.4 – Distribution revenues in the Netherlands for Q1 2009 and Q1 2008

The segmental distribution of the underlying results of operations in the Netherlands is as follows:

Distribution underlying results of operations in the Netherlands in EUR millions	Q1 2009	Q1 2008	Variance (in %)
Property Development	-1	6	-116.7
Residential Building	-2	-6	66.7
Non-Residential Building	-1	-5	80.0
Infrastructure	-6	-21	71.4
Technical Services	2	-2	200.0
Other	-8	-4	-100.0
The Netherlands underlying results of operations	**-16**	**-32**	**50.0**

Figure 7.5 – Distribution underlying results of operations in the Netherlands for Q1 2009 and Q1 2008

The segmental distribution of the order book in the Netherlands is as follows:

Order Book in the Netherlands in EUR millions	31 March 2009	31 December 2008	Variance (in %)
Property Development	522	636	-17.9
Residential Building	580	640	-9.4
Non-Residential Building	198	192	3.1
Infrastructure	716	765	-6.4
Technical Services	238	257	-7.4
Other / eliminations	-229	-261	12.3
The Netherlands order book	**2,025**	**2,229**	**-9.2**

Figure 7.6 – Distribution of the order book in the Netherlands for Q1 2009 and the financial year 2008

(A) Property Development

Revenues

Revenues decreased in Q1 2009 by 26.3%, being a decrease of EUR 35 million. This was to a significant degree due to the poor residential market conditions. Sales of new homes declined significantly in comparison to the initial months of 2008. Furthermore, a significant number of signed purchase contracts were dissolved because buyers were unable to secure financing or as a result of development projects not being commenced where the threshold for the minimum number of homes to be sold before construction begins in accordance with the Group's risk management policies, was not achieved.

This decrease in revenues also impacts the revenues of the Residential Building activities, as these are closely related to revenues of the Property Development activities.

Underlying results of operations

The underlying results of operations decreased significantly due to the decrease in revenues and activities. The deteriorating circumstances in the housing market resulted in a gross margin decrease. See section 7.4 (a) "Significant factors affecting results of operations – Market conditions" for further information on market conditions.

Order Book

The order book as at the end of Q1 2009 declined significantly to EUR 522 million compared to EUR 636 million at year-end 2008. This is due to the slowdown that emerged in the private homes market in 2008 and continued during Q1 2009. The economic crisis has significantly slowed the sales of homes and therefore the start of new projects.

(B) Residential Building

Revenues

Revenues decreased by 3.8% in Q1 2009 to EUR 128 million, partly as a result of the poor residential market conditions as a large part of the revenues of the Residential Building activities consists of commissions received from the Property Development activities. See the previous section 7.2 (i) (A) "Property Development – Revenues" for further information.

Underlying results of operations

The underlying results of operations increased by EUR 4 million in Q1 2009, from a loss of EUR 6 million in Q1 2008 to a loss of EUR 2 million in Q1 2009. Although improved, the underlying results of operations remained negative, partly as a result of the developments in the private sector. Further details on the market conditions are set out in section 7.4 (a) "Significant factors affecting results of operations – Market conditions" of this Prospectus.

Order Book

The order book decreased by EUR 60 million, from EUR 640 million at year-end 2008 to EUR 580 million at the end of Q1 2009. This decrease is partly due to the selective contracting policy, but also evidences the difficulty in acquiring new projects due to the deteriorated economic conditions.

(C) Non-Residential Building

Revenues

Revenues decreased by EUR 37 million, from EUR 85 million in Q1 2008 to EUR 48 million in Q1 2009, predominantly as a result of the more selective contracting policy of the Non-Residential Building activities. Heijmans focuses on high grade projects and on projects where there is a demand for Non-Residential Building as well as a role for the Technical Services activities. The decrease in revenues is furthermore a result of the lower than anticipated revenues from service activities. The revenues from service activities were EUR 6 million lower in Q1 2009 than in Q1 2008.

Underlying results of operations

The underlying results of operations increased by 80% in Q1 2009 to a loss of EUR 1 million. Although improved, the underlying results of operations remained negative, partly as a result of the decline in investments in the Non-Residential Building operations, in the private sector. The Q1 2008 underlying results of operations include losses originating from certain specific, primarily non-residential, loss-making projects dating from 2005. Further details on these projects are set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" of this Prospectus and further details on the measures taken in this respect are set out in section 7.10 "Risk Management". These projects had a more limited impact on the Q1 2009 underlying results of operations.

Order Book

The order book increased by EUR 6 million, from EUR 192 million at the end of 2008 to EUR 198 million at the end of Q1 2009. This increase is partly due to the increased focus on high grade projects and the positive synergy effects from the close cooperation with the Technical Services activities.

(D) Infrastructure

Revenues

Revenues decreased by 20.6% in Q1 2009 to EUR 139 million. The Q1 2008 revenues include revenues of EUR 18 million originating from Heijmans Industrieservice which was divested on 1 October 2008. The decrease in revenues in the Infrastructure activities in the Netherlands of EUR 18 million on a like for like basis was predominantly attributable to the severe weather conditions in the Netherlands in Q1 2009. Due to such conditions, no work could be carried out on several business days.

Underlying results of operations

The underlying results of operations improved by EUR 15 million in Q1 2009, to a loss of EUR 6 million. Due to the seasonality of the Infrastructure activities, the underlying result of operations of the first quarter is always significantly lower than the underlying result of operations in the second, third or fourth quarter of each year. In addition to this seasonality effect, the underlying operating loss was also due to the disappointing results of the road building business in Q1 2009. The underlying operating loss was, however, less than in Q1 2008, mainly as a result of the recognition of losses on several major projects, including an underlying operating loss of EUR 10 million on the A2 Eindhoven ring road, in Q1 2008. No such losses occurred in Q1 2009.

Order Book

The order book decreased from EUR 765 million at year-end 2008 to EUR 716 million at the end of Q1 2009. This decline is due to the failure to acquire new major projects in Q1 2009. Major works such as the A2 Eindhoven ring road and the A2 Culemborg-Deil motorway are in progress (and as such only the uncompleted portion is included in the order book) whilst no new projects of comparable size were acquired.

E) Technical Services

Revenues

Revenues increased by 6.8%, being an increase of EUR 4 million, as the solid performance achieved in 2008 persisted through Q1 2009. Because the Technical Service operations are positioned at the end of the building chain, the Technical Service operations had at 31 March 2009 not yet experienced any major slowdown from the economic crisis. There has, however, been a decrease in the order book, as set out below. The revenues of the Technical Services activities amounted to EUR 63 million in Q1 2009.

Underlying results of operations

The higher revenues combined with the improved profitability of the Technical Services activities produced an improvement of EUR 4 million, or 200%, in the underlying results of operations.

Order Book

The order book at the end of Q1 2009 stood at EUR 238 million compared to EUR 257 million at year-end 2008. This decrease is due to a slow down in the inflow of new projects, compared to year-end 2008 where a number of major projects were included in the order book. Although the order book has decreased in Q1 2009 compared to year-end 2008, it still remains at a healthy level, being almost equivalent to the annual revenues of the Technical Services activities.

F) Other

The underlying results of operations amounted to EUR -4 million in Q1 2008 and EUR -8 million in Q1 2009. This decrease is due to (i) the decrease in underlying results of operations of EUR 1 million of Heijmans Bestcon B.V. and (ii) profit eliminations of EUR 1 million relating to the recognition of intercompany profits.

(ii) Belgium

Revenues

The decrease in revenues in Belgium by 12.9% to EUR 54 million was due to the deteriorating market conditions and the severe weather conditions in Q1 2009. See also section 7.4 (a) "Significant factors affecting results of operations – Market conditions".

Underlying results of operations

The underlying results of operations increased from a loss of EUR 3 million in Q1 2008 to a break even position in all segments in Q1 2009. This improvement is due to the more selective contracting and development policy. Furthermore, the Q1 2008 underlying results of operations were adversely affected by the considerable downward revaluations of property development positions and building projects. Inadequate operational risk, contract and project management, combined with significantly changing market conditions, were the major causes of the revaluations in Q1 2008. See also section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" for an explanation of the impact of inadequate project management.

Order Book

The order book increased from EUR 159 million at year-end 2008 to EUR 179 million at the end of Q1 2009. The introduction of a selective contracting policy in 2008 led to an initial caution in accepting new orders. This policy lead to a lower order book at the beginning of Q1 2009 compared to the beginning of Q1 2008. During Q1 2009, the order book increased slightly. The order book improved over all business lines in Belgium and has been achieved despite the difficult economic conditions.

(iii) United Kingdom

Revenues

The United Kingdom operations are restricted to Building activities. Revenues in British Pound (**GBP**) increased by GBP 11 million, from GBP 65 million in Q1 2008 to GBP 76 million in Q1 2009. When expressed in Euros, revenues decreased by EUR 2 million, from EUR 85 million in Q1 2008 to EUR 83 million in Q1 2009. The continued growth in revenues in GBP in the United

Kingdom originates to a significant degree from the public sector. Leadbitter profited from the continued demand for affordable housing.

Underlying results of operations

The underlying results of operations increased significantly, from an underlying result of operations of EUR 1 million (GBP 1 million) in Q1 2008 to an underlying result of operations of EUR 3 million (GBP 3 million) in Q1 2009. This increase is driven by higher revenue volumes combined with an increase in gross profit and overhead coverage.

Order Book

The order book decreased by EUR 21 million, from EUR 343 million (GBP 327 million) at year-end 2008 to EUR 322 million (GBP 300 million) at the end of Q1 2009.

(iv) Germany

Revenues

In Germany operations relate predominantly to Infrastructure activities. Revenues remained at a similar level in Q1 2009 compared to Q1 2008.

Underlying results of operations

The underlying results of operations remained at a stable loss making level of EUR 4 million in both Q1 2009 and Q1 2008. This is in line with the seasonality of the business.

Order Book

The order book increased by EUR 23 million, from EUR 273 million at year-end 2008 to EUR 296 million at the end of Q1 2009. This increase was primarily the result of the acquisition of a contract with the French railway SNCF (*Société Nationale de Chemins de fer Française*) to renew railways in the Midi-Pyrenées, with an estimated contract value of EUR 43 million.

(c) Liquidity and Capital Resources

Working capital

The table below provides an overview of the working capital for Q1 2009, Q1 2008 and the financial year ended 31 December 2008.

Working capital in EUR millions	Q1 2009	Q1 2008	31 December 2008
- Inventories	581	563	556
- Construction work in progress	-46	40	-37
- Receivables	593	643	615
- Payables	-701	-782	-886
Working capital	**427**	**464**	**248**

Figure 7.7 – Working capital for Q1 2009, Q1 2008 and the financial year 2008

Due to the seasonality of the construction business, the need for working capital at 31 March is always significantly higher than at 31 December. In comparison to Q1 2008, the working capital requirements decreased by EUR 37 million in Q1 2009. In comparison to the position at 31 December 2008, the working capital requirements increased by EUR 179 million in Q1 2009. The increase in working capital from the position at 31 December 2008 was due to (i) the decrease in the number of homes sold, (ii) the seasonality of the business of the Group combined with the inherent nature of transactions with public authorities, which result in more cash proceeds in December than in other months of the year, and (iii) an active working capital management in Q4 2008.

The net decrease as at 31 March 2009 compared to the end of Q1 2008, is mainly the result of the decrease of work in progress in Q1 2009 by approximately EUR 86 million. The net increase in inventories in Q1 2009 reflects the increase in unsold homes as a result of the weak housing market.

See section 7.8 (b) "Liquidity and Capital Resources – Working capital" for further details on working capital developments.

Indebtedness

The figure below gives an overview of the net debt position for the financial year ended 31 December 2008, as well as the period ended 31 March 2009 and 2008.

Net debt in EUR millions	Q1 2009	Q1 2008	31 December 2008
- Non-current debt	689	499	639
- Current debt	125	193	60
- Cash and cash equivalents	-260	-164	-368
Net debt	**554**	**528**	**331**

Figure 7.8 – Net debt for Q1 2009, Q1 2008 and the financial year 2008

The net interest-bearing debt or simply net debt (interest-bearing debt minus cash and cash equivalents) as at 31 March 2009 increased by EUR 223 million to EUR 554 million compared to year-end 2008, primarily due to the increase in working capital as detailed above. Net debt increased by EUR 26 million in Q1 2009 compared to Q1 2008. For developments in 2007 see section 7.8 (c) "Liquidity and Capital Resources – Indebtedness". The increase in cash and cash equivalents at the end of Q1 2009, as compared to Q1 2008, is due to the decision of Heijmans to maintain a significantly higher level of cash and cash equivalents than necessary for business operations due to the high level of uncertainty on the financial markets during Q4 2008 and Q1 2009.

See section 8 "Capitalisation and Ratios" for further details on capitalisation.

7.3 Major events relating to the financial years 2006, 2007 and 2008

The following events have occurred since 1 January 2006, which have had a material impact on the Group's result of operations and financial condition.

(a) 2008

The year 2008 was primarily characterised by disappointing results. Continuing losses were incurred by the Building division in the Netherlands and the road building operations of the Infrastructure division in the Netherlands. The Building and Property Development divisions in Belgium also incurred heavy losses. A significant proportion of these losses in both the Netherlands and Belgium related to inadequate project management in relation to specific projects committed to in prior financial periods. More information on the inadequate project management is set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" and more information on the losses is set out in the segmental and geographical analysis in respect of the Netherlands and Belgium in section 7.7 (a)/(b) (i) and 7.7 (a)/(b) (ii) "Result of Operations: Geographical and segmental analysis" respectively. Furthermore, the profitability of the property development operations in the Netherlands was substantially reduced due to the economic crisis. Further detail in relation to the economic crisis is set out in section 7.4 (a) "Significant factors affecting results of operations – Market conditions".

The Company made one divestment in 2008, being the disposal of Heijmans Industrieservice on 1 October 2008 to Spie Nederland for a price of EUR 34.8 million. Heijmans Industrieservice contributed revenues of

EUR 51.6 million, result after taxes of EUR 1 million and EBITA of EUR 1.7 million to the consolidated results of Heijmans for the nine month period ending on the divestment date. The net inflow of cash resources as a result of the divestment, after subtracting Heijmans Industrieservice's cash resources of EUR 2.6 million, amounted to EUR 32.2 million. The realised book profit on the divestment of Heijmans Industrieservice amounted to EUR 21 million.

Heijmans made no acquisitions in 2008.

(b) 2007

The year 2007 was primarily characterised by the high losses incurred as a result of inadequate project management in relation to specific projects in the Building division in the Netherlands committed to in prior financial periods. More information on inadequate project management is set out section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" and more information on the losses is set out in the segmental and geographical analysis in respect of the Netherlands in section 7.7 (a)/(b) (i) "Result of Operations: Geographical and segmental analysis". Developments in relation to these projects resulted in a EUR 77 million loss, which was included in the Group's gross result in 2007.

The acquisitions of Burgers Ergon B.V. (**Burgers Ergon**) and certain business and related assets and liabilities of Oevermann GmbH & Co. KG (**Oevermann**) at the beginning of 2007 made a positive contribution to the EBITA of the Group. Both Burgers Ergon and Oevermann have been consolidated in the financial statements of the Company as of 1 January 2007. The Burgers Ergon and Oevermann acquisitions jointly accounted for EUR 491 million of the EUR 790 million increase in revenues in 2007.

Burgers Ergon was acquired on 10 January 2007 for EUR 72.7 million (including all related costs) of which EUR 70.7 million was paid in cash. As the cash assets of Burgers Ergon amounted to EUR 28.7 million, the net cash outflow for the Group was limited to EUR 41.9 million. Payment of the remaining EUR 2 million is dependent on the attainment of future business results, to be determined four years after the acquisition. The amount of goodwill paid was EUR 31.1 million and the identified intangible assets acquired amounted to EUR 34.6 million. Burgers Ergon achieved revenues of EUR 228.9 million and contributed EUR 7 million to the EBITA of the Group for the year-ended on 31 December 2007. Burgers Ergon achieved a result after tax of EUR 4.6 million for the year-ended 31 December 2007.

Heijmans acquired certain business and related assets and liabilities of Oevermann on 15 January 2007 for EUR 11.3 million (including all related costs), which was paid in cash on completion. As the cash assets of Oevermann amounted to EUR 3 million, the net cash outflow for the Group was limited to EUR 8.4 million. Oevermann achieved revenues of EUR 261.6 million and contributed EUR 3 million to the EBITA of the Group for the year-ended 31 December 2007. Oevermann achieved a result after tax of EUR 0.8 million for the same period in 2007.

Tecona B.V. (**Tecona**) and Siegers Elektro N.V. (**Siegers**) were divested in 2007, but these divestments had no significant impact on the consolidated results of Heijmans. The 2007 operating result and EBITA were also positively impacted by EUR 9 million as a result of the sale of the vast majority of the finished commercial property that had been unsold at the end of 2006.

(c) 2006

On 13 September 2006, the European Commission imposed a penalty of EUR 17.1 million on Heijmans in relation to its alleged participation in a bitumen market cartel. Heijmans paid this penalty in 2006 and lodged an appeal with the Court of First Instance in Luxembourg. It is unclear when the Court of First Instance will pass its judgement. The Group's result after tax for the year ended 31 December 2006 was reduced by an incidental charge of EUR 9 million in relation thereto with the remainder having been provided for in previous financial periods.

A significant portion of the increase in revenues in 2006 was attributable to the acquisitions of, indirectly, Denne Construction Ltd. (**Denne Construction**) and certain assets and liabilities of Heitkamp Rail GmbH (**Heitkamp Rail**). On 31 January 2006, the Company acquired the name and certain operations of the German company Heitkamp Rail, a company active in the railway construction sector. The purchase price was EUR 18.9 million and was paid in cash. As cash assets of Heitkamp Rail amounted to EUR 2.9 million, the net cash outflow for the Group was limited to EUR 16 million. Heitkamp Rail realised income after taxes of EUR 1.4 million for the year-ended 31 December 2006. Including its share in joint ventures, Heitkamp Rail revenues in the period from 31 January 2006 to 31 December 2006 amounted to EUR 78 million. Heitkamp Rail contributed EUR 2.4 million to the EBITA of the Group in 2006. Heitkamp Rail has been consolidated in the financial statements of the Company as of 1 February 2006.

On 19 September 2006, J.B. Leadbitter & Co. Ltd. (a British subsidiary of the Company, **Leadbitter**), purchased 100% of the shares of the British company, Denne Construction. Denne Construction is primarily active in the residential development sector in southeast Britain. The purchase price was EUR 26.2 million, of which EUR 17.3 million was paid in cash at completion and the remainder subsequent thereto. As cash assets of Denne Construction amounted to EUR 8.1 million, the net cash outflow for the Group at completion was initially limited to EUR 9.3 million. In the period from 1 October 2006 until 31 December 2006, Denne Construction realised revenues in the amount of EUR 18 million and Denne Construction achieved revenues of EUR 102.1 million in the year-ended 31 December 2007. Denne Construction contributed EUR 1.1 million to the EBITA of the Group in respect of the period from 1 October 2006 until 31 December 2006, and EUR 7.9 million in the year-ended 31 December 2007. Denne Construction has been consolidated in the financial statements of the Company as of 1 October 2006.

On 30 June 2006, the Company sold all of its shares in Vebo Holding B.V. (**Vebo**) to BTE Nederland B.V. The net inflow of cash resources, after subtracting Vebo's cash resources, amounted to EUR 19.2 million. Vebo's income after taxes for the six month period to the takeover date amounted to EUR 1.8 million. Its EBITA contribution in such period was EUR 2.5 million. The outflow of cash resources from business operations in such period amounted to EUR 0.6 million. The net inflow of cash resources, after subtracting Vebo's cash resources, amounted to EUR 19.2 million.

7.4 Significant factors affecting results of operations

In addition to the specific matters mentioned under the previous section 7.3 "Major events relating to the financial years 2006, 2007 and 2008", the Group believes that the following factors have had a material effect on the Group's results from operations and financial condition.

(a) Market conditions

The Group is specifically sensitive to developments in the construction and housing market. The results of operations and financial condition of the Group are strongly driven by economic developments in the countries in which the Group is active. The Group is highly dependent on the economic climate in the Netherlands, as almost 70% of its revenue was earned in the Dutch market in 2007 and 2008. Macro-economic developments underlie all of the Group's market segments by affecting household income, unemployment, corporate profits and indirectly the economies' need for infrastructure. Financial markets began experiencing stress in 2007 and in 2008, the European credit markets were impacted by illiquidity. As a result of such illiquidity, the borrowing capacity of the average home buyer was reduced and there was a shift in demand towards less expensive housing. Furthermore, it became more difficult to secure construction and property development financing. Declining housing prices and consumer confidence, together with rising unemployment, further weakened demand in the property development market. As a result of these trends, property development activities started to decline in 2007 and construction and property development activities declined significantly in the course of 2008. As a consequence of the present and anticipated market conditions, the Group made an impairment on goodwill of EUR 31 million in 2008.

A number of European countries, including the Netherlands, have taken measures intended to support the credit markets and/or to address the economic contraction. The construction sector in particular is target to government stimulus in relation to infrastructure, social housing and utilities. Various plans with the aim of boosting construction spending have been announced by the Dutch government and by the European authorities, which may positively drive market demand in the medium to long term.

(b) Operational risk, contract management and financial control

The Group's competitiveness and profitability are highly dependent on its ability to manage complex projects. The ability to manage such projects is in turn highly dependent on the availability of sufficient qualified personnel as well as the implementation of best practices. Project management encompasses the entire life cycle of a project from the budgeting and tendering process, through the proposal process and subsequently in relation to procurement and the ongoing supervision and management required throughout the life cycle of the project. A failure to manage this process correctly may result in significantly loss making or less profitable assignments. For example, procurement practices strongly influence cost of sales, which represents a significant factor in the Group's profitability. The allocation of resources to unprofitable projects also impacts the Group's capacity to take on additional and more profitable projects.

In the recent past, the Group has been confronted by a number of projects in which there was an underestimation of required time and costs, a delay in or lack of proper management oversight, inadequate use of reporting lines and a delay in reacting to substantial cost overruns. It is apparent that the risk management and control systems for the Building activities in the Netherlands and Belgium and for the road building activities of the former Infrastructure division in the Netherlands were not functioning properly. In particular, the contract management component and insufficiently qualified operational management, including project management, have resulted in serious operational risk management deficiencies.

This has led to significant losses for the Group in the Netherlands in all the financial periods covered by this operating and financial review and for Belgium in the financial year 2008. Such losses may continue to manifest themselves throughout the lifetime of the relevant projects. Further details of the major instances of inadequate project management in the period under review are set out below.

Inadequate project management in relation to the acquisition by the former Building division in the Netherlands of certain specific, primarily non-residential, projects in 2005 in circumstances involving severe price competition, has impacted the Group's results to a large extent. These projects proved to be unprofitable, and have led to substantial losses being accumulated during the reporting years 2006, 2007 and 2008. With hindsight, it appears that the risk and project management and execution for a portion of this group of projects was inadequate and that the tenders submitted for these projects did not properly anticipate market pricing trends. Significant increases, as of 2006, in the cost of materials and subcontractors could not sufficiently be passed on to clients. In addition, the scarcity of qualified in-house and subcontractor personnel in 2006/2007, including project managers, negatively impacted operations.

In 2008, the results of the Group were adversely affected by amongst other things the consequences of inadequate project management in Belgium. EBITA in Belgium was reduced by EUR 38.9 million, from a positive EBITA of EUR 10.1 million for the year-ended 31 December 2007 to a negative EBITA of EUR 28.8 million for the year-ended 31 December 2008. The Belgian operating result decreased from an operating profit of EUR 10 million for the year-ended 31 December 2007 to an operating loss of EUR 38 million for the year-ended 31 December 2008. This decrease in operating result was predominantly attributable to weak operational performance and a failure of the contract- and risk management and control systems, characterised by inadequate project management and execution in preceding reporting periods in the Building and Property Development division in Belgium, as well as, but to a lesser extent, significantly changed market conditions. This led to an increase in 'old' property in stock. In order to facilitate the ongoing sale of such 'old' property in stock, the Group deemed it necessary to lower selling prices for many properties. Substantial write-downs on land positions and building projects were also necessary and led to additional provisions at year-end 2008.

In connection with the new risk management strategy adopted as a result of the matters referred to above, the Group has adopted a more selective contracting policy. See section 7.10 "Risk Management" for further information on the new risk management strategy.

(c) Cyclicality

The level of activity in the construction and property development industry has historically exhibited cyclicality, reflecting macro-economic developments and influenced by fluctuations in market rates, such as interest rates and real estate prices, and economic conditions, including mortgage availability, consumer confidence and unemployment. Since 2008, there has been a significant decrease in construction activity across all sectors of the European construction industry.

Construction, infrastructure and technical installations markets have a late cyclical character, whilst property development has an early cyclical character. As a result, the Group is exposed to multiple cycles and may experience varying levels of activity in different divisions or operating lines. This has a significant impact on procurement and tendering activities. The purchase of products and services – which in total comprise approximately 80% of the Group's costs – is affected by price fluctuations in a cyclical construction market.

(d) Price risk raw material

Raw material represents a significant proportion of the Group's total cost of sales. The most significant raw materials costs relate to the purchase of lumber, fuel, bitumen, cement, stone and steel. The price of bitumen (a component of asphalt) is closely correlated to the price of oil, in which there has been significant volatility in recent years. As oil prices fell in late 2008, the Group began to experience decreases in the cost of bitumen. The market price and availability of the other commodity products have also fluctuated. 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.

The Group's ability to pass on increases in raw material costs to the customers of the Group, depends on market conditions as well as contractual arrangements and project management (see section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" above for more information on project management related matters). Although the Group intends to pass on the higher raw materials costs over time, market conditions have led to increased pricing pressure in all regions in which the Group is active, which may impact the Group's ability to recover those costs.

(e) Sale of land positions

Land positions represent the potential number of houses which the Group can build. The Group's total land positions in the Netherlands amounted to a development potential, measured in the number of houses, of approximately 39,000, of which 16,000 represent competitive tenders and selection processes, at the end of 2008 and 45,700, of which 17,000 represent competitive tenders and selection processes, at the end of 2007. Sale of land positions have, in certain instances, had a material impact on revenues and operating result. In addition, sale of land positions can have a significant effect on the Group's cash position, as well as the working capital and financing requirements of the Group. During the reporting year 2008, two land position transactions were completed pursuant to which an extraordinary volume of land was sold.

(f) Unsold properties

As part of the risk management strategy of the Group, construction of residential building projects in the Netherlands is not to be started until a minimum percentage of the homes has been sold. This minimum percentage was in principal 70% in 2007 and was increased in 2008. Risk remains in relation to any remaining percentage of both unfinished and finished unsold homes, which can impact the results of the Group. Construction of commercial property development starts only if the commercial property is fully sold or when any unsold portion is to a large extent leased. In connection with acquisitions, the Group has occasionally acquired property portfolios in respect of which less stringent policies have been followed by the previous owner.

The costs incurred in constructing homes are capitalised. Should the number of finished and/or unfinished unsold properties increase substantially at any time, this may be an indication that the Group may be unable to dispose of such properties at the prices initially contemplated when construction was commenced. In such circumstances, if the Group is unable to sell the properties at book value, write-downs may be necessary. Conversely, sales of such properties at above book value result in profit for the Group. As such, the financial results of the Group can be influenced by the stock of finished and/or unfinished unsold properties from time to time.

(g) Acquisitions and divestments

Acquisitions and divestments have had a significant impact on the results of operations. Four significant acquisitions were made in the financial years 2006 and 2007, namely (i) Burgers Ergon in 2007, (ii) Oevermann in 2007, (iii) Heitkamp Rail in 2006 and (iv) Denne Construction in 2006. The Company made two significant divestments in 2006 and 2008, namely (i) Heijmans Industrieservice in 2008 and (ii) Vebo in 2006. The impact of such acquisitions and divestments is set out in section 7.3 "Major events relating to the financial years 2006, 2007 and 2008".

7.5 Results of operations: Consolidated income statement

The following discussion and analysis is based on the historical results of the Group. In this section we have indicated the key drivers of the material changes in the income statements. Where appropriate, more detail on these drivers is provided in section 7.7 "Results of operations: Geographical and segmental analysis".

The table below gives the consolidated income statement for the financial years ended 31 December 2008, 2007 and 2006.

Consolidated income statement in EUR millions	**2008**	**2007**	**2006**	**Variance % 2008/2007**	**Variance % 2007/2006**
Revenues	3,631.0	3,731.9	2,942.1	-2.7	26.8
Cost of sales	-3,458.3	-3,484.1	-2,702.7	0.7	-28.9
Gross Result	**172.7**	**247.8**	**239.4**	**-30.3**	**3.5**
Other operating income	47.2	15.2	10.6	211.0	43.4
Gain on sale of assets classified as held for sale	0.0	0.0	5.2	0.0	-100.0
Selling expenses	-49.7	-36.8	-30.1	-35.1	-22.1
Administrative expenses	-149.4	-134.1	-107.3	-11.4	-25.0
Other operating expenses	-34.4	-3.9	-0.5	-783.4	-649.3
Operating Result	**-13.6**	**88.2**	**117.2**	**-115.4**	**-24.8**
Financial income	16.6	10.8	8.3	53.2	30.2
Financial expenses	-19.7	-21.5	-14.1	8.3	-52.5
Share of profit of associates	0.4	1.0	0.5	-53.8	76.7
Result before tax	**-16.3**	**78.5**	**112.0**	**-120.8**	**-29.9**
Income tax expense	-17.8	-22.1	-29.5	19.5	25.1
Result after tax	**-34.1**	**56.4**	**82.5**	**-160.4**	**-31.6**
Earnings per share (in EUR)					
Basics earnings per share	-1.41	2.34	3.43	-160.3	-31.8
Diluted earnings per share	-1.41	2.34	3.43	-160.3	-31.8

Figure 7.9 – Income statement for the financial years 2008, 2007 and 2006

(a) Comparison of year-ended 31 December 2008 and year-ended 31 December 2007

Revenues

Revenues decreased in 2008 by EUR 100.9 million or 2.7% to EUR 3.6 billion. The decreased revenues in comparison to 2007 are largely attributable to the activities in the Netherlands and Belgium.

