KONINKLIJKE VOLKERWESSELS N.V.

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

Initial public offering of up to 28,750,000 ordinary shares and admission to listing and trading on Euronext in Amsterdam

Reggeborgh Holding B.V. (the "**Selling Shareholder**") is offering up to 28,750,000 existing ordinary shares (the "**Offer Shares**", which includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)) in the capital of Koninklijke VolkerWessels N.V. (the "**Company**") with a nominal value of €0.01 each (the "**Ordinary Shares**"). The Offer Shares excluding the Over-Allotment Shares constitute approximately 31.25% of the issued share capital of the Company. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute approximately 35.94% of the issued share capital of the Company.

The offering of the Offer Shares (the "**Offering**") consists of: (i) a public offering to institutional and retail investors in the Netherlands and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States of America (the "**United States**"), to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the US Securities Act of 1933, as amended (the "**US Securities Act**"), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws, and outside the United States, in accordance with Regulation S under the US Securities Act ("**Regulation S**").

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext in Amsterdam, a regulated market operated by Euronext Amsterdam N.V., under the symbol "KVW". Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-delivered" basis in the Ordinary Shares on Euronext Amsterdam is expected to commence on or about 12 May 2017 (the "**First Trading Date**").

Investing in the Ordinary Shares involves risks. See "Risk Factors" for a description of the risk factors that should be carefully considered before investing in the Ordinary Shares.

The price per Offer Share (the "Offer Price") is expected to be in the range of €21.25 and €25.25 (inclusive) (the "Offer Price Range")

The Offering will take place from 9:00 CET on 28 April 2017 until 17:30 CET on 10 May 2017 for prospective retail investors in the Netherlands and from 9:00 CET on 2 May 2017 until 14:00 CET on 11 May 2017 for prospective institutional investors (the "**Offer Period**"), subject to acceleration or extension of the timetable for the Offering, and subject as set out below for the Preferential Retail Allocation (as defined below). The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators (as defined below), after the end of the Offer Period on the basis of the book-building process and taking into account the conditions and factors described in "*The Offering*". The Selling Shareholder and the Company, together with the Joint Global Coordinators, reserve the right to increase or decrease the number of Offer Shares and to change the Offer Price Range prior to allocation of the Offer Shares. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In these cases, if the Offer Period for Dutch retail investors would already have closed, the Offer Period for Dutch retail investors will be reopened. Accordingly, all investors, including Dutch retail investors, will have at least two business days to reconsider their subscriptions. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release on the Company's website. The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement (the "**Pricing Statement**") that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten* or the "**AFM**") and published through a press release on the Company's website. Printed copies of the Pricing Statement will be made available at the registered office of the Company.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the "**Preferential Retail Allocation**"). Each eligible retail investor in the Netherlands will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares applied for by Dutch retail investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares (assuming no exercise of the Over-Allotment Option (as described below)) the preferential allocation to each Dutch retail investor may take place *pro rata* in respect of the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch retail investors may not be allocated all of the first 250 (or fewer) Offer Shares that they apply for. The exact number of Offer Shares allocated to Dutch retail investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch retail investors must place their subscriptions during the period commencing on 28 April 2017 at 9:00 CET and ending on 10 May 2017 at 17:30 CET through their bank or other financial intermediaries. Dutch retail investors are entitled to cancel or amend their subscription, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period for retail investors (if applicable, as accelerated or extended).

ABN AMRO Bank N.V. ("**ABN AMRO**"), ING Bank N.V., acting through its Corporate Finance Division ("**ING**"), Merrill Lynch International ("**BofA Merrill Lynch**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**") are acting as joint global coordinators (the "**Joint Global Coordinators**") and collectively with BNP PARIBAS ("**BNP PARIBAS**") and Coöperatieve Rabobank U.A. ("**Rabobank**") as the joint bookrunners for the Offering (the "**Joint Bookrunners**" or the "**Underwriters**"). Kempen & Co N.V. is acting as the financial adviser to the Selling Shareholder (the "**Financial Adviser to the Selling Shareholder**") for the Offering.

The Selling Shareholder has granted the Joint Global Coordinators, on behalf of the Underwriters, an option (the "**Over-Allotment Option**"), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators (on behalf of the Underwriters) may require the Selling Shareholder to sell at the Offer Price up to 3,750,000 additional Ordinary Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering (the "**Over-Allotment Shares**"), to cover over-allotments, if any, in connection with the Offering or to facilitate stabilisation transactions, if any.

Subject to acceleration or extension of the timetable for the Offering, payment (in euro) for, and delivery of, the Offer Shares ("**Settlement**") is expected to take place on 16 May 2017 (the "**Settlement Date**") through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* trading as Euroclear Nederland).

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholder, ABN AMRO, in its capacity as listing and paying agent (the "**Listing and Paying Agent**"), the Underwriters, the Financial Adviser to the Selling Shareholder and Euronext Amsterdam N.V. do not accept any responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares. For more information regarding the conditions to the Offering and the consequences of any termination or withdrawal of the Offering, see "*The Offering*".

At the date of this Prospectus, the Company is still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named VolkerWessels B.V. The Company is expected to be converted into a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. The distribution of this prospectus (the "**Prospectus**") and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves and observe any restrictions. The Offer Shares have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each purchaser of Offer Shares, in making a purchase, will be deemed to have made certain acknowledgments, representations and agreements as set out in "*Selling and Transfer Restrictions*". Prospective investors in the Offer Shares should carefully read the restrictions described under "*Important Information—Notice to Investors*" and "*Selling and Transfer Restrictions*". The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC of the European Parliament and of the Council of the European Union as amended, including by Directive 2010/73/EU (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. This Prospectus has been approved by and filed with the AFM.

Joint Global Coordinators

ABN AMRO **BofA Merrill Lynch** **ING** **Morgan Stanley**

Joint Bookrunners

ABN AMRO **BofA Merrill Lynch** **BNP PARIBAS** **ING** **Morgan Stanley** **Rabobank**

Financial Adviser to the Selling Shareholder

Kempen & Co

This Prospectus is dated 28 April 2017

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SUMMARY

Summaries are made up of disclosure requirements known as ''elements''. The elements are numbered in Sections A – E (A.1 – E.7).

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

Even though such elements may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding such elements. In this case a short description of such elements is included in the summary with the mention of ''not applicable''.

Section A – Introduction and Warnings		
A.1	**Introduction and warnings**	This summary should be read as an introduction to the prospectus (the "**Prospectus**") relating to the offering (the "**Offering**") by Reggeborgh Holding B.V. (the "**Selling Shareholder**") of up to 28,750,000 existing ordinary shares (the "**Offer Shares**", which includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)) in the capital of Koninklijke VolkerWessels N.V. (the "**Company**") with a nominal value of €0.01 each (the "**Ordinary Shares**"), and the admission to listing and trading of the Ordinary Shares on Euronext in Amsterdam ("**Euronext Amsterdam**"), a regulated market of Euronext Amsterdam N.V. The Offer Shares excluding the Over-Allotment Shares constitute approximately 31.25% of the Company's issued share capital. Any decision to invest in any Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference therein before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.
A.2	**Consent of the Company**	Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placements of Offer Shares by financial intermediaries.

Section B – Company		
B.1	**Legal and commercial name**	Koninklijke VolkerWessels N.V. (which at the date of the Prospectus is still a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) named VolkerWessels B.V., and is expected to be converted into a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date (as defined below) and the legal name of the Company will then become Koninklijke VolkerWessels N.V.).
B.2	**Domicile, legal form, legislation and country of incorporation**	The Company is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company is

		expected to be converted into a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date. The Company has its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands.
B.3	**Current operations and principal activities**	The Company together with its subsidiaries ("**VolkerWessels**") is a leading, integrated and diversified construction group and aims to operate with a "think global, act local" mind-set. VolkerWessels' operating model combines a local sales and client focus with a centralised management structure that optimises scale and expertise across VolkerWessels' operating companies. VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America (Western Canada and the north-west of the United States) and Germany. Operationally, VolkerWessels' business is organised in six segments as set out below: **The Netherlands – Construction & Real Estate Development** The Netherlands – Construction & Real Estate Development segment consists of companies that are mainly active in residential and non-residential construction and renovation, the provision of technical installation services, real estate development (both for VolkerWessels' own risk and for third parties) and industrial construction supply. In addition to construction and development activities, VolkerWessels' operating companies provide maintenance, planning and specialist services to support projects carried out by third parties and by its own operating companies in the Netherlands – Construction & Real Estate Development segment. VolkerWessels owns plots of land and the right to develop/build on plots of land in the Netherlands as part of its real estate development activities. This includes land that is owned by VolkerWessels or jointly with others as well as land for which VolkerWessels has an option to purchase and/or rights to develop. This whole portfolio or "land bank" (*grondbank*) consists of land positions throughout the Netherlands and construction and development rights at prime locations in Amsterdam, The Hague, Eindhoven and other locations in the Netherlands. **The Netherlands – Infrastructure** The Netherlands – Infrastructure segment undertakes activities in the design and realisation, integrated project management and maintenance of infrastructure projects in connection with civil works, road construction (including asphalt production), concrete and hydraulic engineering, railway infrastructure construction, traffic management and traffic technology, and smart mobility. **The Netherlands – Energy & Telecom Infrastructure** The Netherlands – Energy & Telecom Infrastructure segment comprises: (a) the energy infrastructure business, with companies that are active in the design, building and maintenance of pipelines, cables and boreholes for the transport of heat, steam, gas, oil, water, and electricity; and (b) the telecom infrastructure business, which is mainly active in the design, build, management and maintenance of underground and above ground network solutions. **VolkerWessels UK** The main activities of VolkerWessels in the United Kingdom are the delivery of multi-disciplinary civil engineering projects, specialist rail services, specialist marine, water and environmental engineering projects, highways maintenance and renewal projects, and industrial and commercial building.