The decrease in revenues in the Netherlands is predominantly attributable to the Property Development division. In 2008, the revenues of the Property Development division decreased by EUR 140 million compared to 2007, as the large incidental revenues of EUR 137 million in 2007 originating from the sale of the unsold finished commercial property outstanding at the end of 2006 were not repeated.

In Belgium, the decrease in revenues was wholly attributable to the Building and Property Development divisions. The stricter project acceptance policies of the Group, resulted in fewer projects being accepted, and together with significantly declining market conditions led to a decrease in revenues in Belgium of EUR 83.2 million.

The divested company, Heijmans Industrieservice, contributed EUR 51 million to revenues, for the period until its divestment, on 1 October 2008, and EUR 79 million to revenues in the financial year 2007.

Gross result

Gross result decreased in 2008 by EUR 75.1 million or 30.3% to EUR 172.7 million. In addition to the decline in revenues, the decrease in gross result is partly the result of the lower gross profits in the Property Development division in the Netherlands due to less favourable conditions in the Dutch housing market. The decrease in gross result was also due to losses incurred by the road building operations of the Infrastructure division in the Netherlands and by the Building and the Property Development divisions in Belgium partly as a consequence of inadequate project management. Further detail in relation to the impact of inadequate project management is set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control".

The gross profit margin (calculated as the ratio of gross profit to revenues) declined from 6.6% in 2007 to 4.8% in 2008. The gross profit margin of the Property Development division in the Netherlands declined from 8.8% in 2007 to 7.9% in 2008 and the gross profit margin of the Building division in the Netherlands declined from -4.3% in 2007 to -4.4% in 2008. The decrease in gross profit margin was 1.6 percentage points from 5.9% in 2007 to 4.3% in 2008 for the Infrastructure division in the Netherlands. In Belgium, the gross profit margin of the Building division declined from 7.5% in 2007 to -2.8% in 2008.

Other operating income

Other operating income consists of (i) gain on sale of property, plant and equipment, (ii) gain on sale of participating interests and (iii) miscellaneous operating income. Other operating income increased by EUR 32 million, from EUR 15.2 million in 2007 to EUR 47.2 million in 2008.

The gain on the sale of property, plant and equipment was EUR 16.9 million for the year-ended 31 December 2008. This related to the sale of the 'Kanaaldijk/Fabrieksweg' site in Best (the Netherlands) for EUR 8.1 million, the sale of the 'Brakmanlaan' site in Tilburg (the Netherlands) for EUR 3.3 million, the sale of equipment for EUR 2.8 million and miscellaneous other sales of EUR 2.7 million.

The gain on the sale of participating interests was EUR 21 million for the year-ended 31 December 2008. This related to the divestment of Heijmans Industrieservice.

The other miscellaneous operating income amounted to EUR 9.2 million for the year-ended 31 December 2008 and relates to income from allowances for designs and from subsidies.

Selling expenses

Selling expenses predominantly relate to project development and tendering costs and other sales activities. The selling expenses increased by 35.1% from EUR 36.8 million in 2007 to EUR 49.7 million in 2008, while revenues decreased by 2.7% in 2008. The increases were primarily related to the Property Development and the Infrastructure divisions in the Netherlands and concern write-downs on discontinued development on projects and tender costs.

Administrative expenses

The administrative expenses increased by 11.4% from EUR 134.1 million in 2007 to EUR 149.4 million in 2008. The administrative expenses in 2008 include the redundancy payments of EUR 3.9 million for two members of the Management Board, as well as the redundancy payments for certain senior managers in the Netherlands and Belgium and the impact of the lower level of activity, which generally resulted in a lower allocation of overheads to projects.

Other operating expenses

Other operating expenses comprise the scheduled amortisation of identified intangible assets and the impairment of capitalised goodwill. Other operating expenses increased significantly in 2008 compared to 2007, from EUR 3.9 million in 2007 to EUR 34.4 million in 2008. This increase was mainly attributable to the impairment of capitalised goodwill of EUR 31 million, of which EUR 18 million relates to the Netherlands, EUR 9 million to Belgium and EUR 4 million to Germany.

The impairment of capitalised goodwill in the Netherlands concerns primarily the capitalised goodwill originating from the acquisition of Proper-Stok Groep B.V. (**Proper-Stok**) in 2002, largely as a result of the currently anticipated decline in the private housing market. The impairments of capitalised goodwill in Belgium relate to the building and property development operations and are the result of a combination of unfavourable market projections and insufficient profit potential. The impairment of capitalised goodwill and identifiable intangible assets in Germany concerns the acquisition of Heitkamp Rail in 2006, relating to worsening conditions in the German domestic railway market and the loss of the right to use the Heitkamp name.

The amortisation of intangible assets concerns the regular intangible assets such as the brand name and the client base.

Operating Result

The operating result decreased by EUR 101.8 million to an operating loss of EUR 13.6 million in 2008, compared to an operating profit of EUR 88.2 million in 2007. This decrease in operating result was the result of the various factors set out above, but was predominantly the result of the decline in gross result in the Netherlands and Belgium as set out above.

The decrease in operating result was partly offset by the realised book gain on the disposal of Heijmans Industrieservice and book gains on the sale of property, plant and equipment as set out above.

EBITA

EBITA is the operating result before amortisation of intangible assets. Amortisation consists of the scheduled amortisation of identified intangible assets and the impairment of capitalised goodwill as included in the other operating expenses and set out above. The following table provides an overview of EBITA as at 31 December 2008 and 2007.

EBITA in EUR millions	**2008**	**2007**	**Variance (in %)**
Operating Result	-13.6	88.2	-115.4
Amortisation	34.4	3.9	782.1
EBITA	**20.7**	**92.1**	**-77.4**
EBITA margin	0.6%	2.5%	-

Figure 7.10 – EBITA for the financial years 2008 and 2007

EBITA was EUR 20.7 million in 2008, reflecting a decrease of EUR 71 million from the EUR 92.1 million achieved in 2007. The EBITA margin (calculated as the ratio of EBITA to revenues) decreased significantly, from 2.5% in 2007 to 0.6% in 2008. The decrease in EBITA and in the EBITA margin is due to the same factors that lead to the decrease in operating result, excluding the amortisation of capitalised goodwill.

Result before tax

Result before tax decreased from a profit of EUR 78.5 million in 2007 to a loss of EUR 16.3 million in 2008. This was driven largely by the decrease in operating result, as described above, but was also impacted to a lesser extent by changes in financial income and financial expenses.

The increase in financial income is primarily due to the release of income from equity of EUR 5.4 million since certain anticipated transactions relating to hedged cash flows were no longer expected to materialise due to then contemplated, and now, subject to the completion of the Offering, completed, Financial Restructuring. See section 5 "Business" for further details of the Financial Restructuring.

The financial expenses include the dividend payment of EUR 4.5 million on the Financing Preference Shares B in both 2007 and 2008. The dividend is based on the annual interest rate of 6.81% calculated on the preference share capital in the amount of EUR 66.1 million. Interest charges rose slightly. In comparison to the year-ended 31 December 2007, there was a slight increase in the average interest rate from approximately 4.9% in 2007 to approximately 5.0% in 2008 on an approximately equivalent average gross debt level. The capitalised interest primarily consists of interest capitalised on land and development positions under construction.

Tax

Income taxes in 2008 dropped by EUR 4.3 million to EUR 17.8 million from EUR 22.1 million in 2007. The effective tax rate amounted to 108.9% in 2008 compared to 28.1% in 2007. This increase is mainly due to the Group not attributing a carrying value to the fiscal losses incurred in 2008 by a number of Belgian subsidiaries and by the write-down of existing deferred tax assets of, primarily, a number of Belgian subsidiaries.

Result after tax

The result after tax decreased from EUR 56.4 million to a loss of EUR 34.1 million in 2008 and the profit margin (calculated as the ratio of result after tax to revenues) decreased from 1.5% to -0.9%.

(b) Comparison of year-ended 31 December 2007 and year-ended 31 December 2006

Revenues

Revenues rose in 2007 by EUR 790 million or 26.8% to over EUR 3.7 billion. EUR 544 million of this increase is due to acquisitions. The Burgers Ergon and Oevermann acquisitions in January 2007 jointly accounted for EUR 491 million of this increase.

In addition, there was a EUR 246 million or 8% autonomous growth in revenues, which was largely attributable to the Property Development division in the Netherlands (revenues of the Property Development division in the Netherlands increased by EUR 149.5 million, from EUR 865.7 million in 2006 to over EUR 1 billion in 2007) due to the sale of the unsold finished commercial property outstanding at the end of 2006. Total revenues derived from these sales was EUR 137 million.

Gross result

Gross result increased in 2007 by EUR 8.4 million or 3.5% to EUR 247.8 million. This increase is due to the impact of the acquisition of Burgers Ergon and Oevermann in 2007. The positive effects of the acquisition of Burgers Ergon and Oevermann in 2007 compensated for the losses incurred by the Building division in the Netherlands with respect to certain specific, primarily non-residential, projects dating from 2005. Further detail in respect of such projects is set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control".

The gross profit margin (calculated as the ratio of gross profit to revenues) decreased from 8.1% in 2006 to 6.6% in 2007. The gross profit margin of the Building division in the Netherlands declined from 2.1% in 2006 to -4.3% in 2007.

Other operating income

Other operating income consists of (i) gain on sale of property, plant and equipment and (ii) miscellaneous operating income. Other operating income increased by EUR 4.6 million, from EUR 10.6 million in 2006 to EUR 15.2 million in 2007. The gain on the sale of property, plant and equipment increased by EUR 1.2 million, from EUR 9 million in 2006 to EUR 10.2 million in 2007. Other operating income increased by EUR 3.4 million, from EUR 1.6 million in 2006 to EUR 5 million in 2007.

Gain on sale of assets classified as held for sale

Gain on sale of assets classified as held for sale amounted to EUR 5.2 million in 2006, which related to the divestment of Vebo. There were no gains on sales of assets classified as held for sale in 2007.

Selling expenses

The selling expenses increased by 22.1% from EUR 30.1 million in 2006 to EUR 36.8 million in 2007. This increase was predominantly due to the acquisition of Burgers Ergon and Oevermann in 2007.

Administrative expenses

The administrative expenses increased by 25% from EUR 107.3 million in 2006 to EUR 134.1 million in 2007. This increase was predominantly due to the acquisition of Burgers Ergon and Oevermann in 2007 and the additional EUR 9 million charge as a consequence of the penalty of EUR 17.1 million imposed by the European Commission on Heijmans in relation to its alleged participation in a bitumen market cartel.

Other operating expenses

Other operating expenses include the scheduled amortisation of identified intangible assets. Amortisation increased significantly in 2007 compared to 2006, from EUR 0.5 million in 2006 to EUR 3.9 million in 2007. This increase is a result of the amortisation of the identified intangible assets acquired through the acquisitions of Burgers Ergon and Oevermann in 2007.

Operating Result

The operating result decreased from EUR 117.2 million in 2006 to EUR 88.2 million in 2007 as a result of the various factors set out above.

The most significant factor in this decrease was the loss accumulated on certain specific, primarily non-residential, projects dating from 2005 of the Building divisions in the Netherlands. At the end of 2007, 34 of the 50 primarily non-residential projects were for the most part or completely delivered.

The recognition of previously eliminated intercompany profits on the sale of the finished commercial property that had been unsold at the end of 2006 had a positive impact of EUR 9 million on the 2007 operating result. Burgers Ergon made a EUR 4.6 million contribution to the 2007 operating result and Oevermann made a EUR 2.8 million contribution to the 2007 operating result.

EBITA

EBITA is the operating result before amortisation of intangible assets, which is included in the operating expenses and set out above. Amortisation consists in 2006 and 2007 of the scheduled amortisation of identified intangible assets. The following table provides an overview of EBITA as at 31 December 2007 and 2006.

EBITA in EUR millions	**2007**	**2006**	**Variance (in%)**
Operating Result	88.2	117.2	-24.8
Amortisation	3.6	0.3	1,157.5
EBITA	**91.8**	**117.5**	**-21.9**
EBITA margin	2.5%	4.0%	-

Figure 7.11 – EBITA for the financial years 2007 and 2006

EBITA was EUR 91.8 million in 2007, reflecting a decrease of EUR 25.7 million from EUR 117.5 million in 2006. The EBITA margin decreased significantly, from 4.0% in 2006 to 2.5% in 2007. EBITA and the EBITA margin decreased for the same reasons as set out in relation to operating result above.

Result before tax

Result before tax decreased from EUR 112 million to EUR 78.5 million. This was driven largely by the decrease in operating result, but also by an increase in financial expenses in the form of higher interest charges of EUR 7.3 million in 2007. This increase was the result of a higher average debt position during the year and an increase in the average interest rate by approximately 0.4 percentage points to 4.9%. The average interest rate for the Syndicated Loan Facility in 2007 was approximately 4.2% and the average interest rate of the USPP notes was approximately 5.6% in 2007 (see also section 7.8 (c) “Liquidity and Capital Resources – Indebtedness”). The higher debt position and the associated interest charges are to a large part attributable to debt incurred for the purposes of financing the acquisitions made at the beginning of 2007.

Tax

Income taxes in 2007 decreased by EUR 7.4 million to EUR 22.1 million, from EUR 29.5 million in 2006. The 2006 income taxes include a tax gain of EUR 7 million from nominal reductions in the rate of Dutch corporation tax. The effective tax rate amounted to 28.1% compared to 26.3% in 2006.

Result after tax

The result after tax decreased from EUR 82.5 million to EUR 56.4 million and the profit margin (calculated as the ratio of result after tax to revenues) decreased from 2.8% to 1.5%.

7.6 Consolidated Cash Flow

(a) Comparison of year-ended 31 December 2008 and year-ended 31 December 2007

The table below provides the cash flow statement for the financial years ended 31 December 2008 and 31 December 2007. The 2007 figures have been adjusted from the basis used in the 2007 annual report for comparison purposes. This is due to the revised presentation, which is based on operating result rather than the result after tax, as was the case in the 2007 financial statements.

Cash flow statement in EUR millions	2008		2007		Variance (in %)
Operating Result	**-13.6**		**88.2**		**-115.4**
Share of profit from associates	0.4		1.0		-53.8
Gain on sale of participating interests	-21.0		-1.7		-1,173.2
Gain on sale of fixed assets and real estate investments	-16.9		-8.6		-97.3
Depreciation of property, plant and equipment	32.8		31.7		3.6
Depreciation on real estate investments	0.1		0.1		-0.7
Amortisation on intangible assets	3.3		3.6		-6.9
Impairment of intangible assets	31.0		0.3		10,070.5
Changes in working capital	94.9		198.8		-52.3
Changes in non-current, non-interest bearing commitments and provisions	-12.8		-6.8		-88.2
Changes to the fair value of the cash flow hedges that are transferred to the income statement	5.4		0.0		100.0
Interest paid	-41.6		-32.0		-30.2
Interest received	22.9		9.8		132.6
Income tax paid	-5.2		-26.0		80.0
Cash flow from operating activities		**79.8**		**258.5**	**-69.1**
Acquisition of subsidiaries	-0.4		-69.8		99.4
Proceeds from sale of subsidiaries	32.2		3.9		730.7
Investments in property, plant, equipment and real estate	-55.0		-47.8		-14.9
Proceeds from sales of property, plant, equipment and real estate	31.9		18.4		73.0
Loans granted to joint ventures	-16.0		-5.4		-196.0
Loans repaid by joint ventures	7.1		13.0		-45.0
Cash flow from investment activities		**-0.1**		**-87.7**	**99.9**
Borrowed interest-bearing loans	127.4		119.4		6.7
Repayment of interest-bearing loans	-29.1		-210.8		86.2
Dividend paid	-34.9		-34.9		0.0
Net cash flow from financing activities		**63.4**		**-126.3**	**n.a.** [1]
Net cash flow in the period		**143.1**		**44.5**	**221.3**
Cash and cash equivalents at 1 January		234.4		192.9	21.5
Changes in cash and cash equivalents related to assets and liabilities classified as held for sale		0.0		0.0	0.0
Exchange rate differences in cash and cash equivalents		-9.8		-3.1	-220.2
Cash and cash equivalents at 31 December		**367.7**		**234.4**	**56.7**

Figure 7.12 – Cash flow statement for the financial years 2008 and 2007

(i) Cash flow from operating activities

Net cash flow from operating activities decreased by EUR 178.7 million, from EUR 258.5 million in 2007 to EUR 79.8 million in 2008.

The decrease in the operating cash flow in 2008 was largely due to the decrease in working capital being significantly lower (EUR 104 million) in 2008 than in 2007, primarily due to the sale in 2007 of the finished commercial property that was unsold at the end of 2006. The working capital reduction in 2008 was not inflated by the sale of finished commercial property outstanding at the previous year. More detail on working capital is provided in section 7.8 (b) “Liquidity and Capital Resources – Working Capital”. See section 7.4 (f) “Significant factors affecting results of operations – Unsold properties” for further details on unsold finished property.

1 Note that in respect of items where the 2007 cash flow is negative and the 2008 cash flow is positive, a percentage comparison of the variance does not provide relevant information for purposes of comparison.

(ii) Cash flow from investment activities

Net cash outflow from investment activities decreased by EUR 87.6 million, from EUR 87.7 million in 2007 to EUR 0.1 million in 2008. The reduction in the net cash outflow in 2008 compared to 2007 is due to the absence of acquisitions in 2008. The Group's acquisitions in 2007, being Burgers Ergon and Oevermann (as discussed in section 7.3 "Major events relating to the financial years 2006, 2007 and 2008" of this chapter), had an aggregate impact of EUR 70 million on the net cash flow from investment activities in 2007.

The net cash outflow from investment activities in 2008 was negligible as the investments in property, plant and equipment of EUR 55 million and in joint ventures of EUR 9 million, were compensated by the cash flow on the divestment of Heijmans Industrieservice of EUR 32.2 million (as discussed in section 7.3 "Major events relating to the financial years 2006, 2007 and 2008" of this chapter) and from revenues from the sale of property, plant and equipment of EUR 32 million.

(iii) Cash flow from financing activities

The net cash flow from financing activities increased from an outflow position of EUR 126.3 million for the year 2007 to a positive inflow position of EUR 63.4 million for the year 2008. The dividend paid on ordinary shares amounted to EUR 34.9 million in both 2007 and 2008.

(b) Comparison of year-ended 31 December 2007 and year-ended 31 December 2006

The table below shows the cash flow statement for the financial years ended 31 December 2007 and 31 December 2006. The 2006 figures have been adjusted for comparison purposes. This is due to the revised presentation, which is based on the result after tax rather than the operating result, as was the case in the 2006 financial statements.

Cash flow statement in EUR millions	2007		2006		Variance (in %)
Result after tax	**56.4**		**82.5**		**31.6**
Gain on the sale of participating interests	-1.7		0.0		-100.0
Gain on the sale of non-current assets and real estate investments	-8.6		-14.2		39.5
Depreciation on property, plant and equipment	31.7		27.9		13.3
Depreciation on real estate investments	0.1		0.4		-64.5
Amortisation of intangible assets	3.6		0.3		1,157.5
Impairment losses on goodwill	0.3		0.2		30.3
Changes in deferred tax assets	1.2		-1.3		n.a. [2]
Changes in working capital	211.9		-123.2		n.a. [3]
Changes in non-current provisions	-39.5		-2.6		-1,401.3
Cash flow from operating activities		**255.5**		**-30.0**	**n.a. [4]**
Acquisition of subsidiaries	-101.3		-40.1		-152.7
Proceeds from sale of subsidiaries	4.6		13.2		-65.0
Investment in property, plant, equipment and real estate	-47.8		-42.5		-12.5
Proceeds from sale of property, plant, equipment and real estate	18.4		18.3		0.8
Granted/redeemed loans to joint ventures	7.6		12.0		-36.7
Cash flow from investment activities		**-118.5**		**-39.2**	**-202.5**
Borrowed interest-bearing loans	119.4		220.4		-45.8
Repayment of interest-bearing loans	-210.8		-108.3		-94.6
Dividends paid	-34.9		-34.9		0.0
Net cash flow from financing activities		**-126.3**		**-77.2**	**-63.5**
Net cash flow in the period		**10.7**		**8.1**	**32.5**
Cash and cash equivalents at 1 January		192.9		173.2	11.4
Cash and cash equivalents of acquired subsidiaries		31.5		11.7	169.5
Cash and cash equivalents of sold subsidiaries		-0.7		0.0	-100.0
Cash and cash equivalents at 31 December		**234.4**		**192.9**	**21.5**

Figure 7.13 – Cash flow statement for the financial years 2007 and 2006

(i) Cash flow from operating activities

Net cash flow from operating activities increased by EUR 285.5 million, from a net outflow of EUR 30 million in 2006 to a net inflow of EUR 255.5 million in 2007.

The strong operating cash flow in 2007 was largely due to the significant decrease in working capital. This decrease is the result of the sale of the unsold finished commercial property outstanding at the end of 2006 (see section 7.4 (f) "Significant factors affecting results of operations – Unsold properties" for further details*)* and the temporary positive impact of the working capital management initiated in December 2007. See also section 7.8 (b) "Liquidity and Capital Resources – Working Capital". The 2006 operating cash flow includes the penalties paid in relation to the building industry investigation.

(ii) Cash flow from investment activities

The 2007 investment cash flow includes the purchase prices paid in relation to the acquisitions of Burgers Ergon and Oevermann, as discussed in section 7.3 "Major events relating to the financial years 2006, 2007 and 2008" of this chapter, having an aggregate cash outflow of EUR 70 million, as

2 Note that in respect of items where the 2006 cash flow is negative and the 2007 cash flow is positive, a percentage comparison of the variance does not provide relevant information for purposes of comparison.

3 See footnote 2.

4 See footnote 2.

well as the amounts received in relation to the divestment, being an aggregate of EUR 3.9 million, of Tecona and Siegers in 2007.

The net investments (being investments minus divestments) in property, plant and equipment amounted to EUR 29 million in 2007, up from EUR 24 million in 2006. These investments were, for the most part, for the Infrastructure division and, in addition to investments in lifecycle replacements, also include investments driven by business expansion.

(iii) Cash flow from financing activities

The decreased financing needs at the end of 2007 are reflected in the negative financing cash flow. In 2007, a net amount of EUR 91 million was redeemed on interest-bearing debts. The financing cash flow also includes the payment of dividends on ordinary receipts for shares. The dividend paid on ordinary receipts for shares in 2007, as well as in 2006, amounted to EUR 34.9 million.

7.7 Results of Operations: Geographical and segmental analysis

The Group operates predominantly in the Netherlands, Belgium, the United Kingdom and Germany. The operations in the Netherlands form the vast majority of the Group's operations, as almost 70% of the Group's revenue is earned in the Dutch market. Prior to 2009, the Group's operations in the Netherlands were divided into four divisions, namely (i) Property Development, (ii) Building, (iii) Infrastructure and (iv) Technical Services. Outside the Netherlands the activities are limited to specific divisions on a country by country basis. The operations in the United Kingdom are limited to Building and the operations in Germany are primarily related to Infrastructure. The Belgian activities comprise of Property Development, Building and Infrastructure.

(a) Year-ended 31 December 2008 compared to year-ended 31 December 2007

The geographic distribution of revenues (after eliminating intercompany revenues) is as follows:

Geographic distribution revenues in EUR millions	**2008**	**2007**	**Variance (in %)**
The Netherlands	2,507.3	2,594.3	-3.4
Belgium	264.4	347.6	-23.9
United Kingdom	406.3	378.5	7.3
Germany	453.0	411.5	10.1
Total revenues	**3,631.0**	**3,731.9**	**-2.7**

Figure 7.14 – Geographic distribution revenues for the financial years 2008 and 2007

The operating result distribution by geographic segment is as follows:

Geographic distribution operating result in EUR millions	**2008**	**Profit margin**	**2007**	**Profit Margin**	**Variance (in %)**
The Netherlands	2.3	0.1%	59.1	2.3%	-96.1
Belgium	-38.1	-14.4%	10.1	2.9%	-477.2
United Kingdom	12.5	3.0%	12.3	3.2%	1.6
Germany	9.7	2.2%	6.7	1.7%	44.8
Total operating result	**-13.6**	**-0.4%**	**88.2**	**2.4%**	**-115.4**

Figure 7.15 – Geographic distribution operating result and profit margin for the financial years 2008 and 2007

The EBITA distribution by geographic segment is as follows:

Geographic distribution EBITA in EUR millions	2008 Amorti-sation	2008 EBITA	2007 Amorti-sation	2007 EBITA	Variance of EBITA (in %)
The Netherlands	20.0	22.4	2.3	61.4	-63.6
Belgium	9.3	-28.8	0.3	10.4	-377.9
United Kingdom	0.9	13.4	1.1	13.4	-0.6
Germany	4.1	13.8	0.2	6.9	100.7
Total EBITA	**34.4**	**20.7**	**3.9**	**92.1**	**-77.5**

Figure 7.16 – Geographic distribution EBITA for the financial years 2008 and 2007

The geographic distribution of the order book is as follows:

Order book in EUR millions	2008	2007	Variance (in %)
The Netherlands	2,229	2,414	-7.7
Belgium	159	223	-28.7
United Kingdom	343	440	-22.0
Germany	273	171	59.6
Total order book	**3,004**	**3,248**	**-7.5**

Figure 7.17 – Geographic distribution of the order book for the financial years 2008 and 2007

More detail on the results of operations of each country is given in the following subparagraphs. Each subparagraph contains a segmental analysis.

(i) The Netherlands

The operations in the Netherlands form the majority of the Group's operations, as almost 70% of the Group's revenue is earned in the Dutch market. Prior to 2009, the Group's operations in the Netherlands were divided into four divisions, namely (i) Property Development, (ii) Building, (iii) Infrastructure and (iv) Technical Services.

The segmental distribution of revenues in the Netherlands is as follows:

Distribution revenues in the Netherlands in EUR millions	2008	2007	Variance (in %)
Property Development	875.3	1,015.2	-13.8
Building	797.1	805.6	-1.1
Infrastructure	926.2	911.1	1.7
Technical Services	285.4	228.9	24.7
Other	116.2	94.1	23.5
Eliminations	-492.9	-460.6	-7.0
The Netherlands revenues	**2,507.3**	**2,594.3**	**-3.4**

Figure 7.18 – Distribution revenues in the Netherlands for the financial years 2008 and 2007

The segmental distribution of the operating result in the Netherlands is as follows:

Distribution operating result in EUR millions	2008	Profit margin	2007	Profit margin	Variance (in %)
Property Development	36.7	4.2%	82.0	8.1%	-55.2
Building	-54.8	-6.9%	-52.9	-6.6%	-3.6
Infrastructure	-3.4	-0.3%	22.2	2.4%	-115.3
Technical Services	7.3	2.4%	4.6	2.2%	58.7
Other	16.6	-	3.3	-	403.0
The Netherlands operating result	**2.3**	**0.1%**	**59.1**	**2.3%**	**-96.1**

Figure 7.19 – Distribution operating result and profit margin in the Netherlands for the financial years 2008 and 2007

The segmental EBITA distribution in the Netherlands is as follows:

	2008		2007		Variance
Distribution EBITA in EUR millions	**Amorti-sation**	**EBITA**	**Amorti-sation**	**EBITA**	**of EBITA (in %)**
Property Development	15.0	51.7	-	82.0	-37.0
Building	0.8	-54.0	-	-52.9	-2.0
Infrastructure	2.0	-1.4	-	22.2	-106.3
Technical Services	2.3	9.5	2.3	6.9	39.2
Other	-	16.6	-	3.3	405.2
The Netherlands EBITA	**20.0**	**22.4**	**2.3**	**61.4**	**-63.6**

Figure 7.20 – Distribution EBITA in the Netherlands for the financial years 2008 and 2007

The segmental distribution of the order book in the Netherlands is as follows:

Order Book in the Netherlands in EUR millions	2008	2007	Variance (in %)
Property Development	746	786	-5.1
Building	723	882	-18.0
Infrastructure	765	855	-10.5
Technical Services	257	292	-12.0
Other / eliminations	-262	-401	34.7
The Netherlands order book	**2,229**	**2,414**	**-7.7**

Figure 7.21 – Distribution of the order book in the Netherlands for the financial years 2008 and 2007

(A) Property Development

Revenues

Revenues decreased in 2008 by 13.8%, being a decrease of EUR 140 million. This was to a significant degree due to non-recurring revenues of EUR 137 million in 2007 originating from the sale of the unsold finished commercial property outstanding at the end of 2006, namely INIT in Amsterdam (April 2007), Flight Square in Eindhoven (June 2007) and Kennedy Business Centrum in Eindhoven (December 2007). Excluding the revenues related to the above mentioned sales, revenues decreased by EUR 3 million in 2008.

Due to the fall in sales in the fourth quarter of 2008, the revenues at all business units were lower than in 2007. This was partially compensated by the sale of two significant land positions in 2008.

Of the revenues, 90 to 95% relates to residential development and 5 to 10% to non-residential development.

Operating Result

The operating result decreased significantly due to (i) higher than anticipated increase in building expenses, (ii) the deteriorating circumstances in the financial markets, and (iii) the impairment of capitalised goodwill originating from the acquisition of Proper-Stok in 2002. In 2008, the Company was not able to offset the significant increases in building costs by higher sales prices for new homes.

The Group's inventory of homes under construction in the Netherlands that were unsold at year-end 2008 included approximately 870 homes, being an increase of 55% from the number of homes under construction at mid-2008. The increase of unsold homes under construction is a result of the deteriorating housing market due to the financial and economic crisis. However, the change in inventory of unsold finished homes in the Netherlands was fairly limited, amounting to 53 homes at 31 December 2008 compared to 47 at 31 December 2007. See section 7.4 (f) "Significant factors affecting results of operations – Unsold properties" for the potential impact of unsold homes under construction and finished homes on results.

The amortisation of the intangible assets of the Property Development division amounted to EUR 15 million. This is related to impairment of capitalised goodwill originating from the acquisition of Proper-Stok in 2002. The impairment concerning Proper-Stok is primarily the result of the downward adjustments of the expectations for the housing market over the coming years.

EBITA

EBITA was EUR 51.7 million during the reporting year 2008. This is approximately EUR 30 million lower than the comparable EBITA in 2007. The decrease in EBITA is due to the same factors that lead to the decrease in operating result, excluding the amortisation of capitalised goodwill.

Order Book

The development potential in terms of the number of homes to be produced at the end of 2008 was over 39,000 (year-end 2007: over 45,000), of which approximately 23,000 relate to land positions in respect of land owned by the Group and approximately 16,000 are derived from competitive tenders and selection processes. The potential from land positions also includes building claims related to land sold and delivered to municipalities. The decrease in potential is due to divestments, realised production and a conservative policy in relation to the purchase of new lands.

The order book as at 31 December 2008 declined to EUR 746 million compared to EUR 786 million at year-end 2007. This is due to the slowdown that emerged in the private homes market during the reporting year 2008.

(B) Building

Revenues

Revenues decreased by 1.1% in 2008 to EUR 797.1 million, partly as a result of the more selective contracting policy of the Building division in 2008.

Approximately 50% of the revenues in 2007 and 2008 was derived from residential building, 38% in 2008, compared to 37% in 2007, from non-residential building and 12% in 2008, compared to 13% in 2007, from the construction of service facilities, including minor construction, and maintenance. The contribution of tendered projects to revenues declined from 37% in 2007 to 28% in 2008 due to the more selective contracting policy. 35% of the 2008 revenues was achieved due to commissions received from the Property Development division.

Operating Result

The year-ended 31 December 2008 again saw a significant operating loss for the Building division. The predominant reason for such losses was the continued impact of approximately 15 of the specific, primarily non-residential, loss-making projects in the Building division dating from 2005 which had an impact of EUR 27.2 million on the operating result in 2008. Further details are set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" of this prospectus. At year-end 2008, these projects had generated cumulative losses of EUR 127.2 million for the years ended 31 December 2006, 2007 and 2008. The cumulative losses at year-end 2007 amounted to EUR 100 million in respect of the years ended 31 December 2006 and 2007. At the end of 2008, most of the projects were largely or completely delivered. The operating loss of the Building division was EUR 54.8 million in 2008 compared to an operating loss of EUR 52.9 million in 2007.

EBITA

As there was only a limited impact of EUR 0.8 million from amortisation in the Building division, there is no significant difference between EBITA and operating result.

Order Book

The order book decreased by EUR 159 million to EUR 723 million at year-end 2008. This decrease is partly due to the newly introduced selective contracting policy and the difficulty in acquiring new projects due to the deteriorating economic conditions.

(C) Infrastructure

Revenues

Revenues rose by 1.7% in 2008 to EUR 926.2 million and include EUR 51 million in revenues generated by Heijmans Industrieservice for the nine month period to the divestment date. Heijmans Industrieservice contributed EUR 79 million to revenues in 2007.

Various organisational changes within the Infrastructure division were initiated in 2007 and were further developed in 2008, including the creation of a major projects central business unit and the consolidation of road building activities and the asphalt production units. The 2008 revenues include over EUR 297 million in revenues generated from projects with a contract value per project greater than EUR 15 million, compared to over EUR 250 million in 2007. More than half of these revenues relate to the A2 Eindhoven ring road and the A2 Culemborg-Deil motorway (joint contract value of approximately EUR 470 million). The 2008 revenues associated with these two projects amount to almost EUR 160 million, compared to EUR 100 million in 2007.

Operating Result

The operating result decreased from a profit of EUR 22.2 million in 2007, to a loss of EUR 3.4 million in 2008. The operating loss of EUR 3.4 million was due to disappointing results of the road building business in 2008. The operating result of the road building business unit was affected by (i) additional write-downs on the asphalt production units due to the surplus in the asphalt market, (ii) losses on major projects and (iii) an insufficiently competitive general cost level.

EBITA

The amortisation of the identified intangible assets of the Infrastructure division amounted to EUR 2 million at the end of 2008. EBITA was EUR -1.4 million for the reporting year 2008. This is approximately EUR 23.6 million lower than the comparable EBITA in 2007. The decrease in EBITA is due to the same factors that lead to the decrease in operating result, excluding the amortisation of the identified intangible assets.

Order Book

The order book at 31 December 2008 stood at EUR 765 million compared to EUR 855 million at year-end 2007. The new works acquired during this year include the Ommen re-routing project (contract value of EUR 19 million), the N302 road-widening project Harderwijk (contract value of EUR 55 million) and the completion of civil works for the new Flevocentrale power plant (contract value of EUR 30 million).

(D) Technical Services

Revenues

The increase in revenues by 24.7%, being an increase of EUR 56 million, was due to the favourable order book at the beginning of 2008 combined with favourable market conditions in the installation market in 2008.

Operating Result

The higher revenues combined with the improved profitability of the projects of the Technical Services division produced an improvement of EUR 2.7 million, or 58.7%, in the operating result. This increase was also attributable to good collaboration with the other divisions within the Group, which resulted in an increase in projects and synergy benefits.

EBITA

The amortisation of the intangible assets of the Technical Services division amounted to EUR 2.3 million. Accordingly, EBITA was EUR 9.5 million during the reporting year. This is approximately EUR 2.7 million higher than the comparable EBITA in 2007. The increase in EBITA is due to the same factors that lead to the decrease in operating result, excluding the amortisation of intangible assets.

Order Book

The order book at 31 December 2008 stood at EUR 257 million compared to EUR 292 million at year-end 2007.

(E) Other

The EBITA result for other non-operating activities increased by EUR 13.3 million to EUR 16.6 million during the reporting year. This increase is to a large extent due to a EUR 21 million book gain realised on the sale of Heijmans Industrieservice to Spie Nederland effective 1 October 2008. The book gain realised in 2007 was only EUR 2 million and was related to the sale of the Tecona (Netherlands) and Siegers (Belgium) business units. The release of profit eliminations in 2007 are related to the EUR 9 million in intercompany profits eliminated in the past. This was possible due to the sale of the unsold commercial property outstanding at the end of 2006. The item “other” consists of the holding’s costs, centralised services, the PPS business unit and the Bestcon B.V. production company.

(ii) Belgium

The distribution of revenues in Belgium is as follows:

Distribution revenues in Belgium in EUR millions	2008	2007	Variance (in %)
Property Development	50.0	68.5	-27.1
Building	79.0	138.5	-43.0
Infrastructure	136.6	140.3	-2.7
Other	0.0	0.2	-103.8
Elimination	-1.1	0.0	-4,257.7
Belgium revenues	**264.4**	**347.6**	**-23.9**

Figure 7.22 – Distribution revenues in Belgium for the financial years 2008 and 2007

The distribution of the operating result in Belgium (including profit margin) is as follows:

Distribution operating result in EUR millions	2008	Profit margin	2007	Profit margin	Variance (in %)
Property Development	-15.4	-30.8%	2.8	4.0%	-658.1
Building	-20.2	-25.6%	-0.1	0.0%	-33,590.0
Infrastructure	5.4	4.0%	6.4	4.6%	-15.0
Other	-7.9	-	1.0	-	-918.3
Belgium operating result	**-38.1**	**-14.4%**	**10.1**	**2.9%**	**-479.0**

Figure 7.23 – Distribution operating result and profit margin in Belgium for the financial years 2008 and 2007

The EBITA distribution in Belgium is as follows:

	2008		2007		Variance
Distribution EBITA in EUR millions	**Amorti-sation**	**EBITA**	**Amorti-sation**	**EBITA**	**of EBITA (in %)**
Property Development	5.8	-9.6	0.3	3.1	-409.7
Building	2.7	-17.5	-	-0.1	-17,400.0
Infrastructure	0.8	6.3	-	6.4	-1.6
Other	-	0.7	-	1.0	-30.0
Belgium EBITA	**9.3**	**-28.8**	**0.3**	**10.4**	**-376.9**

Figure 7.24 – Distribution EBITA in Belgium for the financial years 2008 and 2007

The distribution of the order book in Belgium is as follows:

Order book in Belgium in EUR millions	2008	2007	Variance (in %)
Property Development	14.8	23.1	-35.9
Building	69.8	69.6	0.2
Infrastructure	74.7	130.7	-43.3
Other / elimination	-	-	-
Belgium order book	**158.6**	**223.3**	**-28.9**

Figure 7.25 – Distribution order book in Belgium for the financial years 2008 and 2007

Revenues

The decrease in revenues in Belgium by 23.9% to EUR 264.4 million was almost entirely attributable to the Building and Property Development core activities, where revenues decreased from EUR 138.5 million to EUR 79 million and EUR 68.5 million to EUR 50 million respectively. This was due to the implementation of a more selective contracting and development policy, combined with a trimmed down organisation. Infrastructure revenues remained at approximately the same level as the previous year, due to a steady supply of work related to road building, as well as cable laying and pipeline construction activities.

Operating Result

The operating result decreased from a profit of EUR 10.1 million in 2007 to a loss of EUR 38.1 million in 2008. The operating losses in Belgium are attributable to the Building and Property Development divisions.

The operating result of the Property Development division dropped from EUR 2.8 million in 2007 to a loss of EUR 15.4 million in 2008. The operating result of the Building division decreased from a loss of EUR 0.1 million in 2007 to a loss of EUR 20.2 million in 2008.

These losses are predominantly the result of considerable downward revaluations of property development positions and building projects. Inadequate operational risk, contract and project management combined with significantly changing market conditions are the major causes of the revaluations. See also section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" for an explanation of the impact of inadequate project management.

The number of unsold finished apartments in Belgium held in inventory at the end of 2008 was 109 compared to 89 homes at year-end 2007.

The operating result was furthermore affected by an impairment of goodwill of EUR 9.3 million, relating to the Building and Property Development division in Belgium, as a result of a combination of unfavourable market projections and insufficient profit potential.

EBITA

EBITA was EUR -28.8 million during the reporting year. This is approximately EUR 39 million lower than the comparable EBITA in 2007. The decrease in EBITA is due to the same factors that lead to the decrease in operating result, excluding the amortisation of capitalised goodwill.

Order Book

The order book decreased from EUR 223 million at year-end 2007 to EUR 159 million at year-end 2008. This decrease is partly due to the newly introduced selective contracting policy and the difficulty in acquiring new projects due to the deteriorating economic conditions.

(iii) United Kingdom

Revenues

The United Kingdom operations are restricted to building activities. The continued growth in revenues in the United Kingdom from EUR 378.5 million (GBP 259.5 million) in 2007 to EUR 406.3 million (GBP 322.5 million) in 2008 originates to a significant degree from the public sector. Leadbitter profited from the strong demand for affordable housing.

Operating Result and EBITA

The operating result and EBITA remained at virtually the same level as in 2007, despite the weakening exchange rate of the GBP against the Euro. Considering the deterioration of the construction market in 2008 the result achieved was good. The operating result was EUR 12.5 million (GBP 9.9 million) at year-end 2008 compared to EUR 12.3 million (GBP 8.4 million) at year-end 2007. The operating margin was maintained at a respectable level of 3.0% in 2008, compared to 3.3% in 2007. EBITA was EUR 13.4 million at year-end 2007 and 2008, but expressed in GBP EBITA increased from GBP 9.2 million at year-end 2007 to GBP 10.6 million at year-end 2008.

Order Book

The order book decreased by EUR 97 million, from EUR 440 million at year-end 2007 to EUR 343 million at year-end 2008. This decrease is entirely due to the decline in the foreign exchange rate of the GBP.

(iv) Germany

Revenues

In Germany operations relate predominantly to infrastructure activities. Revenues increased by EUR 41.5 million to EUR 453 million in 2008. In particular the road building activities of Oevermann, acquired at the beginning of 2007, contributed to the increase in revenues. Favourable market conditions for the road building sector combined with the optimal equipment utilisation levels played a key role in this regard.

Operating Result

The operating result increased by EUR 3 million to EUR 9.7 million in 2008. The different segments of the infrastructure market achieved satisfactory (in the case of railway infrastructural activities) to good (in the case of road building and foundation construction activities) results. The Oevermann operating result is entirely attributable to road building as a result of the stated favourable market conditions and the capacity utilisation. The results of Heitkamp Rail were affected by decreased demand in the German railway industry as well as construction work undertaken in-house by their major customer, Deutsche Bahn. The foreign operations of Heitkamp Rail in China and Taiwan, consisting of consultancy and project management services on railway activities, had a positive contribution to operating result. Franki Grundbau, which operates in the foundation construction niche market, also had an excellent year. The operating result of 2008 includes a one-off loss of EUR 1 million as a result of the closing of Heijmans Bau GmbH.

EBITA

The amortisation and impairment of the identified intangible assets and goodwill amounted to EUR 4.1 million in 2008, of which EUR 3.9 million is related to the impairment on goodwill and the amortisation of identified intangible assets originating from the acquisition of Heitkamp Rail in 2006. EBITA was EUR 13.8 million at year-end 2008, compared to EUR 7 million at year-end 2007. The increase in EBITA is due to the same factors that lead to the increase in operating result, excluding the amortisation of the intangible assets and capitalised goodwill.

Order Book

The order book increased by EUR 101 million, from EUR 171 million at year-end 2007 to EUR 272 million at year-end 2008. This was predominantly the result of a too low order book estimate at Oevermann at year-end 2007.

(b) Year-ended 31 December 2007 compared to year-ended 31 December 2006

The geographic distribution of revenues (after eliminating intercompany revenues) is as follows:

Geographic distribution revenues in EUR millions	2007	2006	Variance (in %)
The Netherlands	2,594.3	2,254.4	15.1
Belgium	347.6	288.4	20.5
United Kingdom	378.5	264.1	43.3
Germany	411.5	135.2	204.4
Total revenues	**3,731.9**	**2,942.1**	**26.8**

Figure 7.26 – Geographic distribution revenues for the financial years 2007 and 2006

The operating result distribution (including profit margin) by geographic segment is as follows:

Geographic distribution operating result in EUR millions	2007	Profit margin	2006	Profit margin	Variance (in %)
The Netherlands	59.1	12.3%	97.0	4.3%	-39.1
Belgium	10.1	2.9%	10.0	3.5%	1.0
United Kingdom	12.3	3.2%	6.9	2.6%	78.3
Germany	6.7	1.7%	3.5	2.2%	91.4
Total operating result	**88.2**	**2.4%**	**117.2**	**4.0%**	**-24.7**

Figure 7.27 – Geographic distribution operating result and profit margin for the financial years 2007 and 2006

The EBITA distribution by geographic segment is as follows:

	2007		2006		Variance
Geographic distribution EBITA in EUR millions	**Amorti-sation**	**EBITA**	**Amorti-sation**	**EBITA**	**of EBITA (in %)**
The Netherlands	2.3	61.4	0.2	97.2	-36.8
Belgium	0.3	10.4	-	10.0	4.0
United Kingdom	1.1	13.4	0.1	7.0	91.4
Germany	0.2	6.9	0.1	3.6	91.7
Total EBITA	**3.9**	**92.1**	**0.5**	**117.7**	**-21.2**

Figure 7.28 – Geographic distribution EBITA for the financial years 2007 and 2006

More detail on the results of operations of each country is given in the following subparagraphs. Each subparagraph contains a segmental analysis.

(i) The Netherlands

The operations in the Netherlands form the majority of the Group's operations, as almost 70% of the Group's revenue is earned in the Dutch market. Prior to 2009, the Group's operations in the Netherlands were divided into four divisions, namely (i) Property Development, (ii) Building, (iii) Infrastructure and (iv) Technical Services.

The distribution of revenues in the Netherlands is as follows:

Distribution revenues in the Netherlands in EUR millions	2007	2006	Variance (in %)
Property Development	1,015.2	865.7	17.3
Building	805.6	845.4	-4.7
Infrastructure	911.1	790.6	15.2
Technical Services	228.9	-	n.a.
Other	-366.6	-247.2	-48.3
The Netherlands revenues	**2,594.3**	**2,254.4**	**15.1**

Figure 7.29 – Distribution revenues in the Netherlands for the financial years 2007 and 2006

The distribution of the operating result in the Netherlands (including profit margin) is as follows:

Distribution operating result in EUR millions	2007	Profit margin	2006	Profit margin	Variance (in %)
Property Development	82.0	8.1%	80.0	9.2%	2.5
Building	-52.9	-6.6%	6.0	0.7%	-981.7
Infrastructure	22.2	2.4%	25.3	3.2%	-12.3
Technical Services	4.6	2.2%	-	-	n.a.
Other	3.3	-	-14.3	-	123.1
The Netherlands operating result	**59.1**	**2.3%**	**96.9**	**4.3%**	**-39.0**

Figure 7.30 – Distribution operating result and profit margin in the Netherlands for the financial years 2007 and 2006

The EBITA distribution in the Netherlands is as follows:

	2007		2006		
Distribution EBITA in EUR millions	**Amorti-sation**	**EBITA**	**Amorti-sation**	**EBITA**	**Variance (in %)**
Property Development	-	82.0	-	80.0	2.5
Building	-	-53.0	-	6.0	-981.7
Infrastructure	-	22.2	0.2	25.5	-12.9
Technical Services	2.3	6.9	-	-	n.a.
Other	-	3.3	-	-14.3	123.1
The Netherlands EBITA	**2.3**	**61.4**	**0.2**	**97.2**	**-36.8**

Figure 7.31 – Distribution EBITA in the Netherlands for the financial years 2007 and 2006

(A) Property Development

Revenues

Revenues increased by 17.3%, being an increase of EUR 149.5 million. This is to a significant degree due to the sale of the unsold finished commercial property outstanding at the end of 2006, see section 7.4 (f) "Significant factors affecting results of operations – Unsold properties" for further details. Excluding the revenues related to these sales of EUR 137 million, revenues rose by just over 1%. Residential development-related revenues in 2007 amounted to EUR 835 million compared to EUR 800 million in 2006, an increase of 4%. The decrease of 5% in the number of finished "homes" or "residential properties" sold, from 3,421 compared to 3,600 homes in 2006, due to the weakening housing market trends in 2007 represents a factor in the decline in revenues experienced in 2007. See section 7.4 (a) "Significant factors affecting results of operations – Market conditions" for further information. The average selling price of a home in 2007 was EUR 248,500, excluding VAT, compared to EUR 245,000 in 2006. The inventory of finished unsold homes at 31 December 2007 was 47 compared to 27 at 31 December 2006.

Operating Result

The increase in operating result from EUR 80 million in 2006 to EUR 82 million in 2007 was largely achieved on the basis of housing development-related activities. The profit generated on the sale of the unsold finished commercial property outstanding at the end of 2006 was very limited. The 2007 operating margin, excluding the revenues of the above mentioned sale, was approximately 9.2% and remained unchanged from 2006.

EBITA

There was no amortisation of identified intangible assets or an impairment of capitalised goodwill with respect to the Property Development division in 2007, such that EBITA is identical to operating result.

(B) Building

Revenues

Revenues decreased by 4.7% in 2007 to EUR 805.6 million partly as a result of the more selective contracting policy of the Building division. The contribution of tendered projects to revenues increased from 26% in 2006 to 37% in 2007.

Operating Result

The year-ended 31 December 2007 was characterised by the high losses incurred in relation to certain specific, primarily non-residential, loss making projects in the Building division dating from 2005. Further details are set out in section 7.4 (b) "Significant factors affecting results of operations – Operational risk, contract management and financial control" of this Prospectus, and section 7.10 "Risk Management". The associated operating losses amounted to approximately EUR 77 million during 2007. As a consequence, the operating result of the Building division decreased from a profit of EUR 6 million in 2006 to a loss of EUR 52.9 million in 2007.

EBITA

There was no amortisation of identified intangible assets or an impairment of capitalised goodwill with respect to the Building division in 2007, such that EBITA is identical to operating result.

(C) Infrastructure

Revenues

Revenues rose by 15.2% in 2007 to EUR 911.1 million. The 2007 revenues include over EUR 250 million in revenues generated from projects with a contract value per project greater than EUR 15 million. Almost EUR 100 million was generated by the A2 Eindhoven ring road and the A2 Culemborg-Deil motorway (joint contract value of approximately EUR 470 million).

Operating Result

The 2007 operating result was lower than the 2006 operating result by EUR 3.1 million. Although the volume of work in the infrastructure market steadily increased, price levels remained low. This resulted in modest gross margin for both large infrastructure projects and regular smaller projects. The HSL project, however, made a positive contribution to operating result in 2006. The operating result of the road building business unit was affected by the lower price levels in the market.

EBITA

There was no amortisation of identified intangible assets or an impairment of capitalised goodwill with respect to the Infrastructure division in 2007, such that EBITA is identical to operating result.

(D) Technical Services

The core activity of the Technical Services division is the operations of Burgers Ergon acquired in early 2007. Accordingly, there are no comparative figures for 2006.

(E) Other

This item includes the holding's costs, centralised services, the PPS business unit, Bestcon B.V. and the release of EUR 17 million of profit eliminations. The release of profit eliminations relates to the recognition of EUR 17 million of profit by the Building division that had previously not been recognised at Group level, as the relevant properties had not been sold in 2006, but could be released in 2007 following the sale of the relevant properties.

(ii) Belgium

The distribution of revenues in Belgium is as follows:

Distribution revenues in Belgium in EUR millions	**2007**	**2006**	**Variance (in %)**
Property Development	68.5	45.5	50.6
Building	138.5	100.6	37.7
Infrastructure	140.3	142.2	-1.3
Other	0.3	0.2	51.7
Belgium revenues	**347.6**	**288.4**	**20.5**

Figure 7.32 – Distribution revenues in Belgium for the financial years 2007 and 2006

The distribution of the operating result in Belgium (including profit margin) is as follows:

Distribution operating result in EUR millions	**2007**	**Profit margin**	**2006**	**Profit margin**	**Variance (in %)**
Property Development	2.8	4.0%	4.9	10.8%	-43.9
Building	-0.1	0.0%	0.6	0.5%	-110.9
Infrastructure	6.4	4.6%	5.0	3.5%	28.7
Other	1.0	-	-0.5	-	306.0
Belgium operating result	10.1	2.9%	10.0	3.5%	**0.9**

Figure 7.33 – Distribution operating result and profit margin in Belgium for the financial years 2007 and 2006

The EBITA distribution in Belgium is as follows:

	2007		**2006**		
Distribution EBITA in EUR millions	**Amorti-sation**	**EBITA**	**Amorti-sation**	**EBITA**	**Variance (in %)**
Property Development	0.3	3.1	-	4.9	-36.7
Building	-	-0.1	-	0.6	-110.9
Infrastructure	-	6.4	-	5.0	28.7
Other	-	1.0	-	-0.5	306.0
Belgium EBITA	**0.3**	**10.4**	**-**	**10.0**	**4.0**

Figure 7.34 – Distribution EBITA in Belgium for the financial years 2007 and 2006

Revenues

The increase in revenues in Belgium by 20.5% to EUR 347.6 million was achieved entirely autonomously. The increase was to a large extent attributable to the Building and Property Development divisions, where revenues increased from EUR 100.6 million to EUR 138.5 million and from EUR 45.5 million to EUR 68.5 million respectively. Infrastructure revenues remained at virtually the same level as the previous year.

Operating Result

Despite the increase in revenues, the operating result remained approximately unchanged at EUR 10 million. Only Infrastructure exhibited a positive trend from EUR 5 million in 2006 to over EUR 6.4 million in 2007 as a result of a steady supply of work related to road construction and cable and pipeline activities. The Building activity went from a slightly positive operating result in 2006 to an operating result of almost zero in 2007. The Property Development operating result dropped from EUR 4.9 million in 2006 to less than EUR 3 million in 2007; the reasons for this are largely related to the inability to start up new projects during the reporting year, as well as due to the decrease in (un)finished apartments sold: 113 in 2007 compared to 165 in 2006.

EBITA

There was no amortisation of identified intangible assets or an impairment of capitalised goodwill with respect to Belgium in 2007, such that EBITA is identical to operating result.

(iii) United Kingdom

Revenues

The United Kingdom operations are limited to Building activities. The continued growth in revenues in the United Kingdom from EUR 264.1 million in 2006 to EUR 378.5 million in 2007 is to a significant degree due to the acquisition of Denne Construction completed in October 2006. Denne Construction was effectively integrated into the Leadbitter organisation at the start of 2007. The acquisition of Denne Construction accounted for EUR 102.1 million of the increased revenues. In addition, there was a strong autonomous growth in revenues in the 2007 financial year. This was partly a result of the increased demand of local governments for knowledge of and support for redevelopment projects.

Operating Result

Operating result increased from EUR 6.9 million in 2006 to EUR 12.3 million in 2007. This solid performance is largely due to the contribution to profit by Denne Construction and partly due to improvements in operations resulting from the increased attention to the business by Heijmans as the new owner. Denne Construction accounted for EUR 7.8 million of the 2007 operating profits.

EBITA

EBITA increased from EUR 7 million in 2006 to EUR 13.4 million in 2007. The increase in EBITA is due to the same factors that lead to the increase in operating result, excluding the amortisation of the intangible assets.

(iv) Germany

Revenues

The German operations relate predominantly to Infrastructure activities. Revenues rose by 204.4% in 2007, from EUR 135.2 million at year-end 2006 to EUR 411.5 million at year-end 2007. The increase in revenues in Germany was largely attributable to the acquisition of Oevermann at the beginning of 2007. During the reporting year, Oevermann contributed EUR 262 million to revenues.

Operating Result

Operating result increased by 91.4% in 2007, from EUR 3.5 million at year-end 2006 to EUR 6.7 million at year-end 2007. During the reporting year, Oevermann contributed EUR 3 million to operating profits. The Oevermann operating result is predominantly attributable to road building. Heitkamp's operating result in 2007 was somewhat lower than 2006, but was offset by the positive trends of the company's foreign operations outside Germany, as the business segments in Germany are also active in Germany's neighbouring countries and in China and Taiwan as well. The decline in Germany was due to decreased demand, which was partly the result of political developments concerning the then anticipated initial public offering of the German railway company Deutsche Bahn, Heitkamp Rail's most important client.

EBITA

The amortisation of the identified intangible assets amounted to EUR 0.2 million in 2007. EBITA was EUR 6.9 million at year-end 2007, compared to EUR 3.6 million at year-end 2006. The increase in EBITA is due to the same factors that lead to the increase in operating result, excluding the amortisation of the identified intangible assets.

7.8 Liquidity and Capital Resources

(a) Overview

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.

The Offering, the proceeds of which will be used to fully repay the Bridge Loan Facility, will result in a strengthening of the balance sheet of the Group. However, the Company's ability to fund its operations might be negatively influenced by a continuation of, or the worsening of, the current economic situation (see for instance the Risk Factors described in sections 2.1 (a) up to and including (e), (h) and (j), 2.2 (a), (b) and (c) and 2.3 (b)) and in particular the influence this has on the property development and residential building activities of the Company (see the market trends described in section 5.6 ”Market trends of Heijmans' core business”).

For instance, any of the following circumstances caused by a continuation of, or the worsening of, the current economic situation, or a combination of such circumstances, may result in funding available to the Company becoming severely restricted or insufficient to meet normal business requirements: (i) if the slump in home sales continues or further deepens leading to an increase in unsold homes, possibly combined with continued cash commitments to build properties, (ii) if the timing and success of disposals of properties in development and certain land positions is negatively impacted, or (iii) if the providers of bank guarantees and credit insurance policies continue to limit their exposure to the construction industry by lowering credit limits applicable to construction companies, such as Heijmans (in such a case the Group's suppliers or potential suppliers may adapt their credit terms for the Group by, for example, requiring cash payments or prepayments).

In all such cases, the Company will actively manage its cash position and reprioritize its capital allocation (such as reducing investments, and/or increasing the size and or pace of its divestment program of properties in development and certain land positions), and may ultimately try to obtain additional funding by way of debt or equity financing.

(b) Working capital

The table below provides an overview of the working capital for the financial years ended 31 December 2008, 2007 and 2006.

Working capital in EUR millions	2008		2007		2006	
- Inventories	556		535		640	
- Construction work in progress	-37		39		15	
- Receivables	615		688		700	
- Payables	-886		-912		-776	
Working capital		**248**		**350**		**579**

Figure 7.35 – Working capital for the financial years 2008, 2007 and 2006

The working capital decreased by EUR 102 million, from EUR 350 million as at year-end 2007 to EUR 248 million as at year-end 2008. The working capital amounted to EUR 579 million at year-end 2006.