VolkerWessels North America

The VolkerWessels North America segment is active in North America in the infrastructure (construction and maintenance) segments in specific markets in the provinces of Alberta and British Columbia in Canada and the greater Seattle area in Washington State in the United States. It focuses on the construction and maintenance of road and highways infrastructure (including its in-house supply of the production of asphalts and aggregates) and the construction and installation of underground (sewage, water, etc.) civil works and utilities.

VolkerWessels Germany

The VolkerWessels Germany segment is focused on the development and construction of high-quality residential property and low cost subsidised housing located in prime cities.

Operating model of VolkerWessels

VolkerWessels has over 120 local operating companies, which consist of national and regional offices and ultimately report to divisional management boards within the operating segments and the Company's management board (the "**Management Board**").

VolkerWessels manages and controls the business activities of its operating companies through its risk management process and through the application of this process by dedicated and experienced management teams at each of its operational companies. Risk management concerns the set of procedures that are in place and the involvement of senior management to ensure that the Company is able to successfully implement its strategic goals, maintain the effectiveness and efficiency of its business operations, and safeguard the provision of financial information and ensure compliance with applicable laws and regulations.

VolkerWessels believes that the successful implementation of the range of projects that it undertakes derives from the disciplined implementation of the VolkerWessels operating model, which, in addition to the risk management process described above, comprises the following key elements: project acquisition; contract management; and project execution.

Competitive strengths

VolkerWessels believes that its main competitive strengths are the following:

- Multi-local leadership.
- Network of local winners, supported by strong governance and shared expertise.
- Operational excellence based on prudent risk management.
- Focus on cash generation and balance sheet strength.
- Skilled and experienced management teams.

Strategy

The focus at VolkerWessels is on quality and efficiency to drive controlled and profitable growth. This approach has enabled VolkerWessels to become the market leading contractor in the Netherlands in its selected markets and to have top-tier competitive positions in the specialist areas that its operating companies compete in internationally.

VolkerWessels' aim is to deliver controlled profitable growth and strong shareholder return based on the following three pillars:

(i) profitably capture attractive market opportunities;

(ii) improve margins through operational excellence; and

(iii) pursue strategic bolt-on acquisitions.

		Medium-Term Objectives The Company has identified the following medium-term objectives: • *Revenue growth*: achieve profitable growth over market volume growth in each of VolkerWessels' respective markets, with a compound annual growth rate of 3% to 4% from a 2016 normalised revenue base (excluding a €79 million increase in revenue from the Netherlands – Construction & Real Estate Development segment as a result of an increased participation interest in the North-South subway line project in Amsterdam due to the consolidation of VolkerWessels' previous partner's interest in the project in 2016). • *EBITDA and EBITDA margin*: achieve growth of EBITDA in absolute terms and an annual EBITDA margin on average of 4.5% to 5.5% in the medium term. • *Capital expenditure*: a sustainable capital expenditure level of approximately 1.3% of the Company's annual revenues. • *Working capital*: develop its trade working capital position in line with revenue development, further improve efficiency on strategic working capital by approximately €100 million and focus its land bank on actionable development. • *Tax*: fully utilise the losses carried forward of €40 million, as at year-end 2016, in the medium term. • *Capital allocation*: focus on efficient use of employed capital and a return on capital employed ("**ROCE**") higher than 18.0%. The Company has not defined, and does not intend to define, "medium term". These medium-term financial objectives should not be read as forecasts or projections for any particular year, but are merely objectives that result from the Company's pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of the Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, including but not limited to, those described in "*Important Information—Information Regarding Forward-Looking Statements*" and "*Risk Factors*". Investors are urged not to place undue reliance on any of the statements set out above.
B.4a	**Significant recent trends affecting the Company and industries in which it operates**	VolkerWessels believes that the following non-exhaustive selection of key trends* may have a significant impact on the industry at large, as well as on the Company's position within the construction industry: • *Technological developments*. Substantial efficiency gains in the construction industry are expected through the digitalisation of construction sites. These technologies are expected, for example, to enable market participants to deal with increased project complexity and significantly larger data pools. VolkerWessels closely monitors such technological developments and is proactively incorporating such technology into its business. • *Supply chain cooperation*. Increased cooperation within the supply chain increases overall efficiency and therefore may reduce failure costs in construction processes. Optimisation of supply chain cooperation can be observed internally within a diversified construction company and externally between various companies active in the supply chain. The improvement potential is mostly visible in the design and engineering phase, hence supply chain

cooperation should mostly focus on involvement of all parties at an early stage of the process.

- *Industrialisation*. The construction industry is becoming more industrialised and standardised as a result of increasing demand for higher quality products and services, lower costs and flexibility. Industrialisation is expected to happen through process and product optimisation. One of the product innovations is the production of factory-produced prefabricated elements, whereas traditional construction methods assemble separate parts on the construction site.
- *Sustainability*. Focus and value lies in improving the quality of construction methods and materials used, resulting in increasing sustainable solutions and decreasing long-term costs. Potential benefits in terms of sustainability can also be achieved through more efficient use and recycling of raw materials. A current trend in making buildings more sustainable is applying the circular economy principle.

* Based on trends identified in the report by McKinsey entitled "Imagining construction's digital future", McKinsey, June 2016.

B.5 **Description of the group and the Company's position therein**

The Company is the parent company of a group of operating, holding and project companies. The principal assets of the Company include the equity interests it directly or indirectly holds in its operating subsidiaries.

B.6 **Shareholder of the Company**

Reggeborgh Holding B.V. is the sole shareholder of the Company.

Reggeborgh Holding B.V. is wholly-owned by the Wessels family.

B.7 **Selected consolidated financial information**

Selected Consolidated Income Statement

	Year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Revenue	**5,490**	**5,318**	**5,000**
Costs of raw materials and consumables	(1,251)	(1,265)	(1,121)
Costs of outsourced work and other external costs	(2,653)	(2,496)	(2,415)
Personnel expenses	(1,111)	(1,086)	(1,028)
Depreciation and impairment of tangible fixed assets	(73)	(77)	(74)
Amortisation and impairment of intangible assets	(16)	(9)	(12)
Other operating costs	(231)	(245)	(235)
Total operating expenses	**(5,335)**	**(5,178)**	**(4,885)**
Share in results of associates and joint ventures (after income tax)	**10**	**20**	**22**
Operating result	**165**	**160**	**137**
Financial income	26	23	19
Financial expenses	(52)	(56)	(96)
Net financial result	**(26)**	**(33)**	**(77)**
Result before tax	**139**	**127**	**60**
Income tax	(36)	(30)	(17)

	Year ended 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Result from continuing operations	103	97	43
Result from discontinued operations (after income tax)	38	16	18
Result for the financial year	**141**	**113**	**61**
Attributable to shareholders of the Company	139	107	60
Attributable to minority interests	2	6	1
Result for the financial year	**141**	**113**	**61**

Selected Consolidated Statements of Financial Position

	As at 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Assets			
Total non-current assets	1,220	1,349	1,364
Total current assets	2,362	2,464	2,303
Total assets	**3,582**	**3,813**	**3,667**
Equity and Liabilities			
Total equity	1,128	437	(68)
Total non-current liabilities[1]	318	995	1,439
Total current liabilities	2,136	2,381	2,296
Total equity and liabilities	**3,582**	**3,813**	**3,667**

(1) Includes subordinated shareholders' loans of nil, €498 million and €872 million as at year-end 2016, 2015 and 2014.

Selected Consolidated Statement of Cash Flows

	Year ended 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Cash and cash equivalents at beginning of the period	**357**	**240**	**186**
Net cash flow from continuing operating activities	286	221	118
Net cash flow from discontinued operating activities	4	71	12
Net cash flow from operating activities (total)	***290***	***292***	***130***
Net cash flow from continuing investment activities	(212)	(103)	(77)
Net cash flow from discontinued investment activities	133	6	9

			Year ended 31 December		
			2016	2015	2014
			(EURm)	(EURm)	(EURm)
		Net cash flow from investing activities (total)	***(79)***	***(97)***	***(68)***
		Net cash flow from continuing financing activities	(152)	(91)	(32)
		Net cash flow from discontinued financing activities	(21)	9	12
		Net cash flow from financing activities (total)	***(173)***	***(82)***	***(20)***
		Increase/(decrease) in net cash position	**38**	**113**	**42**
		Effects of exchange rate differences on cash, cash equivalents and current account banks	(9)	4	12
		Cash and cash equivalents at the end of the period[1]	**386**	**357**	**240**
		(1) Includes bank overdrafts.			
B.8	**Selected key *pro forma* financial information**	Not applicable. No *pro forma* financial information has been included in the Prospectus.			
B.9	**Profit forecast**	Not applicable. The Company has not issued a profit forecast.			
B.10	**Historical audit report qualifications**	Not applicable. There are no qualifications in the independent auditor's report on the historical financial information for the years ended 31 December 2016, 2015 and 2014.			
B.11	**Working capital**	In the opinion of VolkerWessels, its working capital is sufficient for its present requirements for at least 12 months following the date of the Prospectus.			

Section C – Securities		
C.1	**Type of and class, security identification number**	The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of €0.01 each. Application has been made to list all Ordinary Shares under the symbol "KVW" on Euronext Amsterdam under ISIN code: NL0012294466.
C.2	**Currency of the Ordinary Shares**	The Ordinary Shares are denominated in and will trade in euro.
C.3	**Number of Ordinary Shares issued, nominal value per Ordinary Share**	As of the date of the Prospectus, the Company's outstanding and issued share capital consists of 80 million Ordinary Shares. All of the issued and outstanding Ordinary Shares are fully paid. The nominal value per Ordinary Share is €0.01. As of the date of the Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are subject to, and have been created under, the laws of the Netherlands.