The net decrease at the end of 2008 compared to year-end 2007 is mainly the result of the decrease of work in progress in 2008 by approximately EUR 76 million in 2008. The net increase in inventories in 2008 reflects the weak housing market. The number of unfinished "homes" or "residential properties" unsold at year-end 2008 amounted to 870 compared to 560 homes in mid-2008. The decrease in working capital at year-end 2007 is due to the decrease in inventories and due to the programmes initiated in December 2007 to temporarily reduce the working capital. The decrease in inventories at year-end 2007 compared to year-end 2006 by EUR 105 million is primarily due to the successful sale of the finished commercial property outstanding at the end of 2006 that was unsold (see section 7.4 (f) "Significant factors affecting results of operations – Unsold properties").

During the year the need for working capital financing increases, typically by approximately EUR 250 million. This is due to the seasonality of the business of the Group combined with the inherent nature of transactions with public authorities, which result in more cash proceeds in December than in other months of the year, and active working capital management towards external reporting periods.

(e) Indebtedness

The significant decrease in the working capital at year-end 2007 resulted in a decreased need for financing at year-end 2007. The decreased level was further managed at year-end 2008, with the working capital for the year-ended 31 December 2008 being EUR 248 million, compared to EUR 350 million for the year-ended 31 December 2007.

The figure below gives an overview of the net debt position for the financial years ended 31 December 2008, 2007 and 2006. Subsequent to 31 December 2008, the Financial Restructuring will be completed with completion of the Offering, further details of which are set out in section 8 "Capitalisation and Ratios" and section 5.3 "Restructuring". In addition, on 28 April 2009 the Company entered into the Bridge Loan Facility, as further detailed in section 4 "Use of Proceeds" and section 5.3 "Restructuring".

Net debt in EUR millions	2008		2007		2006	
- Non-current debt	639		504		429	
- Current debt	60		96		261	
- Cash and cash equivalents	-368		-234		-193	
Net Debt		**331**		**366**		**497**

Figure 7.36 – Net debt for the financial years 2008, 2007 and 2006

The net interest-bearing debt or simply net debt (interest-bearing debt minus cash and cash equivalents) decreased by EUR 131 million to EUR 366 million during 2007 and by a further EUR 35 million to EUR 331 million during 2008.

The non-current debt facilities available consisted of, amongst others, the Financing Preference Shares B, the Syndicated Loan Facility, a committed bilateral credit facility and the USPP notes placed on 30 May 2007 on the American Private Placement market for USD 125 million. Further details on each are set out below.

As working capital varies throughout the year, as set out above under section 7.8 (b) "Liquidity and Capital Resources – Working Capital", this has an impact on the financing requirements from time to time throughout the year. During the course of the year 2008, the approximate average net debt was EUR 532 million, compared to an approximate average net debt of EUR 616 million for the course of the year 2007.

Financing Preference Shares B

At 31 December 2008, there were 6,610,000 Financing Preference Shares B outstanding at EUR 10 per share. The dividend entitlement on these shares is due annually. Until 1 January 2009 the dividend entitlement was 6.81%. As of 1 January 2009 the dividend entitlement is 7.25%. See section 8.3 "Financing Preference Shares B" for further details of the Financing Preference Shares B.

Syndicated Loan Facility

At 31 December 2008, EUR 275 million of the EUR 400 million Syndicated Loan Facility was drawn down, compared to EUR 175 million and EUR 250 million at 31 December 2007 and 2006 respectively. This facility was entered into at the end of March 2006 with a consortium of eight banks and had, before the Financial Restructuring, a remaining term till 24 March 2013. Prior to the Financial Restructuring, no secured collateral was provided for the Syndicated Loan Facility, but the following two financial ratios had to be met at 30 June and 31 December of any one year:

(i) Leverage Ratio < 3.5 (defined as net debt/EBITDA);

(ii) Interest Cover Ratio > 3.5 (defined as the EBITDA/net interest).

As at year-end 2008, it was possible to meet the Leverage Ratio and the Interest Cover Ratio. The Leverage Ratio at 31 December 2007 was 2.0 and 2.5 at 31 December 2006. The Interest Coverage Ratio at 31 December 2007 was 5.4 and 8.0 at 31 December 2006.

On 28 April 2009, the Syndicated Loan Facility was amended, which has (among other matters) led to an amendment of the financial ratios to be met in the future (see also section 8 "Capitalisation and Ratios"), the term of the Syndicated Loan Facility and the collateral for the Syndicated Loan Facility.

Committed bilateral credit facility

Very recently, an uncommitted bilateral credit facility of EUR 50 million has been converted to a committed facility. The financial ratios applicable to this facility are similar to the ratios set out in the Syndicated Loan Facility.

USPP notes

The USPP notes were placed on the American Private Placement market on 30 May 2007 and were repurchased in full on 8 May 2009. The loan was in the amount of USD 125 million (EUR 92 million), of which the entire amount was drawn down as of 30 May 2007.

7.9 Off-balance sheet items

(a) Capital commitments

The Group had capital commitments relating to the acquisition of property, plant and equipment and the acquisition of land of EUR 166.8 million at year-end 2008, compared to EUR 134.3 million at year-end 2007 and EUR 117 million at year-end 2006. Of the capital commitments at year-end 2008, EUR 64 million relates to capital commitments undertaken by joint ventures in which Heijmans participates, compared to EUR 69 million at year-end 2007 and EUR 67 million at year-end 2006. These amounts reflect Heijmans' share of the commitments undertaken by the joint venture.

As a security for the capital commitments, as at year-end 2008 the Group had provided group guarantees in an amount of EUR 83 million, compared to EUR 65 million at year-end 2007 and EUR 34 million at year-end 2006. See for further details on the group guarantees section 7.9 (c) "Off-balance sheet items - Contingent liabilities".

(b) Rental and operating lease agreements

An amount of EUR 36 million has been recognised as a charge in relation to rental and operating lease commitments in the income statement in 2008, compared to EUR 39 million in 2007 and EUR 26 million in 2006. The lease commitments primarily relate to future instalments on leases for vehicles, equipment and computers. The rental commitments are for the rental of company buildings. The Dutch divisions lease approximately 4,200 cars (200 trucks and 4,000 passenger cars and minivans) on the basis of an operating contract. A new framework agreement with the principal leasing company concerning the extension of the old framework agreement was concluded in 2008. The separate contracts signed under the framework agreement have terms that vary from 24 months to 96 months. These agreements can only be dissolved by compensating the lease company's carrying amount and loss of profit.

(c) Contingent liabilities

The Company has provided bank guarantees and group guarantees to clients in connection with future investment commitments. The total value of the guarantees at year-end 2008 amounts to EUR 1.2 billion, compared to EUR 1.1 billion at year-end 2007 and EUR 972 million at year-end 2006. The increase at year-end 2007 is due to the acquisitions of Burgers Ergon and Oevermann.

The other contingent liabilities at year-end 2008 amount to EUR 306 million, compared to EUR 318 million at year-end 2007 and EUR 327 million at year-end 2006. The other contingent liabilities primarily relate to commitments to acquire land when the building permit is received or a predetermined sales percentage has been achieved. As security for these commitments, parent company guarantees have been issued in 2007 and 2008, valued in both years at EUR 21 million (included in the concern guarantees).

7.10 Risk Management

The Company defines risk management as the structural and integrated identification and monitoring of key risks. Due to international growth and changing market conditions, particularly the new contracting forms, the importance of proper risk management has increased over the last few years. The risk policy is focused on the identification and analysis of the risks to which the Group is exposed, the establishment of acceptable limits and control measures and the assessment of the risks and compliance with the established limits. Management has identified the following risk areas (i) market risk, (ii) operational risk, (iii) financial risk and (iv) general risks.

The risk policy and systems are assessed on a regular basis and adjusted for changes in market conditions and the business activities of the Group. The Executive Board regularly discusses the risk profile and the risk management system with the Audit Committee (comprising two members of the Supervisory Board). The objective is to effectively deal with uncertainties, limit threats and exploit opportunities. Besides the regular planning and control cycle, risks are managed by the Quality Management System. This system provides a uniform structure for the primary and secondary processes used by the Building, Infrastructure and Property Development activities. This applies to, amongst others, design activities, the execution of constructional projects and the planning and implementation of property development projects.

During 2007 and 2008 it became apparent that the risk management and control systems for the building activities in the Netherlands and Belgium and for the road building activities of the Infrastructure division in the Netherlands did not function properly. In particular the contract management component and absence of sufficiently qualified operational management, including project management, resulted in serious operational risk management deficiencies. The risks associated herewith and the impact therefore are described in detail in section 7.4 (b) “Significant factors affecting results of operations – Operational risks contract management and financial control”.

The following initiatives were commenced in 2007 and were further developed in 2008 to refine the risk management system as a result of the inadequacies identified:

- The business organisation in the Netherlands and in Belgium were restructured in order to make the Group more compact. New management was appointed to various key positions in the Netherlands and Belgium and during the second half of 2008 a reorganisation was implemented that included the elimination of a complete management layer.

- With effect from 2009, the business in the Netherlands was restructured into three strategic business streams: “Property Development and Residential Building”, “Non-Residential Building and Technical Services” and “Infrastructure”, which report directly to the Group-level board (*concern directie*). Shorter lines of communication combined with stricter risk management and internal control measures are expected to produce significant improvements in the functioning of the control systems used by the Building and Infrastructure activities in the Netherlands and the Building and Property Development activities in Belgium during the 2009 financial year. Further detail is set out in section 5 “Business” and in section 10 “Management Board, Supervisory Board and Employees”.

- Heijmans commenced an improvement programme in 2007 within the Building division to increase the quality of project management, including contract management, consisting of, amongst others, the implementation of central management for large projects and the introduction of a risk summary for every project prior to start-up and also during project execution.

- Heijmans commenced an improvement programme in 2007 within the Infrastructure division to increase the quality of project management, including contract management, consisting of, amongst others, the implementation of central management for large projects and completion of a baseline measurement by an external party for managing the financial reporting risks of the Infrastructure division in the Netherlands.

- Heijmans established a central procurement policy and procurement unit and has modified the division Management Regulations in 2007.

Heijmans has been supported in its analysis and improvement of its risk management and internal control systems by various third parties. An investigation was carried out during the first quarter of 2008 by an independent third party under contract to the Executive Board, into the functioning of the risk management measures implemented by the Building activities in the Netherlands and the road building business unit of the Infrastructure operations in the Netherlands. In general, the findings of the investigation were that the procedures and internal controls are properly set up, but that implementation and/or compliance requires improvement. In particular the compliance with, and/or proper application of, procedures, internal controls and risk management processes proved to have been inadequate within the Building operations in the Netherlands in relation to projects contracted in previous years. These findings confirmed the need for the initiatives that had been commenced in 2007, and as detailed above, to improve compliance with procedures and internal controls. Pursuant to these findings, the risk management system in respect of the Netherlands was also further structured and optimised during 2008. These initiatives were carried out with the support of an external consulting firm specialising in the area of risk management. The implementation of this Heijmans-wide risk management framework is now underway in most business units in the Netherlands.

7.11 Critical accounting policies and accounting estimates

The preparation of the financial statements in accordance with the EU-IFRS requires management to make judgements, estimates and assumptions on the recognition and valuation of assets and liabilities, contingent rights and liabilities and the reported value of revenue and expenses. The actual results may vary from these estimates. The estimates and underlying assumptions are therefore subject to continuous reassessment. Revisions or deviations from estimates and assumptions from the actual outcomes may lead to material adjustments. The important elements where estimates and deviations therefrom can have a significant impact are (i) revenue recognition for long term projects, (ii) property investments, (iii) inventories, (iv) construction work in progress, (v) pensions and (vi) impairment tests. These critical accounting policies and accounting estimates are discussed hereafter. The accounting principles have not been altered by the Company during the period 2006 up to and including 2008.

(a) Revenue recognition for long term projects

The revenues of the Group originate in general from (i) goods sold and services rendered, (ii) construction work in progress and (iii) rental income. With respect to the goods sold and services rendered, revenue from the sale of goods is recognised in the income statement when all of the following conditions have been satisfied: the significant risks and rewards of ownership have been transferred to the buyer, it is probable that the amount receivable will be collected and the associated cost can be measured reliably, there is no continuing managerial involvement of the Group with the goods, and the amount of revenue can be reliably measured. Revenues from additional work are included in contract revenues if the client has accepted the sum involved in any way. For residential construction projects whereby the transfer of risks and rewards takes place when the purchase/acceptance contract is signed and where significant work remains to be done, the revenues and results are recognised when the work is performed in proportion to the projects stage of completion, with progress being determined by the ratio of costs recorded to total expected costs. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. With respect to rental income we note that rental income from real estate investments is recognised in the income statement in proportion to the term of the lease.

Provisions for losses on projects are determined at the point in time when it is apparent that the project costs will exceed the revenues. Periodic assessments are made of each project by the project manager and the management of the respective unit. This assessment takes place primarily on the basis of the information in the project files, the project accounting records and the knowledge and experience of the persons involved. It is inherent to such a process that estimations have to be made that subsequently may appear to be at variance from the actuals. This is particularly true in the case of long-term projects that include a high a proportion of customisation.

Claims submitted to clients are recognised if negotiations on the claims with the client have reached such a stage that it is probable that the client will accept the claim for payment and that the amount which is considered probable for acceptance by the client can be reasonably estimated. For claims made and penalties imposed by contractors against the Group, for example as a result of exceeding construction schedules, similar considerations apply.

Bonuses are recognised as revenues from projects in progress in the event that the project is far enough advanced and that it is probable that the performance indicators specified will be met or exceeded and that the bonus amount can be reasonably estimated. If the bonus can only be received after expiry of a predetermined period after delivery of the project, then the bonus is only recognised when it is certain that the bonus will be received.

(b) Construction work in progress

Construction work in progress is measured at cost plus profit recognised to date in proportion to the progress of the project, less expected losses and progress billings. Total expected project losses, if any, are directly recognised as expenses in the relevant period. The cost includes all expenditures related directly to specific projects and an allocation of overheads incurred in the Group's project activities based on normal operating capacity. Interest and development costs for construction work in progress are only capitalised if the asset is under construction. If no construction activities are carried out over an extended period of time, the interest and development costs are no longer capitalised. The preliminary costs and the design and development costs of major projects are capitalised as work in progress if the following conditions are met: (i) the costs can be separately identified, (ii) the costs can be determined in a reliable manner, (iii) it is probable that the project will be awarded and (iv) there is no longer any competition with respect to the award of the project. If one of these requirements is not fulfilled, the costs are recognised in the income statement as an expense in the period in which they are incurred. Costs once expensed in the income statement in the period in which they are incurred are not subsequently capitalised if the project is awarded. The profit capitalised on work in progress is based on the estimated final result taking into account the percentage of progress on the specific work. The progress percentage is determined as the ratio between the costs incurred to date and the total expected costs on a project-by-project basis.

(c) Inventories

Inventories are measured at the lower of cost or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The cost of inventories includes an appropriate share of production overheads based on normal operating capacity, as well as the attributable financing expenses. Development and construction rights are also classified as inventories. Residential construction projects in respect of which the transfer of risks and rewards takes place when the purchase/ acceptance contract is signed and where significant work still remains to be done are recognised as part of inventories. This portion of the inventories is valued in the same way as construction work in progress. See section 7.11 (b) "Critical accounting policies and accounting estimates – Construction work in progress" for further details. Land and properties up for sale are also recognised as part of inventories. These are land and premises that have been technically delivered as developed, but which on the balance sheet date were not sold to third parties. The inventory of lands and premises for sale are valued at cost (including interest and allocated overhead costs) less any write-offs related to a lower net realisable value as a consequence of the risk of inability to sell or rent. See also section 7.4 (e) "Significant factors affecting results of operations – Sale of land positions".

(d) Pensions

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future pension benefit that employees have earned in return for their service in the reporting period and in previous periods. The discounted present value of the pension benefits is determined and is reduced by the fair value of the fund's assets. The discount rate is the yield at the balance sheet date on high quality company bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. This method takes future salary increases resulting from employee career opportunities and general salary increases, including adjustments for inflation, into account. When the benefits of a plan are improved, the portion of the increased benefits relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that benefits vest immediately, the expense is recognised immediately in the income statement. All actuarial gains and losses as of 1 January 2004 are recognised by the Group on the basis of the 'corridor' method. Under the 'corridor' method, unrecognised cumulative gains or losses are recognised in the income statement over the estimated average remaining working lives of employees in the plan, provided they fall outside a bandwidth of 10% of the present value of the gross obligations related to the defined (pension) benefits or the fair value of the fund's assets if this is higher. Otherwise, the actuarial gains or losses are not recognised. When the fund's assets exceed the Group's obligations, the recognised asset is limited to an amount that is equal to a maximum of the total of any unrecognised actuarial losses and pension costs related to past service and the present value of any future refunds from the plan or that of lower future contributions to the plan, to the extent that the Company can make use of the economic benefits of the surplus.

(e) Trade and other receivables

Trade and other receivables are estimated at the amortised cost minus impairment losses as described in the next section.

(f) Impairment

The book value of the Group's assets, with the exception of construction work in progress, inventories and deferred tax assets are reviewed on the balance sheet date to determine whether there is any indication of impairment. If there is such an indication, an estimate is made of the asset's recoverable amount. The approach for goodwill, intangible assets with an indeterminate useful life and intangible assets not yet ready for use is to estimate the recoverable amount on the balance sheet date. Impairment losses are recognised when the book value of an asset, or the cash flow generating entity the asset belongs to, exceeds the recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised for cash flow generating entities are first deducted from the book value of the goodwill and then deducted *pro rata* from the other assets belonging to the entity (or group of entities). If a reduction in the fair value of financial assets held for sale was directly recognised in equity and there are objective indications that the asset in question has undergone an impairment, the cumulative loss that was previously accounted for in equity is now recognised in the income statement, even though the financial asset remains on the balance sheet. The cumulative loss recognised in the income statement is the difference between the purchase price and the current fair value, less any impairment losses on that financial asset recognised in the income statement in previous years.

8. CAPITALISATION AND RATIOS

8.1 Capitalisation

The following table sets out Heijmans' unaudited consolidated capitalisation and indebtedness as at 31 March 2009. The first column is based on unaudited actual figures. The second column is based on actual figures, but taking into account the effects of the Financial Restructuring as if it were effected on 31 March 2009.

The information in this table should be read in conjunction with section 7 "Operating and Financial Review". For information on selected audited financial statements for the financial years ended 31 December 2006, 2007 and 2008, please refer to section 6 "Selected Financial Information".

Capitalisation and indebtedness as of 31 March 2009 in EUR million (unaudited)*	**Based on actuals**		**Pro forma****		
CAPITALISATION					
Current debt					
Guaranteed	121		121		
Secured	4		4		
Total current debt		**125**		**125**	**A**
Non-current debt					
Guaranteed	53		53		
Secured	40		371		
Unguaranteed / unsecured	596		176		
Total non-current debt		**689**		**600**	**B**
Total debt (A + B)		**814**		**725**	**C**
Shareholders' equity					
Issued capital	1		5		
Share premium reserves	122		209		
Other reserves	214		211		
Total shareholder's equity		**337**		**425**	**D**
Total capitalisation (C + D)		**1,151**		**1,150**	
INDEBTEDNESS					
Cash and cash equivalents	260		260		**E**
Current financial debt	125		125		**F**
Net current financial debt (F-E)		**(135)**		**(135)**	**G**
Non-current financial debt		**689**		**600**	**H**
Net financial debt (G+H)		**554**		**465**	

Figure 8.1 – Capitalisation and indebtedness as of 31 March 2009

* The debt items listed in this capitalisation table only relate to interest bearing loans.

** The pro forma capitalisation table includes the following estimated adjustments to show the impact as if the Financial Restructuring were effected per 31 March 2009 already:

1) Renewal of the Syndicated Loan Facility (SLF)
2) Renewal of agreement with the holders of the Financing Preference Shares B
3) Repurchase of the USPP notes and termination of related cross currency interest rate swaps (CCIRSs)
4) The Bridge Loan Facility used to repurchase the USPP notes
5) The Offering

Ad 1) Renewal of the SLF

As a result of the renewal of the SLF the amount drawn under this Facility of EUR 325 million per 31 March 2009 is reclassified from unsecured/unguaranteed to secured, since under the new SLF a number of securities have been granted. Furthermore the costs incurred for the renewal of the SLF are assumed to be drawn under the SLF and presented as a deduction to the book value of the SLF. These costs will be amortised over the period of the SLF in accordance with the effective interest rate method.

Ad 2) Renewal of agreement with holders of Financing Preference Shares B
The Financing Preference Shares B are classified as unguaranteed and unsecured debt. The costs for the renewal of the agreement are assumed to be drawn under the SLF and presented as a deduction to the unguaranteed and unsecured debt.

Ad 3) Repurchase of the USPP notes and termination of related CCIRSs
On 8 May 2009, the Company repurchased the USPP notes. The difference between the repurchase price and the book value is included in other reserves. Simultaneously with the repurchase of the USPP notes, the Company settled the cross currency interest rate swaps. The amount received for the settlement was deducted from the secured debt and the loss upon settlement was deducted from other reserves. The costs incurred for the USPP repurchase are included in the other reserves and the cost paid have been deducted from the secured debt.

Ad 4) The Bridge Loan Facility used to repurchase the USPP notes
The repurchase of the USPP notes has been financed using a Bridge Loan Facility. The pro forma capitalisation table only shows an adjustment for the costs incurred for the Bridge Loan Facility, since this Bridge Loan Facility is assumed to have been repaid with the proceeds from the Offering as at 31 March 2009 (see pro forma adjustment no. 5 below). Total costs are assumed to have been drawn under the SLF and have been deducted from other reserves.

Ad 5) The Offering
The net proceeds for the Offering, estimated to be approximately EUR 91 million, have increased pro forma share capital and share premium. Assuming 144 million new shares issued for EUR 0.03 nominal value this results in an increase in share capital with EUR 4 million. The remaining EUR 87 million are added to share premium. With reference to section 4 "Use of proceeds", excess proceeds from the Offering over the Bridge Loan Facility will be used to reduce the Company's debt level. An amount of approximately EUR 5 million as excess proceeds is included as a reduction of secured debt in the pro forma capitalisation and indebtedness.

The tax impact, to the extent relevant, of the costs referred to in the pro forma adjustment items 1 through 5 above is reflected through shareholders' equity.

8.2 Ratios

On 28 April 2009, Heijmans and certain of its subsidiaries entered into an amended and restated EUR 400 million syndicated loan facility which terminates on 24 March 2012 (the **Syndicated Loan Facility** and together with the Bridge Loan Facility, the **Existing Credit Facilities**). The agreed interest rate amounts to EURIBOR +350bps with a term until 24 March 2012. Agreement has been reached with the bank syndicate that the Syndicated Loan Facility will be reduced in two steps of EUR 50 million to EUR 300 million by 24 March 2011. In light of the above reductions the following proceeds must be used to repay the Syndicated Loan Facility (until the outstanding amount under the Syndicated Loan Facility is EUR 300 million): remaining proceeds of the Offering after repayment of the Bridge Loan Facility, the proceeds of disposals of certain strategic land positions (also if these are owned by joint ventures), proceeds of disposals of shares in joint ventures if that joint venture owns certain strategic land positions and proceeds of disposals of Group entities. The Bridge Loan Facility contains identical prepayment provisions but the intercreditor agreement provides that any such proceeds should first go to the Bridge Loan Facility and once the Bridge Loan Facility has been repaid, the proceeds shall be applied to the Syndicated Loan Facility.

At the same time, the following assets have been encumbered: (1) all receivables (including inter-company receivables), insurance receivables and bank accounts in the Netherlands, (2) certain 100% owned strategic land positions in the Netherlands and over buildings owned by members of the group in Hoogvliet, Rosmalen, Tegelen, Hoogeveen, De Steeg, Burgh Haamstede, Groenlo and Amsterdam (excluding buildings that are subject to a contract for sale to a third party), (3) shares in holding companies in England, Germany (in Germany also shares in 3 sub-holdings (in addition to shares in Heijmans Deutschland B.V.)) and Belgium and (4) all moveable assets in the Netherlands (excluding equipment subject to finance leases). Upon the occurrence of an "Event of Default" under the Syndicated Loan Facility, Heijmans must grant security over strategic land bank positions held in a joint-venture (unless this is prohibited by any joint venture agreement).

The Syndicated Loan Facility contains a number of (amended) financial covenants and other covenants restricting the Group's operating and financial flexibility. These restrictions apply *mutatis mutandis* to the Bridge Loan Facility to the extent these restrictions fall within the term of the Bridge Loan Facility.

The main restrictive financial covenants are the following:

- On the dates set out below (each a **Test Date**) for the immediately preceding 12-month period (such period a **Measurement Period**), the consolidated total net borrowings divided by the consolidated ebitda must not exceed the corresponding number set out in the table below (such ratio the **Leverage Ratio**).

- In addition, on each Test Date set out below, in respect of the preceding Measurement Period, the ratio of consolidated ebitda to net interest payable by the Group on a consolidated basis must not be lower than the corresponding number set out in the table below (such ratio the **Interest Cover Ratio**).

Test Date	Leverage Ratio
30 June 2009	< 12.50
31 December 2009*	< 4.25
31 December 2009**	< 3.25
30 June 2010	< 4.00
31 December 2010 and beyond	< 3.00

* If the proposed Offering does not occur

** If the proposed Offering takes place

Test Date	Interest Cover Ratio
30 June 2009	> 1.50
31 December 2009	> 1.50
30 June 2010	> 2.00
30 September 2010***	> 2.00
31 December 2010	> 2.25
31 March 2011	> 2.50
30 June 2011	> 3.00
30 September 2011	> 3.25
31 December 2011 and beyond	> 3.50

*** As of 30 September 2010, the Interest Cover Ratio will be tested on a quarterly basis

In addition to the financial covenants, the Syndicated Loan Facility contains the following guarantor cover:

- all wholly-owned members of the Group established in the Netherlands, Belgium and Germany shall at all times be and remain guarantors. In respect of Belgium and German entities this obligation will become applicable on 30 June 2009. Dormant wholly-owned members of the group are not required to become guarantors;

- and the aggregate revenues and aggregate gross assets of the guarantors shall at all times from 30 June 2009 be 70 per cent, or more of the consolidated revenues and consolidated gross assets of the group.

The Existing Credit Facilities also impose other restrictions on, *inter alia*, investments, capital expenditures and divestments.

Furthermore, the covenants in the Existing Credit Facilities impose specific restrictions on the distribution of dividends. Under these covenants, dividend on Ordinary Shares will only be paid out if the Leverage Ratio is below 2.5 for two consecutive Measurement Periods.

A breach of the financial covenants could result in a significant portion of the Group's borrowings becoming immediately due and payable. In order to remain in compliance with the covenants, and depending on the future performance of its business, the Group may be required to take actions that it would not otherwise have taken, or may be unable to pursue opportunities it otherwise would have pursued.

The Group's existing level of indebtedness and the covenants which apply to it may have important consequences, including:

- causing the Group to reprioritise the uses to which its capital is put to the potential detriment of the Group's business needs, which, depending on the level of the Group's borrowings, prevailing interest rates and exchange rate fluctuations, could result in reduced funds being available for, *inter alia*, general corporate purposes;
- in the event that the Offering does not proceed, causing the Group to consider disposing of core operations at unattractive prices to raise additional cash proceeds to service or reduce debt;
- limiting the Group's flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates;
- placing the Group at a competitive disadvantage compared to its competitors that may be less leveraged and restricted by financial covenants than it is;
- increasing the Group's vulnerability to both general and industry-specific adverse economic conditions; and
- increasing the cost of servicing the Group's borrowings in the event such covenants are renegotiated.

8.3 Financing Preference Shares B

On 28 April 2009, Heijmans and the holders of Financing Preference Shares B agreed to certain amendments of the terms and conditions applicable to the Financing Preference Shares B, subject to an amendment to the Articles of Association and the Offering being effected.

The Articles of Association currently provide that the dividend percentage payable to the holders of Financing Preference Shares B applies for a duration of seven years, pursuant to which an adjustment was required as of 1 January 2009. Such an adjustment pertains to the arithmetical average of the New Euro Currency Swap curve for a duration of seven years, which duration will be shortened as per the Closing Date to five years. In light of this current statutory requirement, Heijmans consulted the holders of Financing Preference Shares B in order to reach agreement on the surcharge to be applied over the aforementioned average.

Heijmans and the holders of Financing Preference Shares B agreed on a dividend percentage of 7.25 for a duration of five years commencing on 1 January 2009. Also, Heijmans and the holders of Financing Preference Shares B agreed that the nominal value of the Financing Preference Shares B will be increased *pro rata* to the increase of the issued share capital consequent upon the Proposed Offering. This will allow the holders of Financing Preference Shares B to continue to make use of their existing participation exemption (*deelnemingsvrijstelling*). As in the past, a contractual limitation of votes to be exercised on the Financing Preference Shares B, will apply. Pursuant to the approval of the Annual General Meeting of 27 May 2009, the Articles of Association, subject to the Offering being effected, will be amended as per the Closing Date in order to implement these amendments to the terms of the Financing Preference Shares B.