C.4	**Rights attached to the Ordinary Shares**	The rights of the holders of Offer Shares offered and sold in the Offering will rank *pari passu* with each other and with all other Ordinary Shares. The Ordinary Shares carry dividend rights. Each Ordinary Share entitles its holder the right to attend and to cast one vote at the Company's general meeting, being the corporate body or, where the context so requires, the physical meeting. There are no restrictions on voting rights. The general meeting, or the Management Board (each member thereof, a "**Managing Director**") subject to the approval by the Company's supervisory board (the "**Supervisory Board**" and each member thereof, a "**Supervisory Director**") to the extent so authorised by the general meeting for a specific period, may resolve to issue Ordinary Shares. This also applies to the granting of rights to subscribe for Ordinary Shares, such as through the exercise of options, but is not required for an issue of Ordinary Shares pursuant to the exercise of a previously granted right to subscribe for Ordinary Shares. Such an authorisation will be irrevocable unless otherwise stipulated and will each time only be valid for a fixed term of no more than five years and may each time only be renewed for a maximum period of five years. The Company may not subscribe for its own Ordinary Shares on issue. Dutch law and the articles of association of the Company provide that, upon the issue of Ordinary Shares, each shareholder shall have a pre-emptive right in respect of the Ordinary Shares to be issued, in proportion to the number of Ordinary Shares already held by it. Exceptions to these pre-emptive rights include: (i) the issue of Ordinary Shares issued against a contribution in kind, (ii) the issue of Ordinary Shares to the Company's employees or the employees of a group company as defined in Section 2:24b of the Dutch Civil Code, and (iii) the issue of Ordinary Shares to persons exercising a previously granted right to subscribe for Ordinary Shares. These pre-emptive rights and such non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for Ordinary Shares. Pursuant to the articles of association of the Company, the pre-emptive right of Ordinary Shares may be restricted or excluded pursuant to a resolution of the general meeting. Subject to the approval of the Supervisory Board, the pre-emptive right may also be restricted or excluded by the Management Board if the Management Board has been authorised by a decision of the general meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emption right. Holders of Ordinary Shares have no pre-emptive rights upon the issue of preference shares in the capital of the Company with a nominal value of €0.01 each (the "**Preference Shares**"). Holders of Preference Shares do not have a pre-emptive right in respect of Ordinary Shares. Pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, the Management Board, subject to the approval of the Supervisory Board, will be authorised to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares for a period of 18 months following the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Ordinary Shares. This authorisation of the Management Board is limited to 10% of the issued Ordinary Shares immediately following Settlement. Pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, the Management Board will be authorised for a period of five years to grant to an outside foundation rights to subscribe for Preference Shares up to a maximum corresponding with 100% of the issued share capital of the Company excluding the Preference Shares outstanding immediately prior to the exercise of the right to subscribe for Preference Shares, less one Ordinary Share, provided that

		the Management Board shall only grant the foundation rights to subscribe for Preference Shares under the condition precedent that the foundation may only exercise such call option if the Selling Shareholder holds less than 20% of the issued capital of the Company.
C.5	**Restrictions on free transferability of the Ordinary Shares**	There are no restrictions on the free transferability of the Ordinary Shares. However, the offer and sale of Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer Shares into jurisdictions other than the Netherlands, may be subject to specific regulations and restrictions.
C.6	**Listing and admission to trading**	Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list and admit all of the Ordinary Shares to trading under the symbol "KVW" on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Ordinary Shares on Euronext Amsterdam is expected to commence, on an "as-if-and-when-delivered" basis, on or about 12 May 2017 (the "**First Trading Date**").
C.7	**Dividend policy**	The Company's intention is to apply a dividend pay-out policy that targets a pay out of 50% to 70% of its annual reported net income that is attributable to the shareholders of the Company. For the year ending 31 December 2017 the Company targets a pay-out ratio of 60%. The Company intends to pay dividends in two semi-annual instalments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year following shareholder approval of the full year accounts.

Section D – Risks		
D.1	**Risks relating to the Company and industry**	The following is a summary of selected key risks that relate to the Company and its business and industry. Investors should read, understand and consider all risk factors, which are material and should be read in their entirety, in "*Risk Factors*" beginning on page 40 of the Prospectus before making an investment decision to invest in the Ordinary Shares. Selected risks relating to the Company's business and industry. • The Company's business, results of operations, financial condition and prospects are affected by the cyclical nature of the construction industry, which is exacerbated during economic downturns. • The Company operates in highly competitive markets and may lose business to competitors or otherwise be unable to compete effectively. • The Company is exposed to significant counterparty credit risk, including clients, suppliers, subcontractors and joint venture partners, and is therefore exposed to the risk of default by, or the insolvency of, such counterparties, which may result in additional liabilities for the Company. • Rising interest rates or inflation could reduce the demand for the Company's services as well as decrease the Company's profit on its existing contracts, in particular with respect to its fixed-price contracts. • Failure to properly manage projects, or project delays, may result in additional costs or claims and adversely affect profits and cash flows.

		• The Company's success is dependent upon its ability to hire and retain qualified personnel and match the Company's workforce with business demands. • The Company relies on subcontractors and suppliers to complete certain projects who may not be available at commercially acceptable terms. • The Company's use of partnerships and joint ventures exposes it to risks and uncertainties, many of which are outside of its control. • Any failure of the Company's management information and internal control systems may adversely affect its ability to implement its business strategy and adequately respond to unfavourable developments within the Company's companies. • The medium-term objectives included in this Prospectus may differ materially from the Company's actual results and investors should not place undue reliance on them. • Construction and maintenance sites are inherently dangerous workplaces. If the Company suffers from a major incident in relation to one or more of its projects, the Company could be exposed to significant financial liabilities and reputational harm, as well as civil and criminal liabilities. • Failure to comply with regulations or respond to changes in regulations or governmental procurement policies could result in significant liabilities and adversely affect the Company's business. • The Company may be adversely affected by violations of anti-corruption, anti-money laundering, anti-bribery and competition laws. • The realisable value of the Company's land bank may be lower than expected and the Company may be unable to maintain a high-quality land bank. • The Company's order books are not necessarily indicative of its future revenue or results due to possible cancellations or scope adjustments. • Unsuccessful tender procedures may result in significant non-recoverable tender costs. • The Company is exposed to the risk of strikes, work stoppages and other collective action or bargaining. • Failure to comply with the covenants and conditions under the Company's debt and credit agreements may cause the Company's debt to become immediately due and payable and restrict the availability of future borrowing. • Acquisitions involve risks that may negatively impact the Company. • Changes in tax treaties, laws, rules or interpretations or the outcome of tax audits could have an adverse effect on the Company. • There is uncertainty in the Dutch market in relation to the status of independent contractors for wage tax and social security purposes and this uncertainty may influence the Company's decision to use the services of these contractors in the future. • The Company uses subcontractors to perform part of its contracting work and to manage workflow in the Netherlands. As such, the Company may be held liable for Dutch wages, Dutch wage tax and Dutch social security premiums due to or in respect of employees of subcontractors.

D.3	**Risks relating to the Offering and the Ordinary Shares**	The following is a summary of the key risks that relate to the Ordinary Shares and the Offering. Investors should read, understand and consider all risk factors, which risk factors are material and should be read in their entirety, in "*Risk Factors*" beginning on page 40 of the Prospectus before making an investment decision to invest in the Ordinary Shares. • Following the Offering, the Selling Shareholder will be in a position to exert substantial influence on the Company and the interests pursued by the Selling Shareholder could differ from the interests of the Company's other shareholders. • Future sales or the possibility of future sales of a substantial number of Ordinary Shares by the Selling Shareholder or the management of the Company may adversely affect the market price of the Ordinary Shares. • Shareholders outside the Netherlands may not be able to exercise pre-emptive rights in future offerings. • The payment of any future dividends will depend on the Company's financial condition, working capital developments and results of operations, as well as on the Company's operating subsidiaries' distributions to the Company. • There is a risk that an active and liquid market for the Ordinary Shares will not develop and the price of the Ordinary Shares may be volatile. • If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled. • Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Ordinary Shares.

Section E – Offer		
E.1	**Net proceeds and estimated expenses**	The Company will not receive any proceeds from the sale of the Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholder, the net proceeds of which will be received by the Selling Shareholder. After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholder, the Selling Shareholder expects to receive approximately €563.75 million in net proceeds from the Offering (based on an Offer Price (defined below) at the mid-point of the Offer Price Range (defined below) and assuming the sale of the maximum number of Offer Shares by the Selling Shareholder and no exercise of the Over-Allotment Option (defined below) granted by the Selling Shareholder in connection with the Offering). The total expenses and taxes related to the Offering are estimated to amount to approximately €9.3 million, of which an estimated amount of €7.3 million will be paid by the Selling Shareholder. An amount of €2.0 million of expenses and taxes related to the Offering was paid by the Company in 2016.
E.2a	**Reasons for the Offering and use of proceeds**	The Company believes that the Offering and listing of the Ordinary Shares on Euronext Amsterdam will further enhance the Company's profile and brand recognition. In addition, the Offering will create a market in the Ordinary Shares for existing and future shareholders and provides the Selling Shareholder with a partial realisation of its investment in the Company.

		After Settlement, the Selling Shareholder will still be the majority shareholder. It intends to become a long-term minority shareholder of the Company over time. The Selling Shareholder is wholly-owned by the Wessels family.
E.3	**Terms and conditions of the Offering**	**Offer Shares** The Selling Shareholder is offering up to 25,000,000 Offer Shares, not including any Over-Allotment Shares. The Offering consists of (i) an initial public offering to institutional and retail investors in the Netherlands, and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States of America (the "**United States**"), to qualified institutional buyers as defined in Rule 144A ("**Rule 144A**") under the US Securities Act of 1933, as amended (the "**US Securities Act**"), pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws, and outside the United States, in accordance with Regulation S under the US Securities Act. The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer Shares may be lawfully made. **Over-Allotment Option** The Selling Shareholder has granted ABN AMRO Bank N.V. ("**ABN AMRO**"), ING Bank N.V., acting through its Corporate Finance Division ("**ING**"), Merrill Lynch International and Morgan Stanley & Co. International plc (the "**Joint Global Coordinators**"), on behalf of the Underwriters (as defined below), an option (the "**Over-Allotment Option**"), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators (on behalf of the Underwriters) may require the Selling Shareholder to sell at the Offer Price up to 3,750,000 additional Ordinary Shares (the "**Over-Allotment Shares**"), comprising up to 15% of the total number of Offer Shares sold in the Offering (not including any Over-Allotment Shares), to cover over-allotments, if any, in connection with the Offering or to facilitate stabilisation transactions, if any. **Offer Period** Subject to acceleration or extension of the timetable for the Offering, prospective Dutch retail investors may subscribe for Offer Shares during the period commencing at 9:00 Central European Time ("**CET**") on 28 April 2017 until 17:30 CET on 10 May 2017 and prospective institutional investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 2 May 2017 and ending at 14:00 CET on 11 May 2017 (the "**Offer Period**"). In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in euro) for and delivery of the Offer Shares may be advanced or extended accordingly.

The timetable below lists certain expected key dates for the Offering:

Event	Time (CET) and Date
Start of Offer Period for Dutch retail investors	09:00 – 28 April 2017
Start of Offer Period for institutional investors	09:00 – 2 May 2017
End of Offer Period for Dutch retail investors	17:30 – 10 May 2017
End of Offer Period for institutional investors	14:00 – 11 May 2017
Pricing and allocation	11 May 2017
Publication of results of the Offering	12 May 2017
First Trading Date (trading on an "as-if-and-when-delivered" basis)	12 May 2017
Settlement date (payment and delivery)	16 May 2017

Please note that the Selling Shareholder and the Company, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period.

Offer Price Range and number of Offer Shares

The offer price per Offer Share (the "**Offer Price**") is currently expected to be in the range of €21.25 to €25.25 (inclusive) (the "**Offer Price Range**"). The Offer Price Range is an indicative price range and the Offer Price can be set outside the Offer Price Range.

The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, after the end of the Offer Period, which is subject to any acceleration or extension, on the basis of the book-building process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement that will be deposited with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") and published through a press release on the Company's website.

The Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, reserve the right to increase or decrease the maximum number of Offer Shares and to change the Offer Price Range prior to allocation of the Offer Shares. Any increase of the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. Any such change will be announced in a press release that will also be posted on the Company's website. Upon a change of the number of Offer Shares, references to Offer Shares in the Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

Allocation

Allocation of the Offer Shares is expected to take place after closing of the Offer Period on or about 11 May 2017, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be made by the Joint Global Coordinators, in consultation with the Selling Shareholder and the Company, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all of the Offer Shares which they subscribed for. There is no maximum or minimum

		number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Selling Shareholder and the Company may in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. **Preferential Retail Allocation** There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands in accordance with applicable law and regulations (the "**Preferential Retail Allocation**"). Each eligible Dutch retail investor in the Netherlands (each a "**Dutch retail investor**") will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch retail investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares (assuming no exercise of the Over-Allotment Option), the preferential allocation to each Dutch retail investor may be reduced *pro rata* to the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch retail investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to Dutch retail investors will be determined after the Offer Period has ended. The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for. Dutch retail investors can only subscribe on a market (*bestens*) basis. This means that Dutch retail investors will be bound to purchase and pay for the Offer Shares indicated in their share subscription, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch retail investors are entitled to cancel or amend their subscription, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period (if applicable, as accelerated or extended). To be eligible for the Preferential Retail Allocation, Dutch retail investors must place their subscriptions during the period commencing on 28 April 2017 at 9:00 CET and ending on 10 May 2017 at 17:30 CET through their bank or other financial intermediaries. Each bank or financial intermediary may set an earlier deadline, in advance of the closing time of the Offer Period. ABN AMRO as the retail coordinator (the "**Retail Coordinator**") will consolidate all applications submitted by Dutch retail investors and inform the Joint Global Coordinators. **Payment** Payment (in euro) for, and delivery of, the Offer Shares ("**Settlement**") is expected to take place on the settlement date, which is expected to be 16 May 2017 (the "**Settlement Date**"), subject to acceleration or extension. Taxes and expenses, if any, must be borne by the investor. Dutch retail investors may be charged expenses by their bank or other financial intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).

Delivery of Offer Shares

The Offer Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned.

Underwriting Agreement

The Company, the Selling Shareholder and the Underwriters named below (the "**Underwriters**") entered into an underwriting agreement on 28 April 2017 with respect to the offer and sale of the Offer Shares in connection with the Offering (the "**Underwriting Agreement**").

The Underwriting Agreement is conditional upon, among others, the entry into a pricing agreement between the Company, the Selling Shareholder and the Underwriters setting the Offer Price per Offer Share. Pursuant to, on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholder has agreed to sell the Offer Shares at the Offer Price to purchasers procured by the Underwriters or, failing which, to the Underwriters themselves, and each of the Underwriters has, severally but not jointly, agreed to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves at the Offer Price.

In the Underwriting Agreement, the Selling Shareholder and the Company have made certain representations and warranties and given certain undertakings. In addition, the Selling Shareholder and the Company have agreed to indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) receipt of opinions on certain legal matters from counsel, (ii) receipt of customary officers' certificates, (iii) the execution of documents relating to the Offering and such documents and the AFM's approval of the Prospectus being in full force and effect, (iv) the entering into of the pricing agreement, and thereby the determination of the Offer Price and the exact number of the Offer Shares (i.e. underwriting of settlement risk only), (v) the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 a.m. CET on the First Trading Date, and (vi) certain other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholder and each of the Company and the Selling Shareholder having complied with the terms of the Underwriting Agreement.

Upon the occurrence of certain specified events, such as the occurrence of (i) a material adverse change in the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole since the date of the Underwriting Agreement, (ii) a breach of any representation, warranty or undertaking or otherwise of the Underwriting Agreement or (iii) a statement in the Prospectus, the pricing statement or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement at any time prior to the Settlement Date (or thereafter, in

		respect of the Over-Allotment Option only), and the Offering may be withdrawn, in which case all subscriptions for Offer Shares or the Over-Allotment Shares only, as the case may be, will be disregarded, any allotments made will be deemed not to have been made and any subscriptions payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned. **Joint Global Coordinators and Joint Bookrunners** ABN AMRO Bank N.V., ING, Merrill Lynch International and Morgan Stanley & Co. International plc are acting as Joint Global Coordinators, and collectively with BNP PARIBAS and Coöperatieve Rabobank U.A. as joint bookrunners for the Offering (the "**Joint Bookrunners**"). **Underwriters** The Joint Global Coordinators and the Joint Bookrunners are acting as the Underwriters. **Listing and Paying Agent** ABN AMRO Bank N.V. is the listing and paying agent with respect to the admission to listing and trading of the Ordinary Shares on Euronext Amsterdam. **Stabilisation Agent** Morgan Stanley & Co. International plc is the stabilisation agent with respect to the Offer Shares on Euronext Amsterdam. **Retail Coordinator** ABN AMRO Bank N.V. is the Retail Coordinator with respect to the Preferential Retail Allocation.
E.4	**Interests material to the Offering**	Certain of the Underwriters, Kempen & Co N.V. acting as the financial adviser to the Selling Shareholder (the "**Financial Adviser to the Selling Shareholder**") 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 activities in the ordinary course of their business with the Company and/or the Selling Shareholder (or any parties related to the Company and/or the Selling Shareholder) for which they have received or may receive customary compensation, fees and/or commission. ABN AMRO Bank N.V., ING, BNP PARIBAS, Coöperatieve Rabobank U.A. and an affiliate of Morgan Stanley & Co. International plc are among the lenders of a credit facility and a number of committed and uncommitted guarantee facilities extended to the Company. In connection with the Offering, each of the Underwriters, the Financial Adviser to the Selling Shareholder and any of their respective affiliates may take up Offer Shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any Offering or placement of Offer Shares to any of the Underwriters, the Financial Adviser to the Selling Shareholder or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters, the Financial Adviser to the Selling Shareholder or their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) and the Financial Adviser to the Selling Shareholder may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters or

		the Financial Adviser to the Selling Shareholder intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. As a result of these transactions, the Underwriters or the Financial Adviser to the Selling Shareholder may have interests that may not be aligned, or could potentially conflict, with the interests of investors, the Selling Shareholder or with the interests of the Company.
E.5	**Person or entity Offering to sell the Ordinary Shares and lock-up arrangements**	**Selling Shareholder lock-up** Pursuant to the Underwriting Agreement, the Selling Shareholder has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other securities of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or the general meeting or any other body of the Company a proposal to effect any of the foregoing. The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares in the Offering; (ii) the lending of Ordinary Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Share Lending Agreement; (iii) the transfer of Ordinary Shares to be made available to the members of the Management Board and other key managers of the Company under the share incentive; (iv) the sale, transfer or disposal of Ordinary Shares as a result of the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two business days prior to such acceptance or undertaking, (v) the transfer of all issued Ordinary Shares pursuant to a legal (de)merger or similar business combination with a third party; or (vi) the sale or transfer of shares in the capital of the Selling Shareholder to one or more person, whether natural or legal, who are the direct or indirect beneficial owners of the Selling Shareholder at the date of the Underwriting Agreement, provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period. **Company lock-up** Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option,