Heijmans has furthermore agreed on certain amendments to the existing subscription agreement, in particular on (i) certain improvements of the consultation procedure with the holders of Financing Preference Shares B in relation to the determination of the surcharge to be applied after the aforementioned five-year period and (ii) in relation to the procedures to be followed in the event the agreed or determined surcharge exceeds the bandwidth provided for in the Articles of Association. In the latter situation, the General Meeting will be requested to either decide for the required change in the Articles of Association or for the withdrawal of the Financing Preference Shares B. As in the past, the aforementioned procedures include a dispute settlement procedure whereby the surcharge is determined by an independent expert.

9. DIVIDEND AND DIVIDEND POLICY

Barring unforeseen circumstances, the Company's policy is to pay a dividend on the Ordinary Shares of approximately 40% of the Company's net profit for the relevant year. However, in view of the net operating loss, the current economic conditions and the Financial Restructuring, the Company has not declared a dividend on the Ordinary Shares in respect of the financial year 2008.

The covenants in the Existing Credit Facilities impose specific restrictions on the distribution of dividends. Under these covenants, dividend on Ordinary Shares will only be paid out if the Leverage Ratio is below 2.5 for two consecutive Measurement Periods.

In general, it is determined on an annual basis whether the dividend is distributed in cash and/or in shares and whether the dividend will be charged to the share premium reserve and/or to any other reserve(s). Holders of BDRs are entitled to the same amount of dividend as paid on Ordinary Shares. For further details in relation to the payment of dividends on the Ordinary Shares/BDRs, see section 2 "Risk Factors", section 8 "Capitalisation and Ratios" and section 13 "Description of Share Capital, BDRs and Corporate Structure".

The following table sets out details of dividends per Ordinary Share/BDR declared by the Company in respect of the years indicated:

Year ended 31 December	Cash dividend per Ordinary Share/BDR
2005	1.45
2006	1.45
2007	1.45
2008	0.00

The Offer BDRs will be eligible for any dividends that may be declared in respect of such Ordinary Shares/ BDRs after the Closing Date.

Dividend payments in respect of the Ordinary Shares/BDRs are subject to a withholding tax of 15% in the Netherlands. See section 14 "Taxation".

10. MANAGEMENT BOARD, SUPERVISORY BOARD AND EMPLOYEES

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

Heijmans has a two-tier management system, which is mandatory for companies, such as Heijmans, that have qualified and have been registered with the Chamber of Commerce as "large companies" for three consecutive years (*structuurregime*). The Management Board, also referred to by Heijmans as the "Executive Board", is the executive body and responsible for the day-to-day management of the Company, its strategy and its operations. Heijmans also has a broader Group-level management, consisting of the members of the Management Board and two group directors responsible for the management of the business units of the Group. The Supervisory Board supervises and advises the Management Board. In addition, as the large company regime is applicable, the Supervisory Board appoints the Management Board, adopts the annual accounts and Supervisory Board approval is required for certain important decisions of the Management Board.

10.1 Management Board

Powers, composition and functioning

The Management Board is responsible for the day-to-day management, the strategy and the operations of the Company.

The Management Board is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and must submit certain important decisions to the Supervisory Board for its prior approval.

The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the Shareholders or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association. The members of the Management Board have joint powers and responsibilities. The members of the Management Board share responsibility for all decisions and acts for the Management Board and for the acts of each individual member of the Management Board. The Management Board has adopted for internal purposes regulations dated 15 February 2005 and published on the Company's website (**Management by-laws**), that describe in detail the duties, responsibilities and powers of each Management Board member, as well as the rules applicable to Management Board meetings. These Management by-laws have been established taking into account the Code. For further information on the Code see section 12 "Corporate Governance".

The Management Board as a whole is entitled to represent the Company. Additionally, each Management Board member is solely authorised to represent the Company. If there is a conflict of interest between the Company and a member of the Management Board, the Supervisory Board may appoint the member of the Management Board or the Supervisory Board that is authorised to represent the Company. The General Meeting may appoint other persons authorised to represent the Company in such a case.

Members of the Management Board are appointed by the Supervisory Board. The Supervisory Board shall notify the General Meeting of the intended appointment of a member of the Management Board.

The Articles of Association provide that the number of Management Board members will be determined by the Supervisory Board. The Management Board will consist of a minimum of one member. In accordance with the Code, the Management by-laws of the Management Board provide that members of the Management Board will in principle be appointed for a maximum term of four years. The Company can, however, deviate from such rule if there are circumstances that – in the opinion of the Supervisory Board – would justify this. Additionally, the provision on a maximum term of four years does not apply to those Management Board members appointed for an indefinite period of time on or prior to the date of the Management by-laws.

Pursuant to the Articles of Association, the Supervisory Board has the power to dismiss a member of the Management Board, after having consulted the General Meeting with respect to such an intention. Under the Articles of Association, the Supervisory Board also has the authority to suspend a member of the Management Board.

The Articles of Association provide that certain resolutions require prior approval of the Supervisory Board, these include, *inter alia*: (i) the issue and acquisition of shares in and of debentures issued by the Company; (ii) co-operation with the issue of depositary receipts for shares; (iii) the entering into or the termination of co-operation of the Company with another legal entity or company or as active and fully liable partner in a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*), if such co-operation or termination is of fundamental importance to the Company; (iv) the acquisition of a participation worth at least a quarter of the amount, or a lower threshold to be determined by the Supervisory Board, of the issued capital plus reserves according to the Company's balance sheet plus explanatory notes, by it or a dependent company in the capital of another company, and any drastic increase or decrease of such a participation; (v) 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, or a lower threshold to be determined by the Supervisory Board; (vi) the termination of the employment of a considerable number of the Company's employees or of a dependent company's employees simultaneously or within a short period of time; and (vii) a significant change in the employment conditions of a substantial number of the Company's or of a dependent company's employees.

Additionally in accordance with the Articles of Association, resolutions of the Management Board relating to an important amendment of the identity or the character of the Company, require prior approval of the General Meeting which includes: (i) the transfer of (nearly) the entire business of the Company to a third party; (ii) the entering into or breaking off a long-term co-operation of the Company or a subsidiary with another legal entity or company or as fully liable partner in a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*), if this co-operation or termination is of major significance for the Company; and (iii) the acquisition or disposal of participating interests in the capital of a Company of at least one-third of the sum of the assets of the Company as shown on its balance sheet plus explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet plus explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary.

Members of the Management Board

The Management Board currently consists of the following three members:

Name	Age	Position	Member since	Term
Mr. R. van Gelder	63	Chairman of the Management Board	1 July 2008	2 years
Mr. G.A. Witzel	57	Member of the Management Board. Vice-chairman.	1 October 2008	4 years
Mr. D.A.M. van der Kroft	52	Member of the Management Board	1 December 2000	N/A

The registered address serves as the business address for all members of the Management Board, being Graafsebaan 65, 5248 JT Rosmalen, the Netherlands.

Mr. van Gelder has been chairman of the Management Board since 1 July 2008. Prior to joining Heijmans, Mr. van Gelder worked for Royal Boskalis Westminster N.V., Schuitema N.V., Oriflame International AB, Burndy Corporation and IHC Holland N.V. At Royal Boskalis Westminster N.V. he was a member of the management board since 1985 and chairman of the management board from 1993 until 2006. His most important additional positions are: member of the supervisory board of Holcim Western Europa S.A., member and chairman of the remuneration committee of the supervisory board of SBM Offshore N.V. and member of the executive board of the Netherlands Association of Securities-Issuing Companies (VEUO).

Mr. Witzel has been a member of the Management Board since 1 October 2008. Mr. Witzel is the vice-chairman and responsible for the infrastructure sector in the Netherlands, the facilities in the Netherlands and the Group companies in Germany and Belgium. Prior to joining Heijmans, Mr. Witzel worked for Strukton Group N.V. and Ballast Nedam Group N.V. At Strukton Group N.V. he was chairman of the management board as of 1998. His most important additional positions are: member of the supervisory board of WIJMA N.V., board member of European International Contractors, member of the board of governors for the construction of the Twente School of Management and member of the executive board of the Netherlands Association of International Contractors.

Mr. van der Kroft has been appointed as a member of the Management Board on 1 December 2000 and currently holds the position of Chief Financial Officer. Prior to joining Heijmans, Mr. van der Kroft worked for Volker Wessels Stevin N.V., Asea Brown Boveri and KPMG. Mr. van der Kroft is also a member of the board of governors for the postdoctoral Chartered Controller Programme at Tias Business School in Tilburg and a member of the supervisory board of the Rotterdam Philharmonic Orchestra. On 29 April 2009, the departure of Mr. van der Kroft as Chief Financial Officer of the Company was announced. He will continue to fulfil his duties until a successor is found.

Employment agreement and severance agreements

The members of the Management Board are employed by the Company on the basis of an employment agreement.

Mr. van Gelder has entered into an employment agreement with the Company for a fixed period of time of two years, ending on 1 July 2010. No notice periods have been provided for. If a public offer on the shares of the Company is declared unconditional prior to 1 July 2010, Mr. van Gelder may resign with a notice period of one month following which he will receive a one-off severance payment equal to (i) EUR 500,000 gross per year, (ii) EUR 150,000 pension payment per year and (ii) a lump sum of EUR 2,000 gross per month, all prorated for the remaining period between the termination date and 1 July 2010. Other than as set out in the previous sentence, Mr. van Gelder and the Company have not agreed on a contractual severance payment in case of termination of employment.

Mr. Witzel has entered into an employment agreement with the Company for a period of four years. Mr. Witzel is entitled to a contractual severance payment if the employment agreement is terminated at the initiative or request of the Company after 22 September 2010. Such severance payment equals one gross annual salary. No severance payment is due in case of urgent dismissal or termination before 22 September 2010.

Mr. van der Kroft has entered into an employment agreement with the Company for an indefinite period of time. As per 1 January 2009, the previous contractual variable remuneration arrangements with Mr. van der Kroft (*persoonlijk prestatiecontract*) are no longer applicable. A new variable remuneration will be determined by the Supervisory Board (in its discretionary powers). As mentioned above, on 29 April 2009, the Company announced that Mr. van der Kroft will resign as Chief Financial Officer as per the date a new Chief Financial Officer joins Heijmans. The search for a new Chief Financial Officer has been initiated. The termination of the employment agreement with Mr. van der Kroft is at the request of the Company. In this respect, Mr. van der Kroft and the Company, represented by the chairman of the Supervisory Board have agreed a severance payment of EUR 500,000 gross. The notice period that needs to be observed by the Company is a maximum of six months if termination takes place before 1 October 2009. Notice periods have been shortened if termination would occur later.

With respect to severance agreements with former Management Board members, the Company has in 2008 awarded severance payments to Messrs. Hoefsloot (former CEO) and Mr. van den Hoven (former member of the Management Board) of EUR 1.8 million and EUR 2.065 million respectively (which were lower than previously contractually agreed upon), which payments have been received with opposition from the VEB, Van Herk and another major shareholder, who called upon the Company to recoup parts of the severance payments awarded as well as to disclose the legal advice that was obtained in relation to the determination of these severance payments.

10.2 Group-level management

Functioning and members

The Group has installed a broader Group-level management consisting of the Management Board and the following two members, who do not have the powers of a statutory director:

Name	Age	Position	Member since	Term
Mr. A.G.J. Hillen	48	Group director	October 2008	N/A
Mr. L.J.T. van der Els	55	Group director	October 2008	N/A

The registered address serves as the business address for all members of the Group-level management, being Graafsebaan 65, 5248 JT Rosmalen, the Netherlands.

Mr. Hillen has been a member of the Group-level management since 1 October 2008. Mr. Hillen is responsible for the "Property Development and Residential Building" activities.

Mr. van der Els has been a member of the Group-level management since 1 October 2008. Mr. van der Els is responsible for the "Non-Residential Building and Technical Services" activities. Prior to joining Heijmans, Mr. van der Els worked for Burgers Ergon in the position of Chief Executive Officer and had a financial interest in the seller of Burgers Ergon, Burgers Groep B.V. Please also refer to section 10.8 "Potential conflicts of interest" and section 11.3 "Related party transactions".

Employment agreement and severance agreements

Mr. Hillen entered into an employment agreement for an indefinite period of time with the Company in the position of Group director (*concerndirecteur*) of the Group-level management in October 2008.

Mr. van der Els entered into an employment agreement with the Company for an indefinite period in the position of Group director (*concerndirecteur*) of the Group-level management in October 2008, following the acquisition by Heijmans of Burgers Ergon B.V. in January 2007. In the acquisition agreement, Mr. van der Els agreed to remain with the Group until at least January 2011.

No severance arrangements have been entered into.

10.3 Supervisory Board

Powers, composition and functioning

The Supervisory Board is responsible for supervising the policy pursued by the Management Board and general course of corporate affairs of the Company. The Supervisory Board may also, on its own initiative, provide the Management Board with advice and request any information it deems appropriate.

In performing its duties, the Supervisory Board is required to act in the interests of the Company and its business as a whole. The members of the Supervisory Board are generally not authorised to represent the Company in dealings with third parties.

On 2 February 2005, the Supervisory Board adopted regulations on its functioning (**Supervisory Board by-laws**), as published on the Company's website.

Members of the Supervisory Board must always be natural persons (not legal entities). The Supervisory Board must consist of at least three members as further determined by the Supervisory Board itself. Members of the Supervisory Board are appointed by the General Meeting at the proposal of the Supervisory Board. The General Meeting can, by an absolute majority of the votes cast, representing at least one-third of the issued capital, reject the nomination. The Supervisory Board must simultaneously inform the General

Meeting and the works council of a nomination. The nomination will state the reasons on which it is based. The General Meeting and the works council may recommend candidates to the Supervisory Board to be nominated as members of the Supervisory Board. 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 shall put a person recommended by the works council on the nomination, unless the Supervisory Board objects to the recommendation because it is of the opinion that the recommended person shall be unsuitable for the exercise of the duties of a member of the Supervisory Board or that the Supervisory Board shall not be composed properly in case of appointment in accordance with the recommendation. If the number of members of the Supervisory Board 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.

Under the Supervisory Board by-laws, a member of the Supervisory Board is appointed for a maximum of four years, which appointment can be renewed provided that the term of office cannot be longer than three terms of four years, unless the Supervisory Board would decide otherwise in individual cases.

The members of the Supervisory Board retire periodically in accordance with a rotation plan prepared by the Supervisory Board. The Supervisory Board has prepared a profile (*profielschets*) for its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the members of the Supervisory Board, which profile will be reviewed in the near future and which will be published on the Company's website. The Supervisory Board appoints a chairman from its members.

A member of the Supervisory Board may be dismissed by the Commercial Division of the Amsterdam Court of Appeal. The Supervisory Board may suspend a member of the Supervisory Board. The General Meeting can, by an absolute majority of the votes cast, representing at least one-third of the issued capital, take a vote of no-confidence in (*het vertrouwen opzeggen*) the Supervisory Board. The reasons for the resolution must be stated. Such a resolution shall not be passed until the Management Board has notified the works council of the proposed resolution and the reasons therefore. 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 Management Board shall inform the Supervisory Board and the General Meeting thereof. The works council can have its position explained in the General Meeting. This resolution of the General Meeting shall result in the immediate resignation of all members of the Supervisory Board, in which case the Management Board is required to request the Commercial Division of the Amsterdam Court of Appeal to temporarily appoint one or more members of the Supervisory Board.

Under the Supervisory Board by-laws, a meeting of the Supervisory Board shall take place at least six times per year and may in addition be convened at any time if one or more members deems necessary. Decisions of the Supervisory Board shall be taken by majority of votes. The Supervisory Board can only pass resolutions if at least a majority of the members are present or represented.

Members of the Supervisory Board

The Supervisory Board currently consists of the following four members:

Name	Age	Position	Member since	Term
Mr. A.A. Olijslager	65	Chairman of the Supervisory Board	18 April 2007	Appointed in April 2007 until 2011
Mr. J.L.M. Bartelds	63	Member of the Supervisory Board	31 May 1994	Reappointed in May 2006 until 2010
Mr. S. van Keulen	62	Member of the Supervisory Board	18 April 2007	Appointed in April 2007 until 2011
Mr. R. Icke	52	Member of the Supervisory Board	9 April 2008	Appointed in April 2008 until 2012

The registered address serves as the business address for all members of the Supervisory Board, being Graafsebaan 65, 5248 JT Rosmalen, the Netherlands.

Mr. Olijslager has been appointed as a member of the Supervisory Board on 18 April 2007 and currently holds the position of chairman. Mr. Olijslager is a member of the remuneration committee and of the selection and appointment committee. He is due to retire in 2011, but could be re-elected. He is a former chairman of the board of Royal Friesland Foods N.V. His most important additional positions are: vice-chairman of the supervisory board of ABN AMRO Holding N.V., vice-chairman of the supervisory board of AVEBE U.A., member of the supervisory board of Center Parcs N.V., chairman of the supervisory board of Eriks Groep N.V., member of the supervisory board of Hagemeyer N.V., chairman of Stichting Maatschappij en Onderneming and member of the supervisory board of SMO B.V., chairman of the supervisory board of Friesland College and member of the supervisory board of Stichting Nyenrode.

Mr. Bartelds has been a member of the Supervisory Board since 31 May 1994 and was most recently reappointed in May 2006. He is a member of the audit committee and is due to retire in 2010 and cannot be re-elected. Mr. Bartelds is a former chairman of the executive board of Fortis N.V./S.A. His most important additional positions are: member of the board of the National Restoration Fund, chairman of the supervisory board of the Stichting VSB Fonds, member of the board of Stichting VSB Vermogensfonds, member of the supervisory board of Hulskamp Audiovisueel and member of the supervisory board of Stichting Zorgspectrum.

Mr. van Keulen was appointed as member of the Supervisory Board on 18 April 2007 and is due to retire in 2011, but could be re-elected. Mr. van Keulen is chairman of the remuneration committee and of the selection and appointment committee and member of the audit committee. He is a former chairman of the executive board of SNS REAAL N.V. His most important additional positions are: member of the executive board of Stichting PharmAccess International, member of the executive board of Stichting Health Insurance Fund, chairman of the executive board of Stichting Investment Fund for Health Africa, chairman of the Holland Financial Center, member of the supervisory board of the APG Group and member of the supervisory board of World Wildlife Fund.

Mr. Icke was appointed as a member of the Supervisory Board on 9 April 2008 and is due to retire in 2012, but could be re-elected. Mr. Icke is the chairman of the audit committee. He is Chief Executive Officer of USG People N.V. His most important additional position is: member of the supervisory board of Gropeco B.V.

A fifth member of the Supervisory Board has retired as per the Annual General Meeting of 27 May 2009 due to the rotation schedule. Whether or not a new member will be appointed, will be decided by the Supervisory Board.

10.4 Supervisory Board committees

The Supervisory Board by-laws provide for the possibility to install permanent or ad hoc committees within the Supervisory Board. The Supervisory Board by-laws state that there are at least the following three committees: a remuneration committee, an audit committee and a selection and appointment committee. The Supervisory Board does not have any additional committees.

Remuneration committee

The regulations of the remuneration committee define the duties of this permanent committee of the Supervisory Board. The remuneration committee focuses on the structure and size of the remuneration of the Management Board members and makes proposals in this regard to the Supervisory Board. Proposed changes to the entire remuneration policy are submitted to the General Meeting for adoption.

The remuneration committee presently consists of Mr. van Keulen (chairman) and Mr. Olijslager.

Audit committee

The audit committee is charged with supervising the Management Board in a number of financial areas. Examples in this regard are the operation of internal risk and management systems, including compliance with laws and regulations and the functioning of codes of conduct, the relation with the external auditor and the financing of the Company.

The audit committee presently consists of Mr. Icke (chairman), Mr. Bartelds and Mr. van Keulen.

Selection and appointment committee

The selection and appointment committee establishes, among other things, the selection criteria and appointment procedure with respect to Management Board members and Supervisory Board members. The committee also evaluates, at least once a year, the performance of Management Board members.

The selection and appointment committee presently consists of Mr. van Keulen (chairman) and Mr. Olijslager.

10.5 Remuneration

Management Board

The remuneration of the members of the Management Board must be determined by the Supervisory Board in accordance with the remuneration policy which has been adopted by the General Meeting on 5 May 2004.

The remuneration policy is implemented in a remuneration report drawn up by the Supervisory Board. The remuneration report serves as a guideline for the near future when determining the separate components of the remuneration package for the members of the Management Board by the Supervisory Board.

The Supervisory Board pursues a remuneration policy for the Management Board that is founded on the following basic principles:

- Executive compensation must be such that it is possible to attract and retain top executives, not only from the construction industry, but from related sectors, such as real estate development and supplying industries as well.

- The remuneration policy must be consistent with the Company's corporate governance policy.

- Remuneration must be guided by the strategic and financial objectives and must to a significant degree be performance-based, whereby a proper balance must be struck between short- and long-term results.

- The remuneration must not include any incentives that could result in individual behaviour that is in conflict with the Company's interests.

The Company's remuneration structure for the Management Board up to and including 2008 was as follows. The remuneration of the Management Board includes a fixed income component and an annual variable compensation component that is dependent on the short-term objectives (annual variable remuneration) and the long-term objectives (three-year variable remuneration).

Under this structure, the variable compensation equated to 100% of the fixed income provided that the short and long-term objectives are achieved. However, in case of significantly better or inferior performance in comparison to the agreed upon targets, variable compensation can increase to a maximum of 160% of the fixed income or be reduced to zero.

In case the objectives are achieved, 60% of the total variable compensation will consist of the annual variable remuneration and 40% will consist of the repeating three-year variable remuneration.

The allocation of the variable remuneration is linked to clearly measurable criteria. 70% of the annual variable remuneration depends on the annual profit and yield targets. The other 30% is dependent on individual, clearly measurable objectives. 50% of the three-year variable remuneration is dependent on financial objectives and 50% is dependent on relative performance in comparison with other construction companies and on share price trends.

As of 2009, no variable remuneration packages have been agreed upon. Any such remuneration will be decided upon by the Supervisory Board. Over the financial year ended 31 December 2008, no variable remuneration has been awarded. A new remuneration policy is currently under review by the Supervisory Board.

An analysis of emoluments of the Management Board including their salary, variable remuneration, pension and other benefits (other than BDRs, see section 10.6 "Equity holdings") for the year ended 31 December 2008 is set out below.

Name	Remuneration (in EUR)	Employer's pension contributions (in EUR)	Annual variable remuneration (in EUR)	Car and other benefits	Expense allowance (in EUR)
Mr. van Gelder	250,000	75,000	N/A	Car and insurances	2,724
Mr. Witzel	100,000	31,612	0	Car and insurances	1,362
Mr. Van der Kroft	354,145	137,450	0	Car and insurances	42,841

Senior management

The remuneration of the senior management is governed by their employment agreements and determined by the Management Board.

The Management Board can grant Mr. van der Els and Mr. Hillen an annual variable remuneration, of which 60% is dependent on the short-term objectives and 40% on long-term objectives (three years).

An analysis of emoluments of the senior managers including their salary, variable remuneration, pension and other benefits for the year ended 31 December 2008 is set out below.

Name	Remuneration (in EUR)	Employer's pension contributions (in EUR)	Annual variable remuneration (in EUR)	Car and other benefits	Expense allowance (in EUR)
Mr. Hillen	281,673	95,514	0	Car and insurances	3,405
Mr. van der Els	272,093	53,813	0	Car and insurances	3,405

Supervisory Board

The remuneration of the Supervisory Board members shall be established by the General Meeting. Over 2008, the chairman of the Supervisory Board received a fixed fee of EUR 45,000 and the other four members each received EUR 30,000. Apart from the remuneration of the Supervisory Board members, the members of the audit committee receive an additional remuneration of EUR 5,000 per annum and the members of the remuneration- and the selection and appointment committee receive an additional remuneration of EUR 2,500 per annum.

No member of the Supervisory Board is entitled to a contractual severance payment in case of termination of employment.

10.6 Equity holdings

At the date of this Prospectus, no member of the Management Board, senior management or Supervisory Board holds any form of equity or equity derivatives in the Company, such as Ordinary Shares, BDRs or Preference Shares, other than Mr. van Gelder as detailed below and Mr. Hillen who holds 25 BDRs.

As per 1 October 2008, Mr. van Gelder has been granted the right to purchase 300,000 BDRs at an issue price of EUR 14.05. The rights may be (wholly or partly) exercised between 1 October 2010 and 1 October 2013. The issue price will be adjusted in case of a recapitalisation. The rights may be exercised immediately in the event of a public offer. If a public offer would occur before 1 July 2009, only 50% of option rights can be exercised.

10.7 Other information regarding the Management Board, senior management and Supervisory Board

At the date of this Prospectus, no member of the Management Board, senior management and 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) and (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.

There are no arrangements or understandings in place with major shareholders, customers, suppliers or others, pursuant to which any member of the Management Board, senior management or Supervisory Board was selected as such a member.

10.8 Potential conflicts of interest

Mr. van Gelder is a Management Board member and also holds options on BDRs. Mr. Hillen is a senior manager and a member of the Group-level Board and also holds BDRs (albeit 25).

Mr. van der Els had a financial interest in the seller of Burgers Ergon, Burgers Groep B.V. The purchase price in the Burgers Ergon transaction consisted of two parts: (i) the basic purchase price and (ii) the post-payment of an earn-out based on the total EBIT of Burgers Ergon in respect of the period 2007-2010, with a maximum amount of EUR 2 million. Mr. van der Els will be entitled to a part of the post-payment amount (*pro rata parte* his (indirect) interest in the seller of 66%) if he is still a member of the management board of Burgers Ergon at the end of 2010.

Except as disclosed in this paragraph 10.8, no member of the Management Board, senior management and Supervisory Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties. There is no family relationship between any member of the Management Board, Supervisory Board or senior management.

10.9 Employees

The below table sets out the number of employees employed by the Group at the end of each financial year, as well as a breakdown of the Group's employees by country. At 31 March 2009, the group employed a total of 10,637 employees.

Country & total	31 December 2006	31 December 2007	31 December 2008
Netherlands	6,557	7,934	7,415
Belgium	1,504	1,451	1,279
United Kingdom	564	642	689
Germany	564	1,609	1,604
Total	9,189	11,636	10,987

10.10 Equity-based incentives to employees

There are no employee incentive plans in place which make employees eligible for any securities in the capital of the Company or any member of the Group. For individual holdings or incentive plans, reference is made to section 10.6 "Equity holdings" for more information.

10.11 Collective labour agreement

In the Netherlands, almost all the Group's employees are covered by sector-wide collective labour agreements. A concise overview is provided below.

CLA Building Industry (*CAO Bouwnijverheid*)	70%
CLA Metal Electrical Engineering (*CAO Metaal & Techniek*)	25%
CLA Landscaping Companies (*CAO Hoveniersbedrijf*)	2%
CLA Concrete Construction Products Industry (*CAO Betonproductenindustrie*)	1%
CLA Road Transport and Haulage (*CAO Beroepsgoederenvervoer*)	1%
Other collective labour agreements	1%

10.12 Works council

The Group has established works councils at various levels:

- a European works council at the European level;
- a central works council at the level of Heijmans itself;
- various works councils at the level of the market sectors in which the Group operates. The works council for the residential building sector has furthermore installed various regional committees; and
- various works councils at the level of some material Dutch, all three German and certain Belgian subsidiaries.

The works council is a body consisting of employee representatives and which members have been elected by the employees.

Under Dutch law, the works council has a right to render its advice on resolutions concerning important matters of the Company, such as intended acquisitions or divestments, seeking credit facilities or making capital investments. Failure by the management of the member of the Group concerned to follow up the advice opens the possibility for the works council to appeal to the Commercial Division of the Amsterdam Court of Appeal within one month of the entrepreneur's written notification of his decision. During this one-month period the entrepreneur must suspend the implementation of his decision.

A limited number of intended decisions directly pertaining to employees' matters are subject to the Dutch works council's consent. Examples are decisions on a profit-sharing plan or savings plan, regulations on working hours or holiday policy or employee performance review. If the works council's consent to a proposed decision is not obtained, the entrepreneur may request the Cantonal Court of the District Court to approve the decision.

In Germany, works councils have also developed rights of consent on a number of similar matters as for which works councils in the Netherlands have rights of consent. Additionally, the prior consent of the works council is required on matters such as drawing up of a financial compensation plan for redundant employees.

The Group has also installed a European works council pursuant to the European Works Council Directive as implemented in the relevant jurisdictions. An agreement between the European works council and Heijmans arranges the scope, functions and term of office of the council. The rights of the Heijmans European works council pertain to information and consultation rights on issues such as the economic and financial situation, structure, transfers, mergers, cutbacks, closures and collective redundancies and new working methods and technology, insofar such issues carry important consequences to Group employees in at least two countries.

10.13 Pension schemes

The Group has various pension schemes in place for its employees, the allocation of which depends on position, sector and historical ties.

The vast majority of the Group's employees are joined with the following (compulsory) sectoral pension funds: (i) construction industry, (ii) Metals and Electrical Engineering, (iii) concrete production, (iv) railways, (v) transportation and (vi) agriculture.

These pension arrangements provide for an average pay pension scheme. A limited number of Group's employees and retirees may alternatively be still covered by collective insurance policies for their pensions.

For Group's employees earning above a certain threshold (approximately EUR 55,000), the excess pay serves as a pension basis for the scheme offered by the Foundation Pension Scheme Heijmans (*Stichting Pensioenfonds Heijmans*). This pension arrangement offers a final pay pension with respect to the excess pay only.

Certain former IBC employees are still joined with the Foundation Pension Scheme IBC (*Stichting Pensioenfonds IBC*), which scheme has received dispensation from joining the compulsory sectoral pension funds. The number of participants will continue to decrease as no entrants are allowed. This pension arrangement offers an average pay pension scheme.

One current member of the Management Board has joined the Foundation Pension Fund Management Board Heijmans (*Stichting Pensioenfonds Raad van Bestuur Heijmans*), Mr. van der Kroft. This pension arrangement offers a mixture of final pay and average pay pension. The other two members of the Management Board enjoy a contribution to their private pension schemes.

As per 31 December 2008, the pension fund for the Management Board, offered by the Foundation Pension Fund Management Board Heijmans, and the excess pension fund for Heijmans employees, offered by the

Foundation Pension Scheme Heijmans, were underfunded by EUR 571,000 and EUR 4,935,000 respectively based on the recovery plans submitted to the DNB. The underfunding is caused by the recent economic downturn, the decrease in interest and significant decreases in value of global stocks. Both pension funds pertain to defined-benefit schemes. As is the case with a significant number of pension funds in the Netherlands, the aforementioned pension funds have submitted recovery plans with the DNB in order re-attain the necessary funding ratios within five years. Failure to reach certain milestones may necessitate measures such as lowering of pension payments, ceasing indexation or increases in premiums, which latter measure may need to be partly borne by the Group.

The re-insured pension fund for former IBC employees has been granted temporary dispensation to submit a recovery plan to the DNB. The coverage ratio fell below 100% in the first half of 2009 due to a lower rating of its re-insurer, *Nationale Nederlanden*. If the DNB were to decide that the Group is required to submit a recovery plan, it would only be required to take any measures if the milestones referred to in the recovery plan would not be met.

10.14 Liability of the members of the Management Board and the Supervisory Board

Under Dutch law, members of the Management Board and the Supervisory Board may be liable to Heijmans for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company and to third parties for infringement of the Articles of Association 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 members of the Management Board, members of the Supervisory Board and other officers of the Group has been covered by directors' and officers' liability insurance. These policies contain limitations and exclusions, such as for wilful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

11. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

11.1 Holdings prior to and following the Offering

The register of the Financial Supervision Act maintained by the AFM identifies several investors as holding a significant interest in Heijmans as per the date of this Prospectus. The following table sets out the name of each investor, who, as far as Heijmans is aware of, has a direct or indirect interest in the Company's share capital.

Financing Preference Shares B

Name	% of share capital	Type of interest	Number of votes
Ducatus N.V.	6.52 %	Direct	852,000
Aviva Plc. (Delta Lloyd Groep)	5.70%	Indirect	745,500
F. van Lanschot International Trust Company B.V. [5]	9.32 %	Direct	1,218,360

Ordinary Shares

Name	% of share capital	Type of interest	Number of votes
Heijmans Share Administration Trust	78.46%	Direct	24,072,164

BDRs

Name	% of share capital	Type of interest	Number of Votes
Aviva Plc. (Delta Lloyd Groep)	3.90%	Indirect	1,195,000
Delta Deelnemingen Fonds N.V.	4.39%	Direct	1,347,000

Call option

Name	% of share capital	Type of interest	Potential Number of Votes
Stichting Preferente Aandelen Heijmans	87.63%	Direct	26,888,400

11.2 Shareholders agreement

Heijmans, F. van Lanschot International Trust Company B.V., Delta Lloyd Levensverzekering N.V., Delta Lloyd N.V. and Ducatus N.V. entered into a placement and shareholders agreement relating to the Financing Preference Shares B, dated 27 June 2002. The placement and shareholders agreement was recently amended and restated. The placement and shareholders agreement includes provisions relating to the dividend mechanism, the repurchase or cancellation and the transferability of the Financing Preference Shares B as well as a restriction of the voting rights attached to the Financing Preference Share B. The Company has no knowledge of any other shareholders agreement.

11.3 Related party transactions

Heijmans' related parties can be subdivided in subsidiaries, associated companies, joint ventures, the Company's pension fund and the members of the Supervisory Board, the Management Board and the senior management. Heijmans conducts related party transactions at arm's length and subject to terms comparable

5 F. van Lanschot Management B.V. is the manager of the mutual fund Heijmans Cumprefs Gemeenschappelijk Bezit (*fonds voor gemene rekening Heijmans Cumprefs Gemeenschappelijk Bezit*) and is registered in the register of the Financial Supervision Act maintained by the AFM by virtue of its position as manager. However, F. van Lanschot International Trust Company B.V. is the legal owner (custodian) of the interest in Heijmans and therefore included in the table above.

to market conditions. This paragraph will provide an overview of the different types of related party transactions as per the date of this Prospectus.

Heijmans is involved in a number of operating activities that are executed in cooperation with subsidiaries or associated companies, for example in joint ventures. Significant transactions in this respect are the contribution of land positions in joint ventures and the financing thereof. The most significant associated companies are Frees Maatschappij B.V., Latexfalt B.V. and the PPS Delfluent B.V. and Safire Holding B.V. As Heijmans is able to exercise significant control over these partnerships these companies are considered associated companies.

Furthermore, the bank guarantees and parent company guarantees issued by Heijmans on behalf of its subsidiaries, associated companies and joint ventures qualify as related party transactions. The parent company guarantees issued on behalf of subsidiaries amount to EUR 635.8 million at year-end. These parent company guarantees can be divided in two categories, parent company guarantees to credit institutions in order to secure loans granted to subsidiaries (totalling: EUR 494,639,000) and parent company guarantees to clients (totalling: EUR 141,118,000). In addition, Heijmans issued bank guarantees on behalf of subsidiaries amounting to EUR 594,327,000. These bank guarantees relate to the execution of projects for clients and to future investment obligations. No bank or parent company guarantees were issued on behalf of associated companies/joint ventures.

The Company has no knowledge of any transactions with the Company's Management Board members, Supervisory Board members and senior management, with the exception of the remuneration of the Management Board members, the Supervisory Board members and the senior management (refererence is made to section 10.5 "Remuneration") and with the exception of the entitlement of Mr. van der Els to a part of the post-payment in relation to the Burgers Ergon transaction (reference is made to section 10.8 "Potential conflicts of interest").

12. CORPORATE GOVERNANCE

On 9 December 2003, a committee commissioned by the Dutch government (*Commissie Tabaksblat*) published the Corporate Governance Code (the **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. Dutch companies whose shares are listed on a government-recognised stock exchange 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. Heijmans fully meets the intent of the Code and adheres to almost all provisions and best practices of the Code. Heijmans currently deviates from only a few provisions and has appropriately motivated such deviations.

In December 2008, the Monitoring Committee adopted the amended Code (**Amended Code**). The amendments to the Code are a result of three years monitoring. The Amended Code entered into force on 1 January 2009. Heijmans will implement the Amended Code into its corporate governance structure in the course of 2009. For the purpose of this section 12, reference is made to the provisions of the Amended Code.

Best practice provisions II.1.1, II.2.8 and II.2.14 relate to the remuneration and appointment of directors. Heijmans endorses the principles but respects the agreements with the directors with regard to their term of office, remuneration, termination and publication of the terms of employment that were already in place when the Code was published. For appointments in the future, the recommendations of the Code on these points will be followed.

Best practice provision IV.2.3 recommends that the board members of a trust office do not serve longer than three terms of four year each. This provision is incorporated in the Heijmans Share Administration Trust's articles of association. However, the articles of association provide for an exception to this maximum number of reappointments in the event of exceptional circumstances. The above stipulation currently applies to one of the four members of the board. According to best practice provision III.3.5 the same applies for members of the Supervisory Board, they may also not serve more than three terms of four years each on the board. Heijmans endorses this principle but it needs time to implement it; in the interest of continuity in supervision and management it is necessary to temporarily deviate from this principle set out in the Code.

Principle III.8 refers to the management and composition of the one-tier management structure. This principle is not applicable to Heijmans, since Heijmans applies a two-tier management structure. As a result, best practice provision IV.1.1 relating to the general meeting of shareholders of a company not having a statutory two tier status (*structuurregime),* is also not applicable to Heijmans.

Best practice IV.3.1 stipulates, amongst others, that provisions should be made for all shareholders to follow meetings with analysts in real time by means of webcasting or telephone lines. Heijmans has incorporated best practice provision IV.3.1 into the executive board regulations. However, Heijmans deviates to a minor extent from this best-practice provision. From a logistic perspective, it is not always possible to follow these meetings via webcasting or telephone lines.

Best practice provision IV.3.10 recommends a company to make the minutes of the general meeting of shareholders available within three months of the meeting on the request of the shareholders, after which the shareholders must be given three months to comment on the minutes. The minutes must then be adopted in the manner prescribed by the Articles of Association. For reasons of efficiency Heijmans deviates slightly from this provision. Minutes are taken during the meeting, unless the items discussed during the meeting are recorded as a notarised verbatim account. The notarised verbatim account or the minutes are prepared and approved no later than three months following the meeting. The minutes are approved and signed as such by the chairman and the secretary of the relevant meeting, as well as by a shareholder or a holder of depositary receipts for shares appointed by the chairman of the relevant meeting. The approved minutes of the General Meeting are placed on the Heijmans website as soon as possible after the minutes are approved and distributed, on request and otherwise, to shareholders/holders of depositary receipts for shares.

The Monitoring Committee recommends listed companies to include a chapter in the annual report regarding the outline of the corporate governance structure and the adherence to the Amended Code as a separate item on the agenda of the Annual General Meeting in 2010 for discussion purposes. Heijmans will include the subject "Corporate Governance Heijmans" as a separate item on the agenda of its Annual General Meeting in 2010 and intends to explain and clarify to what extent Heijmans deviates, appropriately motivated, from the Amended Code.

13. DESCRIPTION OF SHARE CAPITAL, BDRS AND CORPORATE STRUCTURE

Set out below is a summary of some relevant information concerning the Shares and a brief summary of certain provisions of Dutch corporate law and the Articles of Association. It was decided in the General Meeting of 27 May 2009 to amend the Articles of Association. The first amendment has already been effected and is part of the Articles of Association as incorporated by reference into this Prospectus. The second amendment is required to facilitate the Offering and will be effected on the Closing Date. The second amendment will pertain to the following matters: (i) increase of the authorised share capital as outlined in section 13.6 "Authorised share capital – Offering", (ii) amendment of the voting rights attached to the Shares as outlined in section 13.19 "Voting rights" and (iii) the calculation of the dividend percentage on the Financing Preference Shares B as outlined in section 13.22 "Calculation of dividends and other distributions".

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 of Association or with Dutch law, as the case may be. The full text of the Articles of Association is incorporated in this Prospectus by reference and is available, in Dutch and in English at the Company's head office (reference is also made to section 18.4 "Availability of documents").

13.1 Introduction

Heijmans N.V. is a public limited liability company (*naamloze vennootschap*) and was incorporated under Dutch law by a notarial deed dated 6 April 1923. Heijmans operates under Dutch law. Heijmans has its statutory seat in Rosmalen, the Netherlands, with its head office at Graafsebaan 65, 5248 JT Rosmalen, the Netherlands. The Company is registered in the commercial register of the Chamber of Commerce and Industry in Oost-Brabant ('s-Hertogenbosch) under the number 16004309. The telephone number of the Company is +31 (0)73 543 5111.

13.2 Corporate purpose

Pursuant to article 3 of the Articles of Association, the Company's objects and purposes are to participate in, to conduct the management of, and to finance other businesses in the field of the construction industry and related industries, in particular in the field of hydraulic engineering, road construction, commercial and industrial building and house construction, tendering to works and everything connected with or conducive to the afore-stated, and finally vouching for debts of third parties.

13.3 Large company regime

The large company regime (*structuurregime*) applies to Heijmans. This paragraph provides an overview of the main obligations for companies under the large company regime.

Companies to which the large company regime applies are obliged to constitute a supervisory board. The general meeting appoints the members of the supervisory board on the nomination of the supervisory board. The general meeting can reject the nomination with an absolute majority of the votes cast with at least one-third of the issued capital represented at the general meeting.

The general meeting and the works council both have a right of recommendation. A third of the members of the supervisory board must be nominated on the basis of the recommendation of the works council. For these members of the supervisory board, the supervisory board can only object to the recommendation of the works council on the grounds that the recommended candidate is inadequate or that the supervisory board will not be sufficiently assembled if the nominated candidate is appointed. For a more elaborate description of the appointment of the Supervisory Board please refer to section 10.3 "Supervisory Board".

The supervisory board has extensive powers under the large company regime. Major strategic and organisational decisions taken within the company require the consent of the supervisory board. The supervisory board is also charged with the appointment and dismissal of the members of the management board. See also section 10.1 "Management Board".

13.4 Share capital

At the date of this Prospectus, the Company's authorised share capital amounts to EUR 3,000,000, divided into:

(a) 40,000,000 Ordinary Shares with a nominal value of EUR 0.03 each of which 24,072,584 are currently outstanding at the date of this Prospectus;

(b) 10,000,000 Financing Preference Shares B with a nominal value of EUR 0.03 each of which 6,610,000 are outstanding at the date of this Prospectus; and

(c) 1,000,000 Preference Shares with a nominal value of EUR 1.50 each of which no shares are issued at the date of this Prospectus.

All outstanding Shares are paid up.

In order to facilitate the Offering the authorised share capital will be increased, as set out in section 13.6 "Authorised share capital – the Offering", by effecting an amendment of the Articles of Association on the Closing Date.

13.5 Composition of the share capital

Set out below are the amounts of outstanding shares and the authorized share capital in 2006, 2007 and 2008. The overview demonstrates that no mutations have occurred in the share capital within the last three years.

	31 December 2006		31 December 2007		31 December 2008	
	Authorised share capital	Outstanding Capital	Authorised share capital	Outstanding Capital	Authorised share capital	Outstanding Capital
Ordinary Shares	40,000,000	24,072,584	40,000,000	24,072,584	40,000,000	24,072,584
Financing Preference Shares B	10,000,000	6,610,000	10,000,000	6,610,000	10,000,000	6,610,000
Preference Shares	1,000,000	-	1,000,000	-	1,000,000	-
Total	51,000,000	30,682,584	51,000,000	30,682,584	51,000,000	30,682,584

13.6 Authorised share capital – the Offering

The authorised share capital of Heijmans will be increased significantly in order to facilitate the Offering. The necessary increase of the authorised share capital will be effected by amending the Articles of Association on the Closing Date on the basis of the resolution made in the General Meeting held on 27 May 2009.

The Company's authorised share capital will amount to EUR 24,660,000, divided into:

(a) 320,000,000 Ordinary Shares with a nominal value of EUR 0.03 each;

(b) 7,000,000 Financing Preference Shares B with a nominal value of EUR 0.39 each; and

(c) 8,220,000 Preference Shares with a nominal value of EUR 1.50 each.

The authorised share capital, the number of Shares and the nominal value of the Financing Preference Shares B referred to above represent a maximum and can be adjusted downwards. In relation to such a downward adjustment the following conditions apply:

(a) The increase of the authorised share capital consisting of Ordinary Shares, compared to the current authorised share capital (reference is made to section 13.5 "Composition of the share capital"), depends on the amount of Ordinary Shares issued in the context of the Offering. The latter depends on the Issue Price, that will be determined shortly before the Offering.

(b) In order to prevent dilution of the nominal interest of the holders of Financing Preference Shares B as a result of the Offering, the nominal amount of the Financing Preference Shares B is increased proportionately. The intention of this increase is to procure that the total nominal interest of the holders of Financing Preference Shares B as a percentage of the total outstanding share capital after the Offering remains unaltered. The nominal value of the Financing Preference Shares B identified above is the maximum amount related to the maximum number of Shares to be issued within the authorised capital. The ultimate nominal value of the Financing Preference Shares B that will be included in the Articles of Association is the value that as much as possible neutralises the dilution of the nominal interest of the holders of Financing Preference Shares B resulting from the Offering, rounded to the nearest Eurocent in the normal manner. As in the past, a contractual limitation of votes to be exercised on the Financing Preference Shares B, will apply.

(c) Virtually half of the nominal value of the authorised share capital will consist of Preference Shares that are protective in nature. The remaining part of the authorised share capital will consist of Ordinary Shares and Financing Preference Shares B.

(d) The nominal value of the authorised share capital cannot, pursuant to the Dutch Civil Code, exceed five times the nominal value of the total outstanding capital after the issue of the Ordinary Shares and the increase of the nominal value of the Financing Preference Shares B.

At the General Meeting held on 27 May 2009, the General Meeting authorised the Management Board to determine the final amount of the authorised share capital and the numbers of Shares as referred to above on the Closing Date, pursuant to the conditions set out above.

In addition, the General Meeting decided that the increase of the nominal value of the Financing Preference Shares B will be charged to the share premium that was created as a result of the contribution of the Financing Preference Shares B.

13.7 Form and transfer of the Shares

Currently, the Company's share capital is divided into Ordinary Shares, Financing Preference Shares B and Preference Shares. All Shares shall be registered shares. No share certificates shall be issued. The Ordinary Shares have been numbered in such a way that they can be discerned from each other. The Financing Preference Shares B have been numbered consecutively from FB1 onwards and the Preference Shares from P1 onwards. Nearly all of the Ordinary Shares are held by the Heijmans Share Administration Trust and a small number of the Ordinary Shares are held by natural persons.

A transfer of a share or a restricted right thereto shall require a deed of transfer and the acknowledgement by the Company of the transfer in writing. The latter condition is not required in the event the Company itself is party to the transfer. For every transfer of Financing Preference Shares B the approval of the Management Board shall be required. The approval shall be requested in writing, by which the name and address of the intended acquirer and the price or other counter performance that the intended acquirer is prepared to pay or to give must be stated. The transfer restriction relating to Financing Preference Shares B does not apply if the Shareholder is obligated by law to transfer his Financing Preference Shares B to a prior shareholder.

13.8 Heijmans BDRs

The BDRs issued for Ordinary Shares by the Heijmans Share Administration Trust (*Stichting Administratiekantoor Heijmans*) are represented by one single share certificate (*verzamelbewijs*) kept in custody by Euroclear Nederland. The BDRs are listed on Euronext Amsterdam. The Heijmans Share Administration Trust issued 24,072,164 BDRs for Ordinary Shares on the date of this Prospectus.

13.9 The Heijmans Share Administration Trust

The Heijmans Share Administration Trust was established on 24 April 1964 under the laws of the Netherlands. The Heijmans Share Administration Trust has its statutory seat in Rosmalen, the Netherlands, with its head office at Graafsebaan 65, 5248 JT Rosmalen, the Netherlands and is registered in the commercial register of the Chamber of Commerce and Industry in Oost-Brabant ('s-Hertogenbosch) under the number 41080851.

Pursuant to article 2 of the articles of association of the Heijmans Share Administration Trust, its objects and purposes include the issue of BDRs, the administration of the Ordinary Shares for which BDRs 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 Heijmans Share Administration Trust is primarily focused on the interest of the BDR holders, while taking into account the interests of Heijmans, its affiliates and all other parties involved.

The board of the Heijmans Share Administration Trust consists of:

(a) Mr. C.J. de Swart (chairman)

(b) Mr. W.M. van den Goorbergh (board member)

(c) Mr. P.J.J.M. Swinkels (board member)

(d) Mr. R.P. Voogd (board member)

The Heijmans Share Administration Trust has appointed the Administratiekantoor van het Algemeen Administratie– en Trustkantoor B.V. in Amsterdam as administrator to perform certain administrative tasks relating to the Ordinary Shares and the BDRs.

13.10 Rights of BDR holders

BDR holders or their proxy holders have the right to personally attend any General Meeting, subject to depositing their BDRs or other evidence thereof as specified in the notice convening the meeting.

The voting rights attached to the Ordinary Shares (one vote per Ordinary Share) rest with the Heijmans Share Administration Trust, but BDR holders who intend to vote at the General Meeting are provided with an unconditional proxy to exercise their respective votes at the General Meeting by the Heijmans Share Administration Trust.

BDR holders have the option to convert BDRs into Ordinary Shares. This option has – to date – been exercised in respect of 420 BDRs. BDR holders can reclaim an amount of Ordinary Shares of equal nominal value by cancelling the BDRs. The conversion of BDRs into Ordinary Shares will be effected as soon as possible subject to the cancellation by (i) transferring the Ordinary Shares under a private or notarial deed, (ii) deregister the relevant BDRs from the single share certificate (*verzamelbewijs*) kept in custody by Euroclear Nederland and (iii) debiting the collective depot with the corresponding amount by the relevant affiliated institution.

BDR holders are entitled to a dividend. The Heijmans Share Administration Trust will collect every dividend and every other distribution made on the Ordinary Shares registered in its name from Heijmans and, within a week of receipt will make a corresponding dividend or distribution on the BDRs available for payment.

In the event new Ordinary Shares are issued, the Heijmans Share Administration Trust grants BDR holders a pre-emptive right to the issue of BDRs in conformity with the pre-emptive right granted to Shareholders.

All announcements, notifications and communications to be made to BDR holders shall be made as specified in the general regulations, including advertisement, in the daily official list of Euronext Amsterdam (*Officiële Prijscourant*) (**Official Price List**) or, as may be the case, in an official publication substituting for this List by virtue of a decision made by the board of Euronext Amsterdam.

13.11 Anti-takeover measures

At the time of its stock exchange introduction in 1993, Heijmans opted for two anti-takeover measures. One of them was the issue of BDRs for Ordinary Shares, which transferred the voting rights attached to the Ordinary Shares to the Heijmans Share Administration Trust. As a result of the amendment to the Articles of Association of Heijmans in 2007, the so-called 1% rule, which restricted the transfer of Ordinary Shares, ceased to have effect. The amendment also abolished the restrictions on the exercise of voting rights, so the issue of BDRs no longer serves as a defence measure. The BDRs will be maintained for the time being as a measure against absenteeism from the Annual General Meeting.

Heijmans has granted an option to Heijmans Preference Share Trust pursuant to which it is granted an option to acquire from Heijmans Preference Shares up to an aggregate nominal value that is equal to the aggregate nominal value of almost 100% of the issued and outstanding Heijmans Ordinary Shares and Financing Preference Shares B. In addition, Heijmans entered into a put option agreement with the Heijmans Preference Share Trust (the initiative lies with the Management Board). On the basis of this put option the Heijmans Preference Share Trust will acquire Preference Shares as soon as the Company issues them. A maximum applies of almost 100% of the face value of the issued capital in ordinary and Financing Preference Shares B.

The issuance of Preference Shares will cause substantial dilution of the effective voting power of any shareholder, including a shareholder that attempts to acquire Heijmans, and could have the effect of delaying, deferring or preventing a change in control of Heijmans. If the Management Board exercises its put option and Preference Shares are issued to the Heijmans Preference Share Trust, it is obliged to convene a General Meeting within four weeks after such issuance. The Management Board is required to explain the motives for the issue, unless such explanation has previously been given in a General Meeting or a specific circumstance requires the issuance to be approved by the General Meeting. If the General Meeting does not co-operate in respect of, or approve the issuance of the Preference Shares, the Management Board is obliged to convene a General Meeting within two years after the issuance of Preference Shares. A proposal to repurchase or withdraw these Preference Shares will be placed on the agenda of the General Meeting. If the General Meeting does not resolve to repurchase or withdraw the Preference Shares during this General Meeting, at two yearly intervals after such General Meeting, a General Meeting will be convened to resolve whether the Preference Shares should be repurchased or withdrawn. This will be repeated until all the Preference Shares have been re-purchased or withdrawn. Currently, no Preference Shares have been issued or are outstanding.

The purpose of the *ad hoc* anti-takeover instrument is to give the Company time to assess the strategic fit with an acquiring party or the intentions of a party who, through the gradual purchase of shares on the stock exchange, wants to exert influence on the Company.

13.12 The Heijmans Preference Share Trust

The Heijmans Preference Share Trust (*Stichting Preferente Aandelen Heijmans*) was established on 1 September 1993 under the laws of the Netherlands. The Heijmans Preference Share Trust has its statutory seat in Rosmalen, the Netherlands, with its head office at Graafsebaan 65, 5248 JT Rosmalen, the Netherlands and is registered in the commercial register of the Chamber of Commerce and Industry in Oost-Brabant ('s-Hertogenbosch) under number 41085197. The Heijmans Preference Share Trust articles of association were last amended by a notarial deed on 3 September 2008.

The board of the Heijmans Preference Share Trust consists of:

(a) M.W. den Boogert (chairman)

(b) F.J.G.M. Cremers (board member)

(c) H.H. Meijer (board member)

(d) A. Westerlaken (board member)

The Management Board and the board of the Heijmans Preference Share Trust state that, in their opinion, the independence requirements applicable for the board members of the Heijmans Preference Share Trust have been complied with.

13.13 Issue of Ordinary Shares

Shares shall be issued pursuant to a resolution of the Management Board. The resolution shall be subject to the approval of the Supervisory Board. This authority can, in accordance with the Articles of Association, at most relate to all the unissued Shares of the authorised capital, as applicable now or at any time in the future. The extent of this Management Board authority shall be established by a resolution of the General Meeting and currently relates to the issuance of 10% of the outstanding Shares increased by another 10% in the event of a merger or acquisition involving Heijmans N.V. Upon termination of the authority of the Management Board, the issuance of Shares shall henceforth require a resolution of the General Meeting, save where another corporate body has been designated by the General Meeting. The current authority of the Management Board was granted by the General Meeting during the Annual General Meeting dated 27 May 2009 for a period of 18 months from 27 May 2009. The Management Board was also authorised to issue an amount of Ordinary Shares with an effective amount of EUR 100,000,000 in order to facilitate the Offering. In addition, the General Meeting authorised the Management Board to the exclusion of the pre-emptive rights related to the Ordinary Shares issued in the context of the Offering.

Each holder of Ordinary Shares and of Financing Preference Shares B shall have a pre-emptive right to any issue of Ordinary Shares and of Financing Preference Shares B, proportional to the aggregate amount of his Shares. The same shall apply to the granting of rights to subscribe for Ordinary Shares. Shareholders have no pre-emptive right to Ordinary Shares which are issued (i) to employees of the Company or a Group company or (ii) for payment other than in cash. The pre-emptive right may be restricted or excluded by a resolution of the Management Board. The current authority of the Management Board was granted by the General Meeting during the Annual General Meeting dated 27 May 2009 for a period of 18 months from 27 May 2009 and relates to the issuance of 10% of the outstanding Shares increased by another 10% in the event of a merger or acquisition. Such resolution shall be subject to the approval of the Supervisory Board.

13.14 Repurchase of Shares by the Company

As a result of the implementation of the amendment to the Second EU Directive concerning the incorporation of public companies and the maintenance and changes of their capital (*de Wet van 29 mei 2008 inzake implementatie van de wijziging van de 2e EU Richtlijn betreffende de oprichting van naamloze vennootschappen en de instandhouding en wijziging van hun kapitaal*), which came into force on 11 June 2008, companies are now permitted to repurchase their own shares up to a maximum of 50% of the issued share capital (the maximum used to be 10% of the issued share capital).

The Company may acquire fully paid up Shares in its own capital or BDRs therefore, but only for no consideration 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 in its capital or BDRs therefore which the Company acquires, holds or holds on lien or which are held by a subsidiary does not exceed 50% of the issued capital.

For the repurchase of Shares the Management Board shall require the authorisation of the General Meeting for an acquisition for valuable consideration. This authorisation shall be valid for a maximum of 18 months. The General Meeting shall specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price limits within which the Shares may be acquired. Currently, the authorisation of the Management Board relates to the repurchase of 10% of the outstanding Shares for a maximum price of 110% of the average closing price for Ordinary Shares and a maximum price of 110% of the issue price for Financing Preference Shares B.

13.15 Capital reduction

The General Meeting may, but only on the motion of the Management Board which has been approved by the Supervisory Board, resolve to reduce the issued capital (i) by cancelling Shares, or (ii) by reducing the amount of the Shares by an amendment to the Articles of Association. A resolution of the General Meeting to reduce the issued capital shall designate the Shares to which the resolution relates and provide for the implementation of the resolution. Any partial repayment on Shares 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 Shareholders concerned 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.

13.16 Management Board and Supervisory Board Indemnity

The Management Board and the Supervisory Board are both protected from exposures as a result of liability suits through an indemnity clause included in the Articles of Association. The indemnity clause covers all claims, liabilities, judgements, fines and penalties incurred by members of the Management Board or the Supervisory Board as a result of any civil, criminal or administrative action brought by any party other than Heijmans itself or its group companies, in relation to acts or omissions in or related to capacity as a member of the Management Board or Supervisory Board.

Any expenses incurred by members of the Management Board or the Supervisory Board in connection with any action referred to above shall be reimbursed by the Company, but only upon receipt of a written undertaking by the relevant member of the Management Board or the Supervisory Board that he shall repay such expenses if a competent court should determine that he is not entitled to be indemnified. Reasonable expenses relating to lawyers fees and legal costs incurred by members of the Management Board or the Supervisory Board in connection with an action brought by the Company or its group companies shall also be reimbursed by the Company, but only upon receipt of a written undertaking by the relevant member of the Management Board or the Supervisory Board that he shall repay such expenses if a competent court should judge in favour of the Company or its group companies.

The relevant member of the Management Board or the Supervisory Board will not be indemnified with respect to claims in so far as they relate to the gaining of personal profits, advantages or remuneration to which he was not legally entitled, or if the relevant member of the Management Board or the Supervisory Board shall have been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*). The indemnity shall not apply to the extent claims and expenses are reimbursed by insurers.

13.17 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 Management Board with respect to the general state of affairs and the auditors' report, adopt the financial statements, determine the profit allocation and grant discharge to members of the Management Board and to members of the Supervisory Board.