		right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other securities of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or any other body of the Company a proposal to effect any of the foregoing. The foregoing restrictions shall not apply to the granting of awards in options or Ordinary Shares by the Company or the issuance of Ordinary Shares upon exercise of options granted by the Company, in each case pursuant to employee incentive schemes as disclosed in the Prospectus. The Joint Global Coordinators (acting on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive these restrictions in writing, on sales, issues or transfers of Ordinary Shares, described above. If the consent of the Joint Global Coordinators (acting on behalf of the Underwriters) in respect of a lock-up arrangement is requested, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted. **Management lock-up** Each of the Managing Directors has agreed to a lock-up with the Selling Shareholder in respect of the Ordinary Shares that will be granted to them under the share incentive for the periods detailed below. Pursuant to the Underwriting Agreement, the Selling Shareholder has separately agreed with the Joint Global Coordinators (acting on behalf of the Underwriters) that this lock-up shall not be amended or waived for a period from the date of the Underwriting Agreement until 360 days from the Settlement Date. These Ordinary Shares will be placed in a blocked securities account as from the First Trading Date and will only be released (a) to the chairman of the Management Board (all 70,000 Ordinary Shares) one day after the general meeting of the Company in 2020 on the condition he continues to be employed by the Company on this date or (b) to each other Managing Director as follows: 20,000 Ordinary Shares one day the later of (x) after the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, 20,000 Ordinary Shares one day after the general meeting of the Company in 2019 and the remaining 70,000 Ordinary Shares one day after the general meeting of the Company in 2020, on the condition each continues to be employed by the Company on these dates. In the event a Managing Director voluntarily ceases to be employed by the Company prior to (i) one day after the later of (x) the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, or (ii) one day after the general meeting of the Company in 2019, he will be entitled to 50% of the Ordinary Shares that would have been available on such date and the remaining Ordinary Shares granted under the share incentive will be transferred back to the Selling Shareholder. The Selling Shareholder has committed to grant 450,000 Ordinary Shares to approximately 150 key managers of the Company as per the First Trading Date under the condition of a lock-up being entered into by these key managers with the Selling Shareholder.

E.6	**Dilution**	Not applicable. As only existing Ordinary Shares will be offered, the Offering will not have a dilutive effect.
E.7	**Estimated expenses charged to the investor by the Company**	Not applicable. No expenses will be charged to the investors by the Company or the Selling Shareholder in respect of the Offering.

SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van het prospectus gedateerd 28 april 2017 (het "**Prospectus**"). In geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van het Prospectus.*

Samenvattingen bestaan uit informatieverplichtingen die 'elementen' worden genoemd. Deze elementen zijn genummerd in Onderdeel A – E (A.1 – E.7).

Deze samenvatting bevat alle elementen die in een samenvatting voor dit soort effecten en uitgevende instelling dienen te worden opgenomen. Omdat sommige elementen niet verplicht zijn, kan het zijn dat de nummering van de elementen niet altijd aansluit.

Hoewel bepaalde elementen mogelijk op grond van het soort effecten en uitgevende instelling in de samenvatting wel moeten worden opgenomen, kan het zijn dat er geen relevante informatie over dergelijke elementen kan worden gegeven. In dat geval is er een korte omschrijving van het element opegnomen in de samenvatting met de vermelding 'niet van toepassing'.

Onderdeel A – Inleiding en waarschuwingen		
A.1	**Inleiding en waarschuwingen**	Deze samenvatting dient te worden gelezen als een inleiding tot het prospectus (het "**Prospectus**") met betrekking tot de aanbieding (de "**Aanbieding**") door Reggeborgh Holding B.V. (de "**Verkopende Aandeelhouder**") van ten hoogste 28.750.000 bestaande gewone aandelen (de "**Aangeboden Aandelen**", waaronder begrepen, tenzij uit de context anders blijkt, de Overtoewijzingsaandelen (zoals hierna gedefinieerd)) in het kapitaal van Koninklijke VolkerWessels N.V. (de "**Vennootschap**") met een nominale waarde van elk €0,01 (de "**Gewone Aandelen**"), en de toelating tot de notering van en handel in de Gewone Aandelen aan Euronext in Amsterdam ("**Euronext Amsterdam**"), een gereglementeerde markt van Euronext Amsterdam N.V. De Aangeboden Aandelen exclusief de Overtoewijzingsaandelen vertegenwoordigen circa 31,25% van het geplaatste aandelenkapitaal van de Vennootschap. Een eventueel besluit om te beleggen in de Gewone Aandelen dient gebaseerd te worden op bestudering door de belegger van het gehele Prospectus en niet slechts deze samenvatting. Wanneer een vordering met betrekking tot de in het Prospectus opgenomen of door middel van verwijzing daarin opgenomen informatie bij een rechterlijke instantie aanhangig wordt gemaakt, is het mogelijk dat de belegger die als eiser optreedt volgens de nationale wetgeving van de lidstaten van de Europese Economische Ruimte de kosten dient de dragen van de vertaling van het Prospectus, of documenten die door middel van verwijzing daarin zijn opgenomen, alvorens de gerechtelijke procedure kan worden aangevangen. Alleen de personen die de samenvatting, met inbegrip van een vertaling daarvan, hebben opgesteld, kunnen civielrechtelijk aansprakelijk worden gesteld en dan alleen indien de samenvatting misleidend, onjuist of tegenstrijdig is wanneer zij in samenhang met de andere delen van het Prospectus wordt gelezen of indien de samenvatting, wanneer zij in samenhang met de andere delen van het Prospectus wordt gelezen, niet de belangrijke informatie bevat op basis waarvan beleggers kunnen besluiten al dan niet in de Gewone Aandelen te beleggen.
A.2	**Toestemming van de Vennootschap**	Niet van toepassing. De Vennootschap geeft geen toestemming voor het gebruik van het Prospectus voor de verdere wederverkoop of definitieve plaatsing van Aangeboden Aandelen door financiële tussenpersonen.

Onderdeel B – Vennootschap		
B.1	**Statutaire – en handelsnaam**	Koninklijke VolkerWessels N.V. (die op de datum van het Prospectus nog een besloten vennootschap met beperkte aansprakelijkheid is, genaamd VolkerWessels B.V., en die met ingang van de Eerste Handelsdatum (zoals hierna gedefinieerd) naar verwachting omgezet zal worden in een naamloze vennootschap, waarna de juridische naam van de Vennootschap Koninklijke VolkerWessels N.V. zal zijn).
B.2	**Zetel, rechtsvorm, wetgeving en land van oprichting**	De Vennootschap is een besloten vennootschap met beperkte aansprakelijkheid, die naar Nederlands recht is opgericht en in Nederland is gevestigd. De Vennootschap zal met ingang van de Eerste Handelsdatum naar verwachting worden omgezet in een naamloze vennootschap. De Vennootschap heeft haar statutaire zetel in Rotterdam.
B.3	**Huidige bedrijfsvoering en hoofdactiviteiten**	De Vennootschap is, tezamen met haar dochterondernemingen (“**VolkerWessels**”), een toonaangevende geïntegreerde en gediversifieerde bouwgroep en streeft naar bedrijfsvoering op basis van het principe “think global, act local”. Het bedrijfsmodel van VolkerWessels combineert een lokale verkoop- en klantenfocus met een gecentraliseerde managementstructuur die schaal en expertise in alle werkmaatschappijen van VolkerWessels optimaliseert. VolkerWessels is voornamelijk actief in Nederland, het Verenigd Koninkrijk, Noord-Amerika (West-Canada en het noordwesten van de Verenigde Staten) en Duitsland. Op operationeel niveau is het bedrijf van VolkerWessels onderverdeeld in de volgende zes segmenten: **Nederland – Bouw & Vastgoedontwikkeling** Het segment Nederland – Bouw & Vastgoedontwikkeling bestaat uit ondernemingen die hoofdzakelijk actief zijn in woning- en utiliteitsbouw en renovatie, de levering van technische installatiediensten, vastgoedontwikkeling (zowel voor eigen risico van VolkerWessels als voor derden) en toelevering voor de industriële bouw. Naast bouw- en ontwikkelingsactiviteiten verlenen de werkmaatschappijen van VolkerWessels onderhoudsdiensten, planningsdiensten en specialistische diensten ter ondersteuning van projecten die door derden of door haar eigen werkmaatschappijen worden uitgevoerd in het segment Nederland – Bouw & Vastgoedontwikkeling. VolkerWessels bezit percelen grond en heeft het recht om percelen in Nederland te ontwikkelen/bebouwen als onderdeel van haar activiteiten op het gebied van vastgoedontwikkeling. Hieronder valt zowel grond die VolkerWessels zelf of gezamenlijk met anderen in eigendom heeft, en grond waarvoor VolkerWessels een koopoptie en/of ontwikkelings- of exploitatierechten heeft. Deze gehele portefeuille, of ‘grondbank’, bestaat uit grondposities verspreid over Nederland en bouw- en ontwikkelingsrechten op toplocaties in Amsterdam, Den Haag, Eindhoven en andere locaties in Nederland. **Nederland – Infrastructuur** Het segment Nederland – Infrastructuur is actief op het gebied van het ontwerpen en realiseren, integraal projectmanagement en het onderhoud van infrastructuurprojecten ten aanzien van civiele werken, wegenbouw (waaronder asfaltproductie), beton- en waterbouw, spoorbouw, verkeersmanagement en verkeerstechnologie, en slimme mobiliteit.