The General Meetings must be held in the municipality of 's-Hertogenbosch, Vught or in Amsterdam. General Meetings must be convened by the Supervisory Board or the Management Board. The notice convening a General Meeting shall be given no later than the fifteenth day before that of the General Meeting, or no later than on the day prescribed by law in due course. In addition, pursuant to article 2:110 of the Dutch Civil Code, one or more shareholders, who jointly represent at least one tenth of the issued capital or such lesser amount as is provided by the Articles of Association, may, on its/their application, be authorised by the court in interlocutory proceedings of the district court to convene a General Meeting.

The notice of a General Meeting must include an agenda indicating the items for discussion, as well as any proposals for the agenda. Shareholders and BDR holders representing solely or jointly at least 1% of the Company's issued capital, or according to the Official Price List represent at least a value of EUR 50 million, have a right to request the Management Board and the Supervisory Board to include subjects on the agenda of the General Meeting. The Management Board and the Supervisory Board shall agree to these requests, provided that (i) no important interests (*zwaarwegende belangen*) of the Company exist, which oppose including such subjects on the agenda and (ii) the request was submitted in writing to the chairman of the Management Board or the chairman of the Supervisory Board at least 60 days before the date of the General Meeting.

Other General Meetings are held as often as the Management Board or the Supervisory Board deems necessary, without prejudice to the provisions of articles 2:111 and 2:112 of the Dutch Civil Code.

A meeting of holders of Financing Preference Shares B or of Preference Shares shall be convened as often as and to the extent that provisions of the Articles of Association require a decision of the meeting of holders of Financing Preference Shares B or of Preference Shares, and furthermore as often as the Management Board and/or the Supervisory Board decide so, and as often as one or more holders of Financing Preference Shares B or of Preference Shares request so in writing, from the Management Board and the Supervisory Board, stating the subjects for discussion.

13.18 Admission to the General Meeting

Each Shareholder who is entitled to vote and each usufructuary of Shares in whom voting rights are vested shall be entitled to attend the General Meeting, to address the meeting and to exercise voting rights. In the case of Ordinary Shares and Financing Preference Shares B, the intention to attend the meeting must be communicated in writing. This notification must be received not later than the date stated in the notice convening the meeting.

The rights to attend and vote at meetings may be exercised by a proxy holder in the case of Ordinary Shares and Financing Preference Shares B, provided that the proxy has been received not later than the date stated in the notice convening the meeting.

If the voting rights in respect of a Share are vested in the usufructuary instead of in the Shareholder, the Shareholder shall also be entitled to attend the General Meeting and to address the meeting provided that the Management Board has been notified of the intention to attend the meeting in accordance with the conditions set out above.

13.19 Voting rights

Currently, each Ordinary Share shall hold the entitlement to cast one vote at the General Meeting, every Preference Share shall hold the entitlement to cast 50 votes and as a result of a contractual limitation of votes to be exercised on the Financing Preference Shares B every Financing Preference Share B shall hold entitlement to cast 0.426 votes. The Financing Preference Shares B were issued for an issue price of EUR 10.00, while the actual value per Financing Preference Share amounted to EUR 23.45; as a result the voting right per Financing Preference Share B is 10/23.45. The Preference Shares, on the other hand, have a nominal value of EUR 1.50, which constitutes 50 times the value of an Ordinary Share, resulting in 50 votes per Preference Share.

As a result of the amendment of the nominal value of the Financing Preference Shares B, to be effected on the Closing Date, every Ordinary Share shall hold the entitlement to cast three votes at the General Meeting and every Preference Share shall hold the entitlement to cast 150 votes in the General Meeting. As in the past, a contractual limitation of votes to be exercised on the Financing Preference Shares B, will apply, as a result of the amendment of this contractual limitation every Financing Preference Shares B shall hold the entitlement to cast 1.278 votes at the General Meeting.

Resolutions in the General Meeting are adopted by a simple majority of the votes cast, except where a larger majority is prescribed by law or the Articles of Association. Shareholders may vote by proxy. In order to amend the voting rights of Shareholders an amendment of the Articles of Association is required.

13.20 Annual accounts

Annually, within four months after the end of the financial year, the Management Board shall prepare the annual accounts and shall make them available for inspection by the Shareholders at the office of the Company. The annual accounts must be accompanied by an auditors' statement, an annual report and certain other information required under Dutch law. The annual accounts shall be signed by the members of the Management Board and the Supervisory Board.

The annual accounts, the annual report, the other information required under Dutch law and the auditors' statement must be made available to the Shareholders for review as from the day of the notice convening the Annual General Meeting. The annual accounts shall be adopted by the General Meeting.

13.21 Distribution procedures

A dividend shall be declared payable fourteen days following the date on which a resolution to distribute a dividend has been adopted. Any entitlement to a dividend distribution by a Shareholder expires after a period of five years.

The Company may only make distributions to the Shareholders and other persons entitled to the profit capable of distribution insofar as the Company's equity is larger than the amount of the paid and called part of the capital increased with the reserves that should be maintained pursuant to the law or the Articles of Association. Furthermore, the Company maintains a dividend policy whereby – leaving aside special circumstances – the payout amounts to approximately 40% of the net profits. The remaining part of the net profits is allocated to the reserves. The dividend is, in principle, paid out in cash.

In view of the operating result achieved for the 2008 financial year, the dividend on Ordinary Shares and BDRs will be foregone. As a result of the agreements negotiated with the banks, starting in the 2009 reporting year, a dividend will only be paid on Ordinary Shares and BDRs if the leverage ratio at two consecutive checkpoints, i.e. 30 June and 31 December, is less than 2.5.

13.22 Calculation of dividends and other distributions

The Company may only make distributions to its Shareholders insofar as its Shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by the Articles of Association.

From the profit appearing in the annual accounts adopted by the General Meeting shall first, if possible, be distributed on the Preference Shares the percentage to be mentioned hereinafter of the obligatory amount to be paid or amount paid on those shares or, if subscribing for the Preference Shares took place in the course of that financial year, as per the day on which the Preference Shares were subscribed for. The aforementioned percentage shall equal the percentage of the EURIBOR rate for six months loans, weighed according to the number of days to which this applied, during the financial year for which the distribution is made, increased by two and a half. If and insofar as the profit is not sufficient to fully make the aforementioned distribution, the deficit shall be distributed out of the reserves, with the exception of the reserve made up as premium due to at subscribing for Financing Preference Shares B. After adoption a dividend shall be distributed to the extent possible on every Financing Preference Shares B, equal to a percentage calculated on the yield basis of the Financing Preference Shares B on a yearly basis without prejudice to the provisions of paragraph 6.

The dividend percentage shall correspond with the Euro Currency Swap Curve, with a duration of five years following the second amendment of the Articles of Associaten as referred to in the first paragraph of this section 13 “Description of share capital, BDRs and corporate structure” (currently the dividend percentage corresponds with the New Euro Currency Swap Curve with a duration of 7 years).

The calculation of the percentage of the dividend for the Financing Preference Shares B shall be made by taking the arithmetic average of the interbanking interest rate as daily fixed by means of the Euro Currency Swap Curve with a duration of five years, as published on Bloomberg page EUSA5 Currency, on the last five trading days prior to the day on which the Financing Preference Shares B were issued respectively, and on which the dividend percentage in accordance with the provisions of paragraph 3 is adjusted, possibly increased by a surcharge of one hundred basic points minimum and five hundred basic points maximum to be fixed by the Management Board and to be approved by the Supervisory Board. No further distribution on the Financing Preference Shares B shall be made.

For the first time on 1 January 2009 and every five years thereafter the dividend percentage of all Financing Preference Shares B shall be adopted to the then applicable arithmetic average of the Euro Currency Swap Curve with a duration of five years, calculated and fixed in the manner as stated above possibly increased by a surcharge of one hundred basic points minimum and five hundred basic points maximum, depending on the then applicable market circumstances, profit ratios, solvability ratios and other capital ratios relating to the Company.

The Management Board with the approval of the Supervisory Board shall reserve from the profit remaining after distribution on the Preference Shares as much as it deems necessary. Insofar as the profit is not reserved it shall be available to the General Meeting to distribute to holders of Ordinary Shares *pro rata* the number of Ordinary Shares they own.

13.23 Amendments to the Articles of Association

A decision to amend the Articles of Association may only be taken with a majority of at least two thirds of the votes cast at a General Meeting at which at least half the issued capital is represented, unless the proposal thereto has been made by the Management Board with the approval of the Supervisory Board.

13.24 Dissolution and liquidation

A decision to dissolve the Company may only be taken with a majority of at least two thirds of the votes cast at a General Meeting at which at least half the issued capital is represented, unless the proposal thereto has been made by the Management Board with the approval of the Supervisory Board. In the latter case, such decision may be taken with an absolute majority of the votes, irrespective of the represented capital.

In the event of the dissolution of the Company pursuant to a resolution of the General Meeting, the members of the Management Board shall be charged with the liquidation of the business of the Company and the Supervisory Board with the supervision thereof.

The balance of the property of the Company after payment of all debts and the costs of the liquidation shall be divided as follows:

(a) first, to the extent possible, the holders of Preference Shares shall be paid the amount nominally paid on their Preference Shares, increased by an amount equal to the percentage referred to in paragraph 1 of article 31 of the Articles of Association of the amount obligatorily paid on the Preference Shares calculated in each year or part of a year in the period commencing on the day following on the period in which the last dividend on the Preference Shares has been paid and ending on the day of the distribution on Preference Shares referred to in this article;

(b) then, to the extent possible, the holders of Financing Preference Shares B shall be paid the nominal amount paid on their Financing Preference Shares B, increased by an amount equal to the percentage adopted in accordance with paragraphs 2 and 3 of article 31 of the Articles of Association for

Financing Preference Shares B on the nominal amount after that amount was increased by the premium paid on the Financing Preference Shares B or on issue thereof; and

(c) then the balance shall be paid to the holders of Ordinary Shares *pro rata* the number of Ordinary Shares each of them owns.

13.25 Disclosure of holdings

Shareholders may be subject to notification obligations under the Financial Supervision Act. The Financial Supervision Act came into force on 1 January 2007 and implements several provisions of the Transparency Directive (2004/109/EC) and is also aimed at simplifying and modernising the notification and disclosure procedures. The following description summarises those obligations. Shareholders are advised to consult with their own legal advisors to determine whether the notification obligations apply to them.

The most important notification requirements for the Company's investors with recourse to the Financial Supervision Act are:

(a) any person who, directly or indirectly, acquires or disposes of a capital interest or voting rights in the Company must forthwith give written notice to the AFM of such capital interest and/or voting rights. This notification obligation will exist if an acquisition or disposal causes the total percentage of the capital interest and/or voting rights held to reach, exceed or fall below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%;

(b) any person whose capital interest or voting rights in the Company reaches, exceeds or falls below a threshold due to a change in the Company's outstanding capital, or in votes that can be cast on the shares of the Company 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; and

(c) any person with a capital interest or voting rights in the Company reaching or exceeding 5% will be required to notify the AFM of any changes in the composition (actual or potential) of this interest annually within four weeks from 31 December at 24:00 hours.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) shares (or BDRs for shares) directly held (or acquired or disposed of) by any person, (ii) shares (or depositary receipts for shares) 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, and (iii) shares (or BDRs for shares) which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of including, but not limited to, on the basis of convertible bonds). Special rules apply to attribution of community of property. A holder of a pledge or right of usufruct in respect of the shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares or, in case of BDRs, the underlying shares. If a pledgee or usufructarian acquires such (conditional) voting rights, this may trigger reporting obligations for the holder of the shares (or depositary receipts for the shares).

Furthermore, each member of the Management Board and Supervisory Board must immediately give written notice to the AFM by means of a standard form of any change in his or her holding of shares and voting rights in the Company.

13.26 Public offer rules

Based on Directive 2004/25/EC of the European Parliament and of the Council of the European Union (the **Takeover Directive**) each Member State should ensure the protection of minority shareholders by obliging the person that acquires control of a company to make an offer to all the holders of that company's voting securities for all their holdings at an equitable price. The Takeover Directive applies to all companies governed by the laws of a Member State of which all or some voting securities are admitted to trading on a regulated market in one or more Member States. The laws of the Member State in which a company has its registered office will determine the percentage of voting rights that is regarded as conferring control over that company.

Under the laws of the Netherlands, the above percentage has been determined to be 30%. Pursuant to chapter 5:5 of the Financial Supervision Act, a party – whether acting alone or in concert – that acquires 30% or more of the voting rights of a company whose shares are admitted to trading on a regulated market has to make an offer for the remaining shares of that company. This obligation does not apply to shareholders with existing controlling interests of more than 30% of the voting rights at the effective date of the new public offer rules.

13.27 Dutch squeeze-out proceedings

If a person or company or Group company holds a total of at least 95% of a company's issued share capital by nominal value for its own account (the **Controlling Entity**), Dutch law permits the Controlling Entity to acquire the remaining Ordinary Shares in the company by initiating proceedings against the holders of the remaining Ordinary Shares. The price to be paid for such Ordinary Shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal.

The implementation of the Takeover Directive in article 2:359c of the Dutch Civil Code also entitles minority shareholders that have not previously tendered their shares to the right of a squeeze-out, if the Controlling Entity has acquired at least 95% of the class of shares subject to the public offer and represents at least 95% of the total voting rights attached to these shares.

13.28 Market abuse regime

The company's insiders as described in article 5:60 of the Financial Supervision Act are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in shares of the company or in securities of which the value is at least in part determined by the value of such shares. Insiders of the company as described in article 5:60 of the Financial Supervision Act include (i) members of the Management Board, (ii) members of the Supervisory Board and (iii) persons who have a managerial position within the company and in that capacity are authorised to make decisions which have consequences for the future development and prospects of the company and can have access to inside information on a regular basis.

In addition, persons designated by the Dutch Market Abuse Decree who are closely associated with the members of the Management Board, the Supervisory Board or any other insider referred to above, must notify the AFM of the existence of any transaction conducted for their own account relating to the shares of the company or securities of which the value is at least in part determined by the value of such shares. The Dutch Market Abuse Decree designates the following categories of persons as being closely related for the purposes of the Dutch Market Abuse Decree: (i) the spouse or any partner considered by national law as equivalent to a 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, among other things, managed or controlled by members of the Management Board, the Supervisory Board or any other insiders referred to above.

This notification must be made no later than the fifth business day following the transaction date. The notification pursuant to article 5:60 of the Financial Supervision Act may be delayed 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 associated with that person, reach or exceed an amount of EUR 5,000 in the calendar year in question. Non-compliance with the reporting obligations under the Financial Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the reporting obligations under the Financial Supervision Act may lead to civil sanctions.

14. TAXATION

The following summary describes certain principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Offer BDRs, the Rights and Unexercised Rights Payments, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant for any particular holder of Offer BDRs and/or Rights (Holder). This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in Offer BDRs.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this document, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

Dividend withholding tax

This summary does not describe the tax consequence for a recipient of dividends for whom these dividends are exempt by virtue of the participation exemption, as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969).* Generally speaking, a shareholding is considered to qualify as a participation for purposes of the participation exemption if it represents an interest of 5% or more of the nominal paid-in share capital.

Withholding requirement

The Company is required to withhold 15% Dutch dividend withholding tax in respect of proceeds from the Offer BDRs, which include:

(i) proceeds in cash or in kind including deemed and constructive proceeds and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;

(ii) liquidation proceeds, proceeds on redemption of the Offer BDRs (or the underlying shares) and, as a rule, the consideration for the repurchase of the Offer BDRs (or the underlying shares) by the Company in excess of its average paid-in capital recognised for Netherlands dividend withholding tax purposes, unless a particular statutory exemption applies;

(iii) the nominal value of Offer BDRs or other BDRs (or the underlying shares) issued to a holder of the Offer BDRs or an increase of the nominal value of the Offer BDRs (or the underlying shares), to the extent that no contribution, recognised for Netherlands dividend withholding tax has been made or will be made; and

(iv) partial repayments of paid-in capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), within the meaning of the Dutch Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*) unless the General Meeting of the Company has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares underlying the Offer BDRs concerned has been reduced by an equal amount by way of an amendment of the articles of association.

The beneficial owner of a dividend who is, or who is deemed to be a resident of the Netherlands for Dutch income tax purposes or who is subject to tax in the Netherlands on a net basis as a non-resident taxpayer can generally credit the withholding tax against his Dutch personal income tax or corporate income tax and is generally entitled to a refund of Dutch dividend withholding tax exceeding his aggregate Dutch income tax liability, provided certain conditions are met.

On request and if certain conditions are met, a refund of Dutch dividend withholding tax is available to certain exempt Dutch resident entities such as Netherlands qualifying pension funds.

The beneficial owner who is not, and who is not deemed to be a resident of the Netherlands and who is not subject to tax in the Netherlands on a net basis as a non-resident taxpayer and who is a resident of the Netherlands Antilles or Aruba under the provision of the Tax Arrangement for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk)* or who is resident of a country with which a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country 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 or that particular treaty, qualify for full or partial exemption from or a reduction or a refund of Dutch dividend withholding tax.

In addition, subject to certain conditions and based on Dutch legislation implementing the Parent-Subsidiary Directive (Directive 90/435/EEC, as amended) an exemption from Dutch dividend withholding tax will generally apply to dividends beneficially owned by certain qualifying entities that are resident of another EU Member State and that hold an interest of at least 5% of the nominal paid-in capital or, in relation to certain jurisdictions, of the voting power in the Company. Furthermore, a full refund of the Dutch dividend withholding tax may be available to certain EU tax resident entities, provided these entities are not subject to corporate income tax on their profits in such EU Member State and would also not have been subject to Dutch corporate income tax, if it would have been tax resident within the Netherlands.

A recipient of dividends will not be considered the beneficial owner of the dividends as this term is used in this paragraph if, as a consequence of a combination of transactions, a person other than the recipient wholly or partly benefits from the dividends, whereby such person retains, directly or indirectly, an interest in the Offer BDRs on which the dividends were paid and that other person is entitled to a credit, reduction or refund of Dutch dividend withholding tax that is less than to which the recipient is entitled.

Generally, the Dutch 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 BDRs.

Rights issued by the Company and Unexercised Rights Payments made by the Joint Global Co-ordinator(s) will not be subject to Dutch dividend withholding tax.

Corporate and individual income tax

This summary does not address the Dutch tax consequences for:

(a) individual holders of Offer BDRs and/or Rights, in case the Offer BDRs and/or the Rights, and income received or capital gains derived therefrom (including the receipt of Unexercised Rights Payments), are attributable to employment activities of the Holder;

(b) holders of Offer BDRs and/or Rights holding a (deemed) substantial interest (*aanmerkelijk belang*) in the Company. Generally speaking, a holder of Offer BDRs and/or Rights holds a substantial interest in the Company, if such holder, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a certain class of shares of the Company or of certain rights with respect to shares (including the BDRs), (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Company that relate to 5 % or more of the annual profit and/or to 5% or more of the liquidation proceeds of the Company. If a holder 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 on a non-recognition basis;

(c) holders of Offer BDRs and/or Rights that are subject to special tax rules, including (but not limited to) dealers in securities, financial institutions, investment institutions (*beleggingsinstellingen*) as defined in the Dutch Corporate Income Tax Act 1969, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) as defined in the Dutch Corporate Income Tax Act 1969 and insurance companies; and

(d) corporate holders of Offer BDRs and/or Rights for whom the income received and/or capital gains derived therefrom (including the receipt of Unexercised Rights Payments) are exempt by virtue of the participation exemption, as set out in the Dutch Corporate Income Tax Act 1969. Generally speaking, a shareholding is considered to qualify as a participation for purposes of the participation exemption if it represents an interest of 5% or more of the nominal paid-in share capital.

Residents of the Netherlands

If a corporate holder of Offer BDRs and/or Rights is resident or deemed to be resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Offer BDRs and/or Rights are attributable, income derived from the Offer BDRs and gains realised upon the redemption or disposal of the Offer BDRs and/or Rights (including the receipt of Unexercised Rights Payments) are generally taxable in the Netherlands. The corporate income tax rate is 20% for the first EUR 40,000 of taxable income, 23% for the taxable income exceeding EUR 40,000 but not exceeding EUR 200,000 and 25.5% for the taxable income exceeding EUR 200,000 (rates for 2009).

If an individual holder of Offer BDRs and/or Rights is resident or deemed to be resident of the Netherlands for Dutch tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Offer BDRs and gains realised upon the redemption or disposal of the Offer BDRs and/or Rights (including the receipt of Unexercised Rights Payments) are taxable at the progressive rates of the Dutch income tax act 2001 (up to a maximum rate of 52% – rate for 2009), if:

(i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Offer BDRs and/or Rights are attributable or the holder has, other than as an entrepreneur or as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Offer BDRs and/or Rights are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Offer BDRs and/or Rights that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Offer BDRs and/or Rights, taxable income with regard to the Offer BDRs and/or Rights must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% (rate for 2009) of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Offer BDRs and/or Rights less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Offer BDRs and/or Rights will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% (rate for 2009) will be taxed at a rate of 30% (rate for 2009).

Non-residents of the Netherlands

If a holder is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is generally not taxable in respect of income derived from the Offer BDRs and gains realised upon the redemption or disposal of the Offer BDRs and/or Rights (including the receipt of Unexercised Rights Payments), except:

(i) if the holder is not an individual and such holder (1) has an enterprise or deemed enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Offer BDRs and/or Rights are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, that is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Offer BDRs and/or Rights are attributable.

This income is subject to Dutch corporate income tax up to a maximum rate of 25.5% (rate for 2009); or

(ii) if the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is in whole or in part carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Offer BDRs and/or Rights are attributable, or (2) realises income or gains with respect to the Offer BDRs and/or Rights that qualify as income from miscellaneous activities in the Netherlands with respect to the Offer BDRs and/or Rights which include the performance of activities with respect to the Offer BDRs and/or Rights that exceed regular, active portfolio management, or (3) is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands (other than by way of securities or an employment contract) and to which enterprise the Offer BDRs and/or Rights are attributable.

Income derived from the Offer BDRs and/or Rights as specified under (1) and (2) by an individual is subject to individual income tax up to a maximum rate of 52% (rate for 2009). Income derived from the Offer BDRs and/or Rights as specified under (3) will be taxed at a rate of 30% over the 4% (rates for 2009) deemed return on income from savings and investment.

Gift and inheritance taxes

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Offer BDRs and/or Rights by way of a gift by, or on the death of a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

A holder of the Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax only if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Offer BDRs and/or Rights by way of gift by, or as a result of the death of, a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, unless:

(i) such holder at the time of the gift, or at the time of his or her death, has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative, the Offer BDRs and/or Rights are (deemed to be) attributable;

(ii) the holder of such Offer BDRs and/or Rights is 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 such Offer BDRs and/or Rights and are attributable; or

(iii) in the case of a gift of the Offer BDRs and/or Rights by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Offer BDRs and/or Rights or in respect of a cash payment made under the Offer BDRs and/or Rights (including Unexercised Rights Payments), or in respect of a transfer of Offer BDRs and/or Rights.

Other taxes and duties

No registration tax, customs duty, stamp duty, capital tax or any other similar documentary tax or duty, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Offer BDRs and/or Rights (including Unexercised Rights Payments).

15. THE OFFERING

15.1 Introduction

Heijmans is offering 144,435,504 Offer BDRs initially by granting the holders of BDRs and the holders of Ordinary Shares (other than Heijmans Share Administration Trust) as at the Record Date Rights to subscribe, subject to being an Eligible Person, for the Offer BDRs *pro rata* to their holdings in the BDRs and Ordinary Shares, at the Issue Price of EUR 0.70 per Offer BDR, subject to applicable securities laws and on the terms set out in this Prospectus. After the Exercise Period has ended, Rights may no longer be exercised by Eligible Persons. Following the expiry of the Exercise Period, the Rump BDRs, if any, will be offered for sale by the Joint Global Co-ordinators by way of private placements in the Netherlands and certain other jurisdictions. The Offering will be subject to the terms and conditions of the Underwriting Agreement.

Any Rump BDRs not sold in the Rump Offering will be subscribed and paid for by the Joint Global Co-ordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement. For information on applicable selling and transfer restrictions in respect of the Offer BDRs and the Rights, see section 17 “Selling and Transfer Restrictions”.

15.2 Expected Timetable of the Offering

The timetable below lists certain expected key dates for the Offering.

Record Date	Immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on 29 June 2009
Ex Rights trading in the BDRs commences on Euronext Amsterdam	30 June 2009
Exercise Period commences	09:00 CET on 30 June 2009
Trading in the Rights commences on Euronext Amsterdam	09:00 CET on 30 June 2009
Trading in the Rights ceases on Euronext Amsterdam	13:15 CET on 9 July 2009
End of Exercise Period	15:30 CET on 9 July 2009
Rump Offering expected to commence at	08:00 CET on 10 July 2009
Rump Offering expected to end no later than	17:30 CET on 10 July 2009
Allotment of Offer BDRs	10 July 2009
Listing of, and start of trading in, the Offer BDRs on Euronext Amsterdam commences at	09:00 CET on 15 July 2009
Issuance of, payment for and delivery of the Offer BDRs	15 July 2009

The results of the Offering will be made public through publication of a press release as soon as possible after allotment of the Offer BDRs.

The last date and/or time before which notification of exercise instructions may be validly given by you, may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which your Rights are held.

Heijmans may adjust the dates, times and periods given in the timetable and throughout this Prospectus. If Heijmans should decide to adjust dates, times or periods, it will notify Euronext Amsterdam N.V. and the AFM and issue a press release and (if required) an advertisement in a Dutch national daily newspaper and in the Daily Official List. Any other material alterations will be published in a press release, in an advertisement in the Daily Official List and a Dutch national daily newspaper and in a supplement to this Prospectus (if required).

15.3 Rights

Subject to applicable securities laws, each person holding BDRs or Ordinary Shares, other than Heijmans Share Administration Trust, immediately following the close of trading in the BDRs on Euronext Amsterdam at 17:40 CET on the Record Date will be entitled to 1 Right for each BDR or each Ordinary Share held. An Eligible Person will be entitled and will have the right to subscribe for 6 Offer BDRs for every 1 Right held on the Record Date.

If you hold BDRs on the Record Date, the financial intermediary through which you hold BDRs will customarily give you details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. Your financial intermediary will supply you with this information in accordance with its usual customer relations procedures. You should contact your financial intermediary if you are a BDR Holder entitled to receive Rights but have received no information with respect to the Rights Offering. The statutory pre-emptive rights of the holders of Ordinary Shares have been excluded with respect to the Offering.

If you hold Ordinary Shares (other than the Heijmans Share Administration Trust) rather than BDRs and your Ordinary Shares are registered in the Company's shareholders' register, you will receive rights to subscribe for Offer BDRs and will be sent a letter by the Company, informing you of the number of Rights to which you are entitled and of the procedures that you must follow to exercise or trade your Rights.

Only BDR 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 the Company. Rights that are credited to the account of an Ineligible Person shall not constitute an offer of the Offer BDRs to such person and shall not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights.

15.4 Record Date

The Record Date for determining the holders of the outstanding BDRs or Ordinary Shares (other than the Heijmans Share Administration Trust) who will receive Rights (subject to applicable securities laws) is immediately following the close of trading on Euronext Amsterdam at 17:40 CET on 29 June 2009. Until the close of trading in the BDRs on Euronext Amsterdam on the Record Date, the BDRs will trade *cum* Rights. From 30 June 2009, the BDRs will trade *ex* Rights.

15.5 Listing and trading of Rights

Heijmans expects trading of the Rights on Euronext Amsterdam to commence at or around 09:00 CET on or about 30 June 2009 and to end at 13:15 CET on or about 9 July 2009. The Rights will be traded under the symbol "HEIJR", barring unforeseen circumstances. The transfer of Rights will take place through the book-entry systems of Euroclear Nederland. Persons interested in trading or purchasing Rights should be aware that the exercise of Rights by holders who are located in countries other than the Netherlands is subject to restrictions as described under section 17 "Selling and Transfer Restrictions".

If you are an eligible BDR Holder and you wish to sell all or part of your Rights and you are holding your BDRs or Ordinary Shares through a financial intermediary, you should instruct the financial intermediary through which you hold your Rights in accordance with the instructions received from it. If you are an Eligible Person you may also instruct your financial intermediary to purchase Rights on your behalf.

If you are interested in trading or purchasing Rights, you should be aware that you may be restricted from purchasing and/or exercising your Rights and acquiring Offer BDRs if you are located in a jurisdiction other than the Netherlands and therefore ineligible to participate in the Rights Offering. See section 17 "Selling and Transfer Restrictions".

Trading in the Rights will occur in the following securities codes: (i) ISIN – NL0009198035 and (ii) common code – "043678418".

15.6 Exercise Period

Subject to the restrictions set out below, an Eligible Person (whether a BDR Holder as of the Record Date or a subsequent transferee of Rights) can only validly exercise his Rights to subscribe for Offer BDRs from 30 June 2009 up to 15:30 CET on 9 July 2009, which is the end of the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier, depending on the financial intermediary through which your Rights are held. After the Exercise Period, Eligible Persons will no longer be able to exercise their Rights. Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless Heijmans amends a material term of the Offering or amends this Prospectus in any material respect. Even if the market price of the BDRs fluctuates below the Issue Price, if you have exercised your Rights, you will be obliged to pay the Issue Price for any Offer BDRs subscribed for. Heijmans and the Joint Global Co-ordinators have not and will not take any action outside the Netherlands to permit the exercise and transfer of Rights by the general public. Heijmans urges you to carefully study the restrictions described under section 17 "Selling and Transfer Restrictions". Heijmans reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to the Company 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 the Company 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 herein.