Nederland – Energie- & Telecominfrastructuur

Het segment Nederland – Energie- & Telecominfrastructuur omvat: (a) activiteiten op het gebied van energie-infrastructuur, met ondernemingen die actief zijn in het ontwerpen, bouwen en onderhouden van pijpleidingen, kabels en boringen voor transport van warmte, stoom, gas, olie, water en elektriciteit; en (b) activiteiten op het gebied van telecominfrastructuur, die zich voornamelijk richten op het ontwerpen, bouwen, beheren en onderhouden van ondergrondse en bovengrondse netwerkoplossingen.

VolkerWessels Verenigd Koninkrijk

De hoofdactiviteiten van VolkerWessels in het Verenigd Koninkrijk zijn gericht op de oplevering van multidisciplinaire civieltechnische projecten, specialistische spoordiensten, specialistische water- en milieubouwkundige projecten, wegenonderhoud- en renovatieprojecten, en industriële en commerciële bouw.

VolkerWessels Noord-Amerika

Het segment VolkerWessels Noord-Amerika is actief in Noord-Amerika in het marktsegment infrastructuur (bouw en onderhoud) in specifieke markten in Alberta en British Columbia in Canada en in Seattle en omstreken in de staat Washington in de Verenigde Staten. Dit segment richt zich op het bouwen en onderhouden van de wegeninfrastructuur (waaronder de interne levering van de productie van asfalt en aggregaten) en het bouwen en installeren van ondergrondse civiele werken en nutsvoorzieningen (riool, water, enz.).

VolkerWessels Duitsland

Het segment VolkerWessels Duitsland richt zich op de ontwikkeling en bouw van kwalitatief hoogwaardige woningen en goedkope gesubsidieerde huisvesting in belangrijke steden.

Bedrijfsmodel van VolkerWessels

VolkerWessels heeft ruim 120 lokale werkmaatschappijen. Dit zijn nationale en regionale kantoren die uiteindelijk rapporteren aan divisiedirecties binnen de bedrijfssegmenten en de raad van bestuur van de Vennootschap (de "**Raad van Bestuur**").

VolkerWessels geeft leiding aan en bestuurt de bedrijfsactiviteiten van haar werkmaatschappijen via haar risicobeheersproces en via de toepassing van dit proces door gespecialiseerde en ervaren managementteams bij elke werkmaatschappij. Risicobeheer betreft het totaal aan procedures die zijn ingesteld en de betrokkenheid van het hoger management om ervoor zorg te dragen dat de Vennootschap in staat is haar strategische doelstellingen te verwezenlijken, de doeltreffendheid en doelmatigheid van haar bedrijfsvoering in stand te houden en de verstrekking van financiële informatie te waarborgen en ervoor te zorgen dat toepasselijke wet- en regelgeving wordt nageleefd.

VolkerWessels is van mening dat de succesvolle implementatie van de reeks projecten die zij onderneemt voortvloeit uit de gedisciplineerde implementatie van het bedrijfsmodel van VolkerWessels, dat naast het hiervoor beschreven risicobeheerproces de volgende hoofdelementen bevat: projectacquisitie, contractmanagement en projectuitvoering.

Concurrentiekracht

VolkerWessels is van mening dat haar grootste concurrentiekracht bestaat uit de volgende elementen:

- Multilokaal leiderschap.
- Netwerk van sterke lokale bedrijven, ondersteund door sterke governance en gedeelde expertise.
- "Operational Excellence" gebaseerd op gedegen risicobeheer.

- Focus op het genereren van positieve kasstromen en een sterke balans.
- Deskundige en ervaren managementteams.

Strategie

Bij VolkerWessels ligt de focus op kwaliteit en efficiëntie om te streven naar gecontroleerde en winstgevende groei. Deze aanpak heeft VolkerWessels in staat gesteld om in de door haar geselecteerde markten de toonaangevende aannemer van Nederland worden en een sterke concurrentiepositie verkrijgen in de specialistische gebieden waarin haar werkmaatschappijen op internationaal niveau concurreren.

VolkerWessels streeft ernaar gecontroleerde en winstgevende groei en solide aandeelhoudersrendement te realiseren op basis van de volgende drie pijlers:

(i) het winstgevend benutten van aantrekkelijke marktkansen;

(ii) het verbeteren van marges door middel van operationele excellentie; en

(iii) het streven naar strategische, aanvullende overnames.

Doelstellingen middellange termijn

De Vennootschap heeft de volgende doelstellingen voor de middellange termijn geïdentificeerd:

- *Omzetgroei*: behalen van winstgevende groei over marktvolumegroei in ieder van de markten waarin VolkerWessels opereert, met een samengesteld jaarlijks groeipercentage van 3% tot 4% ten opzichte van een genormaliseerde bedrijfsopbrengsten voor 2016 (exclusief een toename van €79 miljoen in bedrijfsopbrengsten vanuit het segment Nederland – Bouw & Vastgoedontwikkeling als gevolg van een vergrote participatie in het Noord-Zuid metrolijnproject in Amsterdam vanwege de consolidatie van het belang in het project van de vorige partner van VolkerWessels in 2016).
- *EBITDA en EBITDA-marge*: realiseren van groei van de EBITDA in absolute zin en een jaarlijkse EBITDA-marge van gemiddeld 4,5% tot 5,5% voor de middellange termijn.
- *Kapitaalinvesteringen*: een duurzaam kapitaalinvesteringsniveau van circa 1,3% van de jaarlijkse omzet van de Vennootschap.
- *Werkkapitaal*: het ontwikkelen van de werkkapitaalpositie in lijn met de ontwikkeling van de omzet, het verder verbeteren van de efficientie van het strategisch werkkapitaal met circa €100 miljoen en de grondbank richten op uitvoerbare ontwikkeling.
- *Belasting*: volledig benutten van compensabele verliezen van €40 miljoen, per eind 2016, op de middellange termijn.
- *Kapitaaltoewijzing*: focus op efficiënt gebruik van ingezet kapitaal en een rendement op ingezet kapitaal ("**ROCE**") van meer dan 18,0%.

De Vennootschap heeft de term "middellange termijn" niet gedefinieerd en is niet voornemens deze te definiëren. De gestelde financiële middellange termijn doelen moeten niet gelezen worden als voorspellingen voor enig specifiek jaar, maar zijn enkel en alleen doelen die voortvloeien uit het nastreven van de door de Vennootschap gekozen strategie. De Vennootschap kan geen zekerheden geven dat deze doelen behaald kunnen worden of dat het haar strategie kan implementeren en dat de daadwerkelijk behaalde resultaten van hiervan afwijken. De doelen zijn bepaald op basis van trends, gegevens, aannames en inschattingen die op de datum van het Prospectus als redelijk worden gezien door de Vennootschap, maar deze kunnen veranderen ten gevolge van onzekerheden met betrekking tot haar economische, financiële of

		competitieve omgeving en ten gevolge van toekomstige zakelijke beslissingen, alsmede het voordoen van bepaalde factoren, waaronder, maar niet beperkt tot, die als omschreven in *"Important Information—Information Regarding Forward-Looking Statements"* en "*Risk Factors*". Investeerders worden met klem verzocht om geen ongeoorloofd vertrouwen te hechten aan hetgeen hierboven is omschreven.
B.4a	**Belangrijke recente ontwikkelingen die van invloed zijn op de Vennootschap en de sectoren waarin zij actief is**	VolkerWessels is van mening dat de volgende belangrijke ontwikkelingen* van aanzienlijke invloed zijn op de sector in het algemeen, en tevens op de positie van de Vennootschap in de bouwsector. Een niet-uitputtende selectie van belangrijke ontwikkelingen wordt hieronder beschreven: • *Technologische ontwikkelingen.* Er wordt aanzienlijke efficiëntiewinst in de bouwsector verwacht door de digitalisering van bouwplaatsen. Door deze technologieën zullen marktpartijen bijvoorbeeld om kunnen gaan met de toegenomen projectcomplexiteit en aanzienlijk grotere hoeveelheden gegevens. VolkerWessels houdt dergelijke technologische ontwikkelingen nauwlettend in de gaten en verwerkt deze proactief in haar bedrijfsvoering. • *Samenwerking binnen de toeleveringsketen.* De toegenomen samenwerking binnen de toeleveringsketen vergroot de algehele efficiëntie en kan daarom leiden tot lagere faalkosten in bouwprocessen. De optimalisering van de samenwerking in de toeleveringsketen kan zowel intern binnen een gediversifieerd bouwbedrijf plaatsvinden als extern tussen verschillende ondernemingen die actief zijn binnen de toeleveringsketen. Het verbeterpotentieel is met name zichtbaar in de ontwerp- en engineeringfase en daarom zou de samenwerking in de toeleveringsketen zich vooral moeten richten op betrokkenheid van alle partijen in een vroeg stadium van het proces. • *Industrialisering.* De bouwsector wordt in toenemende mate geïndustrialiseerd en gestandaardiseerd als gevolg van een toenemende vraag naar kwalitatief betere producten en diensten, lagere kosten en flexibiliteit. Industrialisering zal naar verwachting plaatsvinden door optimalisering van processen en producten. Één van de productinnovaties is de productie van elementen welke in de fabriek zijn geprefabriceerd, waar traditionele bouwmethodes nog gebruik maken van afzonderlijke onderdelen die op de bouwplaats worden gemonteerd. • *Duurzaamheid.* Focus en waarde liggen in het verbeteren van de kwaliteit van bouwmethodes en materialen, wat leidt tot meer duurzame oplossingen en lagere langetermijnkosten. Mogelijke voordelen op het gebied van duurzaamheid kunnen ook behaald worden door middel van efficiënter gebruik en recycling van grondstoffen. Een actuele trend om gebouwen duurzamer te maken is het toepassen van het principe van de circulaire economie. * Gebaseerd op trends geïdentificeerd in het rapport van McKinsey getiteld: "*Imagining construction's digital future*", McKinsey, juni 2016.
B.5	**Beschrijving van de groep en de positie daarin van de Vennootschap**	De Vennootschap is de moedermaatschappij van een groep van werk-, houdster- en projectmaatschappijen. Tot de voornaamste activa van de Vennootschap behoren de aandelenbelangen die zij direct of indirect in werkmaatschappijen houdt.
B.6	**Aandeelhouder van de Vennootschap**	Reggeborgh Holding B.V. is enig aandeelhouder van de Vennootschap. Reggeborgh Holding B.V. is geheel in eigendom van de familie Wessels.