If a BDR Holder does not participate in the Offering, his proportionate ownership and voting interests in the Company will be diluted by up to 600% by the issue of the Offer BDRs.

15.7 Subscription

If you are an Eligible Person (whether a BDR Holder as of the Record Date or a subsequent transferee of Rights) and you wish to exercise your Rights, you should instruct your financial intermediary in accordance with the instructions received from it. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons and for informing the Subscription Agent of your exercise instructions. All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you. Heijmans is not liable for any action or failure to act by a financial intermediary through which BDR Holders hold their BDRs or Ordinary Shares in connection with any subscriptions or purported subscriptions.

If you are a BDR Holder holding Ordinary Shares and not BDRs and your shares are registered in the Company's shareholders' register, you will be sent a letter by the Company, informing you of the number of Rights to which you are entitled and of the procedures that you must follow to exercise or trade your Rights.

Delta Lloyd Groep, managed by Delta Lloyd Asset Management, has committed to participate in the Offering through the exercise of Rights granted to it.

15.8 Unexercised Rights and the Rump Offering

Rights can no longer be exercised by Eligible Persons after 15:30 CET on 9 July 2009, which is the end of the Exercise Period. At that time, any unexercised Rights will continue to be reflected in your securities account solely for the purpose of the distribution of the Excess Amount, if any. After the Exercise Period has ended, the Joint Global Co-ordinators will, subject to the terms and conditions of the Underwriting Agreement, commence the Rump Offering, in which they may offer for sale by way of private placements in the Netherlands or elsewhere the Rump BDRs, being the remaining Offer BDRs that were issuable upon the exercise of the Rights but that were not subscribed for during the Exercise Period. The Joint Global Co-ordinators, subject to the terms and conditions of the Underwriting Agreement, have agreed to procure purchasers for any Rump BDRs through private placements in the Netherlands or elsewhere at a price, which is at least equal to the Issue Price and any expenses related to procuring such purchasers (including any non-recoverable value added tax if any). The Rump Offering, if any, is expected to commence on or about 10 July 2009 at 08:00 CET and to end no later than 17:30 CET on or about 10 July 2009. Any Offer BDRs not subscribed and paid for through the exercise of Rights in the Rights Offering or sold by the Joint Global Co-ordinators in the Rump Offering will be subscribed and paid for by the Joint Global Co-ordinators at the Issue Price, subject to the terms and conditions of the Underwriting Agreement.

15.9 Allotment

Allotment of Offer BDRs issued pursuant to the Offering is expected to take place on 10 July 2009. See section 16.2 "Conditions to the Offering" as to the consequences of any withdrawal of the Rights Offering for the allotment of the Offer BDRs.

15.10 Excess Amount

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump BDRs offered and sold in the Rump Offering, after deduction of any expenses related to procuring such purchasers (including any non-recoverable value added tax), exceed the aggregate Issue Price for such Rump BDRs (such amount, the **Excess Amount**), each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in each such holder's securities account (the **Unexercised Rights Payment**). If the Excess Amount divided by the total number of unexercised Rights is less than EUR 0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights and, instead, any Excess Amount will be retained by the Joint Global Co-ordinators for their own benefit. The Company will not be entitled to receive any part of the Excess Amount. The Unexercised Rights Payments, if any, will be distributed to the holders of unexercised Rights as soon as practicable following the closing of the Rump Offering and will be credited to those holders through the book-entry systems of Euroclear Nederland. Payments will be made in Euros only, without interest and following the withholding of any applicable taxes. If Heijmans has announced that an Excess Amount is available for distribution to holders of unexercised Rights and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised Rights. Heijmans cannot guarantee that the Rump Offering will take place. Should the Rump Offering take place, Heijmans, the Subscription, Listing and Paying Agent, the Joint Global Co-ordinators or any other person procuring purchasers of Rump BDRs will not be responsible for any lack of Excess Amount arising from any placement of the Rump BDRs in the Rump Offering and the holders of unexercised Rights have no claim towards Heijmans or any other party in the amount of the Unexercised Rights Payment.

15.11 Agents

Rabo Securities will act as Subscription, Listing and Paying Agent.

15.12 Payment, delivery, clearing and settlement

If you hold your Rights through a financial intermediary, you should pay the Issue Price for the Offer BDRs that you subscribe for in accordance with the instructions you receive from your financial intermediary. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn pay it to Heijmans, after deduction of applicable fees and expenses. Payment for the Offer BDRs to the Subscription, Listing and Paying Agent must be made no later than the Closing Date, which is expected to be 15 July 2009. Financial intermediaries may require payment to be provided to them prior to the Closing Date.

Payment for and delivery of the Offer BDRs is expected to take place on 15 July 2009. Delivery of Offer BDRs will take place through the book-entry systems of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Settlement on the Closing Date will occur in the existing securities codes for the BDRs (ISIN: NL0000341931, Common code: 007016735).

15.13 Ranking and dividends

The Offer BDRs will, upon issue, rank *pari passu* in all respects with the then outstanding BDRs and will be eligible for any dividends which Heijmans may declare on the underlying Ordinary Shares after the issue date. See section 9 "Dividend and Dividend Policy".

15.14 Listing and trading of the Offer BDRs

Application will be made for the listing of the Offer BDRs on Euronext Amsterdam. Heijmans expects that the Offer BDRs will be listed, and that trading in the Offer BDRs will commence, on Euronext Amsterdam at 09:00 CET on or about 15 July 2009, barring unforeseen circumstances. The outstanding BDRs are listed and will remain listed on Euronext Amsterdam under the symbol "HEIJM". The Offer BDRs will be created in accordance with Dutch law and the articles of association of the Heijmans Share Administration Trust.

All dealings in Rights and Offer BDRs prior to closing of the Offering are at sole risk of the parties concerned. Any forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. Euronext Amsterdam N.V., the Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer BDRs on Euronext Amsterdam.

15.15 Governing law

The Offering shall be governed by Dutch law.

16. PLAN OF DISTRIBUTION

16.1 Underwriting arrangements

The Joint Global Co-ordinators, subject to the terms and conditions of the Underwriting Agreement, have agreed to procure purchasers for any Rump BDRs through private placements in the Netherlands or elsewhere at a price, which is at least equal to the Issue Price and any expenses related to procuring such purchasers (including any non-recoverable value added tax). The Joint Global Co-ordinators, severally and not jointly, will subscribe and pay for any Rump BDRs not sold in the Rump Offering and any Offer BDRs for which no payment has been made by subscribers for the Offer BDRs on the Closing Date at the Issue Price *pro rata* to the following underwriting commitments, in accordance with the terms and subject to the conditions of the Underwriting Agreement:

Joint Global Co-ordinators	Percentage
ING	33 1/3%
Rabo Securities	33 1/3%
MeesPierson	33 1/3%
Total	**100%**

If ING, Rabo Securities and/or MeesPierson default, the Underwriting Agreement will provide that in certain circumstances the Underwriting Agreement may be terminated.

In the Underwriting Agreement, we will give certain representations and warranties and undertakings to the Joint Global Co-ordinators. In addition, we will agree to indemnify the Joint Global Co-ordinators against certain liabilities in connection with the Offering. Each of the parties to the Underwriting Agreement will agree that it will not offer or sell any securities, or distribute any Prospectus or offering document in connection therewith in violation of the provisions of the Underwriting Agreement.

16.2 Conditions to the Offering

The Underwriting Agreement may be terminated upon the occurrence of certain events, including, but not limited to, a material adverse change in the Company’s financial condition or business affairs and under certain other conditions (provided that the Joint Global Co-ordinators have the right to waive the satisfaction of any such conditions or part thereof). In this event the Offering will be withdrawn. Upon withdrawal of the Offering, both the exercised and unexercised Rights will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer BDRs will not be offered and sold. Any subscription payment received by us will be returned promptly, 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 or compensation in respect of any Rights purchased in the market. All dealings in Rights and Offer BDRs prior to the Closing Date are at the sole risk of the parties concerned. Euronext Amsterdam N.V., the Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer BDRs on Euronext Amsterdam.

16.3 Lock-up arrangements

The Company and the Heijmans Share Administration Trust have agreed with the Joint Global Co-ordinators that for the period after the execution of the Underwriting Agreement and until 180 days after the Closing Date, except as expressly required by the Underwriting Agreement or save with the prior written consent of the Joint Global Co-ordinators, the Company and the Heijmans Share Administration Trust shall not, directly or indirectly, issue, agree to issue, offer, list, pledge, lend, transfer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant (whether by way of warrant, convertible or exchangeable security or otherwise) any option to subscribe for or purchase any (depositary receipts for) shares or any other security in the Company’s share capital, or any securities convertible into or exercisable or exchangeable for (depositary receipts for) shares or which carry rights to subscribe for or purchase (depositary receipts for) shares, or make available any prospectus under the laws of any jurisdiction or file a registration statement under the Securities Act with respect to any of the foregoing, or otherwise transfer or dispose of any securities in its share capital or enter into any swap, derivative or any other transaction, of whatever kind, which directly or indirectly leads to a total or partial transfer, legally or economically, to one or more third parties of any interest in the Company, or risk exposure to, any (depositary receipts for) shares or any securities convertible into or exchangeable for (depositary receipts for) shares, or which in any way whatsoever fixes, limits or transfers any risk arising from the possibility of price movement, up or down, in respect of such an interest, (depositary receipts for) shares or any securities convertible into or exchangeable for (depositary receipts for) shares, whether any such swap, derivative or other transaction described above is to be settled by delivery of (depositary receipts for) shares or other securities, in cash or otherwise, or agree to do or announce or undertake any of the foregoing or propose an authorisation of the Management Board to issue any (depositary receipts for) shares in the Company or grant rights to subscribe for any (depositary receipts for) shares, or propose an issue of (depositary receipts for) shares or grant of rights to subscribe for (depositary receipts for) shares for approval to the General Meeting.

16.4 Potential conflicts of interest

The Joint Global Co-ordinators, which are regulated in the Netherlands by the DNB and the AFM, are acting exclusively for us and for no one else in relation to the Offering and the listing of the Offer BDRs and the Rights and will not be responsible to anyone other than to us for giving advice in relation to, respectively, the Offering and the listing of the Offer BDRs and the Rights.

The Joint Global Co-ordinators (and/or their respective affiliates) 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 us or any parties related to us in respect of which the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with investors' and the Group's interests.

ING, Rabo Securities and MeesPierson are acting as Joint Global Co-ordinators and Joint Bookrunners, and Rabo Securities also as Subscription, Listing and Paying Agent, for the Offering. ING and Rabo Securities are acting as financial advisor to us with respect to the Financial Restructuring. In addition, each of Fortis Bank, ING and Rabobank is acting as a debt provider with respect to the Existing Credit Facilities.

17. SELLING AND TRANSFER RESTRICTIONS

17.1 Notice to investors

The offering of the Rights and the Offer BDRs 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 to subscribe for the Offer BDRs.

No action has been or will be taken to permit a public offering of the Rights and the Offer BDRs 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 BDRs, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer BDRs 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 the same, to any person, in or into any jurisdiction where to do so would or might 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.

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, subject to applicable securities laws;
- the Rights and the Offer BDRs being granted or offered in the 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 BDRs 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 any person

(i) residing in an Ineligible Jurisdiction or person with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering; *or*

(ii) any BDR Holder or other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer BDRs may be offered, but to whom certain restrictions apply, as set out in this section 17, as a result of which he cannot lawfully participate in the Offering

(such a person: **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 BDRs 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 is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer BDRs or to trade in the Rights, should consult their professional adviser without delay.

17.2 Representations and warranties by investors in the Offering

If you (i) take up, deliver or otherwise transfer the Rights, (ii) exercise the Rights to obtain the Offer BDRs or (iii) trade or otherwise deal in the Rights granted or the Offer BDRs offered in the Offering, you will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Joint Global Co-ordinators, the Subscription, Listing and Paying Agent and any person acting on the Company's or their behalf, unless such requirement is waived by the Company:

(a) you are not located in an Ineligible Jurisdiction (in which no Rights or Offer BDRs may be offered at all) as a result of which you will be qualifed as an Ineligible Person;

(b) you are not an Ineligible Person for any other reason;

(c) you are not acting, and have not acted, for the account or benefit of an Ineligible Person;

(d) will not offer, sell or otherwise transfer either a Right or an Offer BDR to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer BDRs in the marketplace via Euronext Amsterdam);

(e) were a BDR Holder and held BDRs or Ordinary Shares (other than Heijmans Share Administration Trust) at 17:40 CET on the Record Date or you legally acquired Rights in the marketplace during the trading period as set out in section 15.5 "Listing and trading of Rights".

The Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators and any persons acting on behalf of the Company or the Joint Global Co-ordinators will rely upon your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability. The Company and the Joint Global Co-ordinators reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer BDRs that the Company or the Joint Global Co-ordinators believe may give rise to a breach or violation of any law, rule or regulation.

If you are a person acting on behalf of an eligible holder of the Rights (including, without limitation, as a nominee, custodian or trustee), you will be required to provide the foregoing representations and warranties to the Company, the Joint Global Co-ordinaters and the Subscription, Listing and Paying Agent with respect to the exercise of Rights on behalf of such eligible holder. If you do not or are unable to provide the foregoing representations and warranties, neither the Company nor the Subscription Agent, Listing and Paying Agent, nor the Joint Global Co-ordinators will be bound to authorise the allocation of any of the Offer BDRs being offered in the Offering to you or the person on whose behalf you are acting.

If you (including, without limitation, your nominees and trustees) are outside the Netherlands and wish to exercise or otherwise deal in your Rights or subscribe for the Offer BDRs, you must satisfy yourself 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 comments set out in this section are intended as a general guide only. If you are in any doubt as to whether you are eligible to exercise your Rights or subscribe for the Offer BDRs, you should consult your professional advisors without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all BDR Holders that hold BDRs and Ordinary Shares (other than Heijmans Share Administration Trust) as of the Record Date in custody through such an intermediary. A financial intermediary may not exercise any Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons 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 Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of the Offer BDRs to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding 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 BDRs will not be delivered to addresses inside any Ineligible Jurisdiction. The Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators 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 BDRs, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and 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 in the Rights Offering, which 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 herein.

Despite any other provision of this Prospectus, the Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators reserve the right to permit you to exercise your Rights if the Company, the Subscription, Listing and Paying Agent and the Joint Global Co-ordinators, 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 Paying Agent and the Joint Global Co-ordinators do not accept any liability for any actions that you take or for any consequences that you may suffer by the Company accepting your exercise of Rights.

17.3 For investors in the European Economic Area

In relation to each Member State which has implemented the Prospectus Directive (each, a **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**), an offer to the public of the Rights and the Offer BDRs which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State other than the offers contemplated in the Prospectus in the Netherlands once the Prospectus has been approved by the AFM, the competent authority in the Netherlands, and published in accordance with the Prospectus Directive as implemented in the Netherlands, except that, with effect from and including the Relevant Implementation Date, a granting of any Rights or an offer of any Offer BDRs may be made to the public 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 EUR 43 million and (iii) an annual net turnover of more than EUR 50 million, as shown in its last annual or consolidated accounts;
- by the Joint Global Co-ordinators to fewer than 100 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 BDRs shall result in a requirement for the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression ‘an offer to the public’ in relation to any Rights and Offer BDRs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Rights to be granted and Offer BDRs to be offered so as to enable an investor to decide to purchase any Rights and Offer BDRs, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” includes any relevant implementing measure in each Relevant Member State.

17.4 For investors in Switzerland

The Offer BDRs 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 Offer BDRs may be offered or distributed in connection with any such offering or distribution.

17.5 For investors in the United Kingdom

In addition to the restrictions identified above, any invitation or inducement to engage in investment activity (within the meaning of article 21 of FSMA (as defined in section 19 “Definitions”) in connection with the issue or sale of the Rights and the Offer BDRs may only be communicated or caused to be communicated in the United Kingdom in circumstances in which article 21(1) of the FSMA does not apply or if an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies.

17.6 For investors in the United States of America

The Rights and the Offer BDRs 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 Offering, an offer or sale of the Rights and the Offer BDRs within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Each investor in the Rights and the Offer BDRs 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 BDRs (i) is outside the United States and (ii) is acquiring the Rights and Offer BDRs in an offshore transaction meeting the requirements of Regulation S;

- the investor is aware that the Rights and the Offer BDRs 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 BDRs 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, the Joint Global Co-ordinators and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any certificate representing the Offer BDRs or any depositary receipts representing the right to receive deposited Offer BDRs shall bear a legend setting forth the foregoing transfer restrictions.

18. GENERAL INFORMATION

18.1 Corporate resolutions

The Offering was authorised by resolutions of the Management Board on 25 June 2009 and 28 June 2009 and the Supervisory Board on 28 June 2009 respectively. On 27 May 2009, the General Meeting granted the authority to the Management Board to issue the Ordinary Shares underlying the Offer BDRs, to limit or exclude the statutory pre-emptive rights of Shareholders and BDR Holders and to amend the Articles of Association in order to, *inter alia*, increase the authorised share capital. The underlying Ordinary Shares to the Offer BDRs will be issued when the Offering has been finalised and prior to the commencement of trading in the Offer BDRs on 15 July 2009.

18.2 Statement of significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2008 up to the date of this Prospectus, except for:

(i) the Financial Restructuring as announced by Heijmans on 29 April 2009 and which is further set out in section 5.3 "Restructuring" and section 8.2 "Capitalisation and Ratios";

(ii) the "Developments since 31 December 2008" as set out in section 7.2;

(iii) the underlying results of operations of Q1 2009, the revenues for Q1 2009 and the order book as at 31 March 2009, as set out in section 6 "Selected Financial Information" (figure 6.5); and

(iv) the conversion of an uncommitted credit facility of EUR 50 million to a committed facility as set out in section 2.1 (d) "Risk Factors" and section 7.8 (e) "Indebtedness".

18.3 Current trading and prospects

In the first three months of 2009, certain key aspects of the organisational restructuring announced in 2008 were implemented. The organisational restructuring is aimed at making the Group more compact, reducing risk, expanding and improving its management control systems, contract and risk management procedures and focussing on its core competences in the Netherlands. As a result of the restructuring, some 650 jobs will be eliminated and the Social Plan has been agreed in connection herewith. As of the date of this Prospectus, the organisational restructuring of the operations and the downsizing of the Dutch organisation's support staff departments and of the staff of the operations are on schedule. During the course of 2009 the organisational restructuring is expected to be completed. Furthermore, in accordance with the Group's strategy (reference is made to section 5.7 "Strategy"), the Group is presently engaged in the preparation of possible divestments.

In Q1 2009, the Group's Property Development activities in the Netherlands were severely impacted by the poor residential market conditions, with sales of new homes declining significantly. The Infrastructure activities saw a continued lack of demand from the private sector and lower than anticipated demand from the public sector. The weather conditions in early 2009 were also more severe than normal during the months January, February and March and work could not be carried out on several business days. In particular this had a negative influence on the Infrastructure activities in the Netherlands.

For more information, please refer to section 7.2 "Developments since 31 December 2008".

18.4 Availability of documents

Copies (in print), in Dutch, of the consolidated audited annual financial statements of the Company for the financial years ended 31 December 2008, 2007 and 2006 and the Articles of Association are available free of charge at the Company's head office at Graafsebaan 65, 5248 JT Rosmalen, the Netherlands, during normal business hours and in electronic form from the Company's website www.heijmans.nl.

Copies (in print) of this Prospectus and any supplement to the Prospectus (if any) may be obtained at no cost from the date of this Prospectus at the Company's head office, Graafsebaan 65, 5248 JT Rosmalen, the Netherlands, as well as from ING, Foppingadreef 7, 1102 BD Amsterdam Zuid-Oost, the Netherlands (fax: + 31 (0) 20 797 9607, e-mail: iss.pas@ing.nl), Rabo Securities, Amstelplein 1 1096 HA Amsterdam, the Netherlands (tel:+ 31 (0) 20 462 4602, e-mail: prospectus@rabobank.com) or MeesPierson, Rokin 55, 1012 KK Amsterdam, the Netherlands (tel: + 31 (0) 20 527 2467, e-mail: prospectus@nl.fortis.com).

Alternatively, this Prospectus can also be found electronically on the website of Heijmans at www.heijmans.nl, on the website of Euronext Amsterdam N.V. at www.euronext.com (Dutch residents only) and on the website of the AFM at www.afm.nl.

18.5 Independent auditors

The financial statements of Heijmans N.V. as of and for the years ended 31 December 2008, 2007 and 2006 included by reference in this Prospectus have been audited by KPMG Accountants N.V., independent auditors, as stated in their reports appearing herein. The auditor's reports have been unqualified. The auditors of Heijmans have no interest in Heijmans.

The address of KPMG Accountants N.V. is Burgemeester Rijnderslaan 10, 1185 MC Amstelveen, the Netherlands. The auditors, who sign on behalf of KPMG Accountants N.V., are members of the Royal Dutch Institute for Registered Accountants (*Koninklijk Nederlands Instituut van Register Accountants*).

KPMG Accountants N.V. has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included.

19. DEFINITIONS

2006 Financial Statements	The audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2006
2007 Financial Statements	The audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2007
2008 Financial Statements	The audited consolidated annual financial statements and the auditor's report for the financial year ended 31 December 2008
AFM	The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Amended Code	The amended Code, which entered into force on 1 January 2009
Annual General Meeting	The annual general meeting of shareholders of Heijmans N.V.
Articles of Association	The articles of association of Heijmans N.V. as they read on the date of this Prospectus
Audited Financial Statements	The 2006 Financial Statements, 2007 Financial Statements and 2008 Financial Statements
Bridge Loan Facility	EUR 85.6 million bridge loan facility with Fortis Bank, ING and Rabobank as lenders
BDR Holders	Holders of BDRs or Ordinary Shares (other than Heijmans Share Administration Trust)
BDRs	Bearer depositary receipts of ordinary shares in the capital of Heijmans N.V.
CET	Central European Time
Closing Date	The day of payment and delivery of the Offer BDRs, which is expected to be 15 July 2009
Code	The Dutch Corporate Governance Code
Company	Heijmans N.V. with or without its subsidiaries, depending on the context
Controlling Entity	If a person or company or group company holds a total of at least 95% of a company's issued share capital by nominal value for its own account
CPB	The Netherlands Bureau for Economic Policy Analysis (*Centraal Planbureau*)
Daily Official List	The daily official list of Euronext Amsterdam N.V. (*Officiële Prijscourant*)
DNB	The Dutch Central Bank (*De Nederlandsche Bank*)
Dutch Market Abuse Decree	The Dutch Market Abuse Decree (*Besluit Marktmisbruik Wft*)

EBIT	EBIT is the consolidated operating profit for the preceding 12-month period, before interest and tax
EBITA	EBITA is the consolidated operating profit for the preceding 12-month period, before interest and tax after adding back all amounts provided for amortisation and for write-downs and impairment of intangible fixed assets in such period
EBITDA	EBITDA is the consolidated operating profit for the preceding 12-month period, before interest and tax after adding back all amounts provided for depreciation, amortisation and for write-downs and impairment of intangible fixed assets in such period
EIB	The Economic Institute for the Building Industry (*Economisch Instituut voor de Bouwnijverheid)*
Eligible Person	Any person who is not an Ineligible Person
EMU	Economic and Monetary Union
ERP	Enterprise Resource Planning
EU	European Union
EUR	Euro
Euro Currency Swap Curve	Please refer to Bloomberg page EUSA5 Currency
Euronext Amsterdam	Euronext Amsterdam by NYSE Euronext
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depositary and settlement institute
Excess Amount	Upon the completion of the Rump Offering, the difference between the aggregate proceeds for the Rump BDRs offered and sold in the Rump Offering, minus any expenses related to procuring such purchasers (including any non-recoverable value added tax) and the aggregate Issue Price for such Rump BDRs
Exercise Period	The period from 09:00 CET on 30 June 2009 until 15:30 CET on 9 July 2009 when Eligible Persons of Rights may subscribe for Offer BDRs
Existing Credit Facilities	The Bridge Loan Facility and the Syndicated Loan Facility
Financial Restructuring	The financial restructuring of the Heijmans business, as announced by Heijmans on 29 April 2009
Financial Supervision Act	The Dutch financial supervision act (*Wet op het financieel toezicht*) and the rules promulgated thereunder
Financing Preference Shares B	Financing preference shares B in the capital of Heijmans N.V each with a nominal value of EUR 0.03 (which nominal value shall be amended on the Closing Date)
Fortis Bank	Fortis Bank (Nederland) N.V.
FSMA	Financial Services and Markets Act 2000

GBP	Pound sterling
General Meeting	The general meeting of shareholders of Heijmans N.V.
Group	Heijmans N.V. and any or all of its subsidiaries
Group-level management	The group-level management (*Concerndirectie*)
Heijmans	Heijmans N.V. with or without any or all of its subsidiaries (depending on the context)
Heijmans Preference Share Trust	The foundation Preference Shares Heijmans (*Stichting Preferente Aandelen Heijmans*)
Heijmans Share Administration Trust	The foundation holding the Ordinary Shares for which BDRs have been issued (*Stichting Administratiekantoor Heijmans*)
HSL	High Speed Line (*Hoge Snelheids Lijn*)
IFRS	The International Financial Reporting Standards, as adopted by the EU
Ineligible Jurisdictions	The jurisdictions outside the Netherlands wherein the Rights and the Offer BDRs may not be offered, including, without limitation, the United States, Australia, Canada and Japan
Ineligible Person	Any BDR Holder or other person residing in an Ineligible Jurisdiction or person with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering or any BDR Holder or other person residing in a jurisdiction outside the Netherlands wherein the Rights and the Offer BDRs may be offered, but to whom certain restrictions apply, as set out in section 17 “Selling and Transfer Restrictions”, such that he cannot lawfully participate in the Offering
ING	ING Bank N.V.
Interest Cover Ratio	The interest cover ratio as referred to in section 8 “Capitalisation and Ratios”
Issue Price	EUR 0.70 per Offer BDR
IT	Information and communication technology
Joint Bookrunners	ING, Rabo Securities and MeesPierson
Joint Global Co-ordinators	ING, Rabo Securities and MeesPierson
Leverage Ratio	The leverage ratio as referred to in section 8 “Capitalisation and Ratios”
Management Board	The management board of Heijmans N.V.
Management by-laws	The internal regulations of the Management Board, dated 15 February 2005
Measurement Period	The period as referred to in section 8 “Capitalisation and Ratios”
MeesPierson	The Corporate Finance & Capital Markets department of Fortis Bank (Nederland) N.V., acting under its trade name MeesPierson

Member State	A member state of the European Economic Area
New Euro Currency Swap Curve	Please refer to Bloomberg page SWYC
Offer BDRs	144,435,504 new BDRs offered at the Issue Price
Offering	The Rights Offering and the Rump Offering
Ordinary Shares	Ordinary shares in the capital of Heijmans N.V., each with a nominal value of EUR 0.03
Performance Measures	The performance measures used by the Group in the analysis of its business, financial condition and results of operations
PPS	Private and public co-operation (*Privaat Publieke Samenwerking*)
Preference Shares	Preference shares in the capital of Heijmans N.V., each with a nominal value of EUR 1.50
Prospectus	This prospectus dated 29 June 2009
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union
Q1 2008	The period of 1 January 2008 up to and including 31 March 2008
Q1 2009	The period of 1 January 2009 up to and including 31 March 2009
Rabobank	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Rabo Securities	Rabo Securities Corporate Advisory, the equity (linked) investment division of Rabobank.
Record Date	17:40 CET on 29 June 2009
Regulation S	Regulation S under the Securities Act
Relevant Implementation Date	Date on which the Prospectus Directive was implemented in the Relevant Member State
Relevant Member State	Each Member State which has implemented the Prospectus Directive
Rights	The transferable subscription entitlements that entitle the holder to subscribe for the Offer BDRs at the Issue Price, provided that the holder is an Eligible Person
Rights Offering	The granting of Rights to Eligible Persons of BDRs and to holders of Ordinary Shares (other than Heijmans Share Administration Trust)
Rump BDRs	The Offer BDRs that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period
Rump Offering	Private placements of the Rump BDRs in the Netherlands or elsewhere
Securities Act	The United States Securities Act of 1933, as amended from time to time
Shares	The Ordinary Shares, Financing Preference Shares B and Preference Shares

Shareholder	The holder of any of the Ordinary Shares, Financing Preference Shares B or Preference Shares
Social Plan	The social plan dated 6 January 2009
Subscription, Listing and Paying Agent	Rabo Securities
Supervisory Board	The supervisory board of Heijmans N.V.
Supervisory Board by-laws	The internal regulations of the Supervisory Board, dated 2 February 2005
Syndicated Loan Facility	EUR 400 million credit facility with a syndicate of banks, with ING and Rabobank as lead arrangers
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of the European Union
Test Date	A test date as referred to in section 8 "Capitalisation and Ratios"
Trading Update	The trading update issued by the Company on 29 June 2009
Underwriting Agreement	The underwriting agreement between Heijmans and the Joint Global Co-ordinators to be entered into
Unexercised Rights Payment	The payment to each eligible holder of a Right that was not exercised at the end of the Exercise Period of a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account as long as that amount exceeds EUR 0.01 per unexercised Right
USD	United States Dollar
USPP Holders	The holders of the USPP Notes
USPP Notes	USD 125 million Notes issued pursuant to a note purchase agreement dated 30 March 2007
VEB	Dutch Association of Shareholders (*Vereniging van Effectenbezitters*)

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