B.7	Geselecteerde geconsolideerde financiële informatie	Geselecteerde geconsolideerde winst- en verliesrekening

	Per 31 december		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Bedrijfsopbrengsten	**5.490**	**5.318**	**5.000**
Kosten van grond- en hulpstoffen	(1.251)	(1.265)	(1.121)
Kosten uitbesteed werk en andere externe kosten	(2.653)	(2.496)	(2.415)
Personeelslasten	(1.111)	(1.086)	(1.028)
Afschrijving en bijzondere waardevermindering van materiële vaste activa	(73)	(77)	(74)
Afschrijving en bijzondere waardevermindering van immateriële activa	(16)	(9)	(12)
Overige bedrijfslasten	(231)	(245)	(235)
Totaal bedrijfslasten	**(5.335)**	**(5.178)**	**(4.885)**
Aandeel in resultaat deelnemingen en joint ventures (na belastingen)	**10**	**20**	**22**
Bedrijfsresultaat	**165**	**160**	**137**
Financiële baten	26	23	19
Financiële lasten	(52)	(56)	(96)
Netto financieel resultaat	**(26)**	**(33)**	**(77)**
Resultaat voor belastingen	**139**	**127**	**60**
Belastingen	(36)	(30)	(17)
Resultaat uit voortgezette bedrijfsactiviteiten	103	97	43
Resultaat uit beëindigde bedrijfsactiviteiten (na belastingen)	38	16	18
Resultaat over het boekjaar	**141**	**113**	**61**
Toekomend aan de aandeelhouders van de Vennootschap	139	107	60
Toekomende aan de minderheidsbelangen	2	6	1
Resultaat over het boekjaar	**141**	**113**	**61**

Geselecteerde geconsolideerde balans

	Per 31 december		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Activa			
Totaal vaste activa	1.220	1.349	1.364
Totaal vlottende activa	2.362	2.464	2.303
Totaal activa	**3.582**	**3.813**	**3.667**
Eigen en vreemd vermogen			
Totaal eigen vermogen	1.128	437	(68)
Totaal langlopende verplichtingen[(1)]	318	995	1.439
Totaal kortlopende verplichtingen	2.136	2.381	2.296
Totaal eigen en vreemd vermogen	**3.582**	**3.813**	**3.667**

(1) Inclusief achtergestelde aandeelhouders leningen van nihil, €498 miljoen en €872 miljoen per eind 2016, 2015 en 2014.

Geslecteerde geconsolideerd kasstroomoverzicht

	Per 31 december		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Liquide middelen aan het begin van de periode	**357**	**240**	**186**
Netto kasstroom uit voortgezette bedrijfsactiviteiten	286	221	118
Netto kasstroom uit beëindigde bedrijfsactiviteiten	4	71	12
Netto kasstroom uit bedrijfsactiviteiten (totaal)	***290***	***292***	***130***
Netto kasstroom uit voortgezette investeringsactiviteiten	(212)	(103)	(77)
Netto kasstroom uit beëindigde investeringsactiviteiten	133	6	9
Netto kasstroom uit investeringsactiviteiten (totaal)	***(79)***	***(97)***	***(68)***
Netto kasstroom uit voortgezette financieringsactiviteiten	(152)	(91)	(32)
Netto kasstroom uit beëindigde financieringsactiviteiten	(21)	9	12
Netto kasstroom uit financieringsactiviteiten (totaal)	(173)	(82)	(20)
Toename/(afname) netto kaspositie	**38**	**113**	**42**
Invloed van koersverschillen op liquide middelen en lopende rekeningen bij banken	(9)	4	12
Liquide middelen aan het einde van de periode[(1)]	**386**	**357**	**240**

(1) Hieronder vallen ook bankschulden.

B.8	**Geselecteerde belangrijke *pro forma* financiële informatie**	Niet van toepassing. Er is geen *pro forma* financiële informatie opgenomen in het Prospectus.
B.9	**Winstverwachting**	Niet van toepassing. De Vennootschap heeft geen winstverwachting afgegeven.
B.10	**Afwijkende verklaringen in de accountantsverklaringen**	Niet van toepassing. Er zijn in de controleverklaringen van de onafhankelijke accountant over de jaren eindigend per 31 december 2016, 2015 en 2014 geen afwijkende verklaringen afgegeven ten aanzien van de historische financiële informatie over de betreffende jaren.
B.11	**Werkkapitaal**	VolkerWessels is van mening dat haar werkkapitaal toereikend is om aan haar huidige behoeften te voldoen voor een periode van ten minste 12 maanden na de datum van het Prospectus.

Onderdeel C – Effecten		
C.1	**Soort en klasse, ISIN**	De Gewone Aandelen zijn gewone aandelen in het aandelenkapitaal van de Vennootschap, elk met een nominale waarde van €0,01. Er is een aanvraag ingediend voor een notering van alle Gewone Aandelen onder het symbool "KVW" op Euronext Amsterdam met ISIN-code: NL0012294466.
C.2	**Valuta van de Gewone Aandelen**	De Gewone Aandelen luiden in euro's en zullen verhandeld worden in euro's.
C.3	**Aantal uitgegeven Gewone Aandelen, nominale waarde per Gewoon Aandeel**	Op de datum van het Prospectus bestaat het uitstaande en geplaatste aandelenkapitaal van de Vennootschap uit 80 miljoen Gewone Aandelen. Alle geplaatste en uitstaande Gewone Aandelen zijn volgestort. De nominale waarde per Gewoon Aandeel is €0,01. Op de datum van het Prospectus worden door de Vennootschap geen Gewone Aandelen gehouden. Alle geplaatste Gewone Aandelen zijn onderworpen aan, en uitgegeven naar, Nederlands recht.
C.4	**Aan de Gewone Aandelen verbonden rechten**	De rechten van de houders van Aangeboden Aandelen die in de Aanbieding zijn aangeboden en verkocht, zullen in rangorde aan elkaar en aan alle overige Gewone Aandelen gelijkgesteld zijn. Aan de Gewone Aandelen zijn dividendrechten verbonden. Ieder Gewone Aandeel geeft de houder ervan het recht om de algemene vergadering van de Vennootschap, zijnde het vennootschappelijk orgaan of, indien de context dat vereist, de fysieke vergadering, bij te wonen en één stem uit te brengen. Er gelden geen beperkingen op de stemrechten. De algemene vergadering, of de raad van bestuur (ieder lid daarvan, een "**Directeur**") behoudens de goedkeuring van de raad van commissarissen van de Vennootschap (de "**Raad van Commissarissen**", en ieder lid daarvan een "**Commissaris**") voor zover voor een bepaalde periode daartoe door de algemene vergadering gemachtigd, kan besluiten tot de uitgifte van Gewone Aandelen. Dit geldt tevens voor het verlenen van rechten tot het nemen van Gewone Aandelen, zoals via het uitoefenen van opties, maar is niet vereist voor een uitgifte van Gewone Aandelen krachtens de uitoefening van een eerder verleend recht tot het nemen van Gewone Aandelen. Een dergelijke machtiging is onherroepelijk, tenzij anders gestipuleerd, en is telkens slechts geldig voor een vaste termijn van

		maximaal vijf jaar en kan telkens slechts met een periode van ten hoogste vijf jaar worden verlengd. De Vennootschap mag bij uitgifte van aandelen geen eigen Gewone Aandelen nemen. Nederlands recht en de statuten van de Vennootschap bepalen dat iedere aandeelhouder bij de uitgifte van Gewone Aandelen een voorkeursrecht heeft ten aanzien van de uit te geven Gewone Aandelen, naar evenredigheid van het aantal reeds door hem gehouden Gewone Aandelen. Uitzonderingen op deze voorkeursrechten zijn onder meer: (i) de uitgifte van Gewone Aandelen die uitgegeven worden tegen een inbreng in natura, (ii) de uitgifte van Gewone Aandelen aan de werknemers van de Vennootschap of werknemers van een groepsmaatschappij als gedefinieerd in artikel 2:24b van het Burgerlijk Wetboek, en (iii) de uitgifte van Gewone Aandelen aan personen die een eerder verleend recht tot het nemen van Gewone Aandelen uitoefenen. Deze voorkeursrechten en de niet-toepasselijkheid van voorkeursrechten gelden tevens ten aanzien van het verlenen van rechten tot het nemen van Gewone Aandelen. Krachtens de statuten van de Vennootschap kan het voorkeursrecht op Gewone Aandelen ingevolge een besluit van de algemene vergadering worden beperkt of uitgesloten. Behoudens de goedkeuring van de Raad van Commissarissen kan het voorkeursrecht ook door de Raad van Bestuur worden beperkt of uitgesloten indien de Raad van Bestuur door een besluit van de algemene vergadering voor een beperkte periode van maximaal vijf jaar gemachtigd is het voorkeursrecht te beperken of uit te sluiten. Houders van Gewone Aandelen hebben geen voorkeursrechten ten aanzien van de uitgave van preferente aandelen in het kapitaal van de Vennootschap met een nominale waarde van elk €0,01 (de "**Preferente Aandelen**"). Houders van Preferente Aandelen hebben geen voorkeursrecht ten aanzien van Gewone Aandelen. Als gevolg van het verlijden van de akte van omzetting en wijziging van de statuten van de Vennootschap zal de Raad van Bestuur, behoudens de goedkeuring van de Raad van Commissarissen, bevoegd zijn Gewone Aandelen uit te geven of rechten te verlenen tot het nemen van Gewone Aandelen voor een periode van 18 maanden na de Afwikkelingsdatum en de voorkeursrechten ten aanzien van die Gewone Aandelen te beperken of uit te sluiten. Deze bevoegdheid van de Raad van Bestuur is beperkt tot 10% van de uitgegeven Gewone Aandelen direct na de Afwikkeling. Als gevolg van het verlijden van de akte van omzetting en wijziging van de statuten van de Vennootschap zal de Raad van Bestuur voor een periode van vijf jaar bevoegd zijn om een externe stiching het recht te geven tot het nemen van Preferente Aandelen tot een maximum van 100% van het geplaatste aandelenkapitaal van de Vennootschap exclusief de Preferente Aandelen uitstaand direct voorafgaand aan het uitoefenen van het recht om Preferente Aandelen te nemen, minus één Gewoon Aandeel, met dien verstande dat de Raad van Bestuur alleen aan de stichting het recht zal geven om Preferente Aandelen te nemen onder de opschortende voorwaarde dat de stichting alleen een dusdanige call option mag uitoefenen als de Verkopende Aandeelhouder minder dan 20% van het geplaatste kapitaal van de Vennootschap houdt.
C.5	**Beperkingen op vrije overdraagbaarheid van de Gewone Aandelen**	Er gelden geen beperkingen op de vrije overdraagbaarheid van de Gewone Aandelen. Specifieke regelgeving en beperkingen kunnen echter van toepassing zijn op de aanbieding en verkoop van Aangeboden Aandelen aan personen die gevestigd of ingezetenen of inwoners zijn van, of die een geregistreerd adres hebben in een ander land dan Nederland, alsmede op de overdracht van Aangeboden Aandelen naar een ander rechtsgebied dan Nederland.

C.6	**Notering en toelating tot de handel**	Voorafgaand aan de Aanbieding was er geen openbare markt voor de Gewone Aandelen. Er is een aanvraag ingediend voor een notering en toelating van alle Gewone Aandelen tot de handel onder het symbool "KVW" op Euronext Amsterdam. Behoudens een inkorting of verlenging van het tijdschema voor de Aanbieding zal de handel in de Gewone Aandelen op Euronext Amsterdam naar verwachting op of rond 12 mei 2017 (de "**Eerste Handelsdatum**") aanvangen op een "as-if-and-when-delivered" basis.
C.7	**Dividendbeleid**	De Vennootschap is voornemens een dividenduitkeringsbeleid toe te passen dat ernaar streeft 50% tot 70% van de jaarlijks gerapporteerde nettoresultaat toekomend aan de aandeelhouders van de Vennootschap uit te keren. Voor het jaar dat eindigt op 31 december 2017 streeft de Vennootschap naar een uitbetalingspercentage van 60%. De Vennootschap is voornemens dividend in twee halfjaarlijkse termijnen uit te keren. Voor ieder jaar vindt de eerste uitkering naar verwachting plaats in het vierde kwartaal van dat jaar en het restant in het tweede kwartaal van het volgende jaar, na aandeelhoudersgoedkeuring van de volledige jaarrekening.

Onderdeel D – Risico's		
D.1	**Risico's ten aanzien van de Vennootschap en de sector**	Hieronder volgt een samenvatting van een selectie van belangrijke risico's die betrekking hebben op de Vennootschap en de sector. Beleggers dienen alle risicofactoren in het Prospectus te lezen, te begrijpen en in overweging te nemen, welke materieel zijn en als geheel dienen te worden gelezen, in "*Risk Factors*" te beginnen op pagina 40 van het Prospectus alvorens een besluit te nemen om in de Gewone Aandelen te beleggen. Een selectie van risico's ten aanzien van de bedrijfsactiviteiten van de Vennootschap en de sector • De onderneming, resultaten van bedrijfsactiviteiten, financiële positie en vooruitzichten van de Vennootschap worden beïnvloed door de cyclische aard van de bouwsector, hetgeen nog meer invloed heeft in een neergaande economie. • De Vennootschap is actief in uiterst concurrerende markten en kan opdrachten verliezen aan concurrenten of anderszins niet in staat zijn doeltreffend te concurreren. • De Vennootschap staat bloot aan een aanzienlijk kredietrisico van tegenpartijen, waaronder klanten, leveranciers, onderaannemers en partners in samenwerkingsverbanden, en staat derhalve bloot aan het risico van wanbetaling door of insolventie van dergelijke tegenpartijen, hetgeen kan leiden tot verplichtingen voor de Vennootschap. • Door stijgende rente of inflatie zou de vraag naar de diensten van de Vennootschap kunnen afnemen en zou de winst van de Vennootschap op haar bestaande contracten kunnen dalen, met name ten aanzien van haar contracten met een vaste prijs. • Indien projecten niet naar behoren worden aangestuurd of er sprake is van vertraging in projecten, dan kan dit leiden tot extra kosten of vorderingen en kan dit van negatieve invloed zijn op resultaten en kasstromen. • Het succes van de Vennootschap is afhankelijk van haar vermogen om deskundig personeel aan te trekken en te behouden en haar personeelsbestand af te stemmen op de bedrijfsbehoeften.

		• De Vennootschap is aangewezen op onderaannemers en leveranciers die bepaalde projecten moeten afmaken en die wellicht niet tegen commercieel aanvaardbare voorwaarden beschikbaar zijn. • Door het gebruik van samenwerkingsverbanden en joint ventures staat de Vennootschap bloot aan risico's en onzekerheden, die veelal buiten haar macht liggen. • Een fout in het managementinformatiesysteem en het interne controlesysteem van de Vennootschap kan van negatieve invloed zijn op het vermogen haar bedrijfsstrategie uit te voeren en adequaat te reageren op ongunstige ontwikkelingen binnen de ondernemingen van de Vennootschap. • De in het Prospectus opgenomen doelstellingen voor de middellange termijn kunnen wezenlijk afwijken van de feitelijke resultaten van de Vennootschap en beleggers dienen geen overmatig vertrouwen te stellen in deze doelstellingen. • Bouw- en onderhoudsplaatsen zijn per definitie gevaarlijke werkplekken. Indien de Vennootschap schade lijdt door een groot ongeval met betrekking tot een of meer van haar projecten, dan zou de Vennootschap blootgesteld kunnen worden aan aanzienlijke financiële verplichtingen en reputatieschade, alsook civielrechtelijke en strafrechtelijke aansprakelijkheid. • Enig verzuim om regelgeving na te leven of in te spelen op wijzigingen in regelgeving of aanbestedingsbeleid van de overheid kan leiden tot aanzienlijke verplichtingen en kan van negatieve invloed zijn op de bedrijfsactiviteiten van de Vennootschap. • De Vennootschap kan negatief beïnvloed worden door schendingen van wetgeving inzake de bestrijding van corruptie, witwaspraktijken, smeergelden en concurrentiepraktijken. • De bruto opbrengstwaarde van de grondbank van de Vennootschap kan lager zijn dan verwacht en het is mogelijk dat de Vennootschap geen kwalitatief hoogwaardige grondbank kan behouden. • De orderboeken van de Vennootschap zijn niet noodzakelijkerwijs een garantie voor haar toekomstige omzet of resultaten, vanwege mogelijke afzeggingen of wijzigingen in de omvang. • Onsuccesvolle aanbestedingsprocedures kunnen leiden tot aanzienlijke onverhaalbare tenderkosten. • De Vennootschap staat bloot aan het risico van stakingen, werkonderbrekingen en andere collectieve acties of onderhandelingen. • Enig verzuim om de afspraken en voorwaarden ingevolge de schuld- en kredietovereenkomsten van de Vennootschap na te leven kan ertoe leiden dat de schuld van de Vennootschap onmiddellijk opeisbaar wordt en dat de beschikbaarheid van toekomstige leningen beperkt wordt. • Overnames gaan gepaard met risico's die de Vennootschap negatief kunnen beïnvloeden. • Wijzigingen in belastingverdragen, -wetgeving, -regelgeving of interpretaties daarvan of uitkomsten van belastingcontroles kunnen een negatief effect op de Vennootschap hebben. • Er bestaat onzekerheid op de Nederlandse markt met betrekking tot de status van onafhankelijke aannemers in het kader van loonbelasting en sociale lasten en deze onzekerheid kan van invloed zijn op het besluit van de Vennootschap om de diensten van deze aannemers in de toekomst te gebruiken.

		• De Vennootschap maakt gebruik van onderaannemers om een gedeelte van haar uitbestede werkzaamheden uit te voeren en de werkstroom in Nederland te beheren. Als zodanig kan de Vennootschap aansprakelijk worden gesteld gehouden voor Nederlandse salarissen, Nederlandse loonbelasting en Nederlandse sociale zekerheidspremies die verschuldigd zijn aan of betrekking hebben op werknemers van onderaannemers.
D.3	**Risico's verbonden aan de Aanbieding en de Gewone Aandelen**	Hieronder volgt een samenvatting van de belangrijkste risico's met betrekking tot de Gewone Aandelen en de Aanbieding. Beleggers dienen alle risicofactoren in het Prospectus te lezen, te begrijpen en in overweging te nemen, welke risicofactoren materieel zijn en als geheel dienen te worden gelezen in "*Risk Factors*" te beginnen op pagina 40 van het Prospectus alvorens een besluit te nemen om in de Gewone Aandelen te beleggen. • De Verkopende Aandeelhouder zal zich na de Aanbieding in een positie bevinden waarin aanzienlijke invloed op de Vennootschap kan worden uitgeoefend en de belangen van de Verkopende Aandeelhouder kunnen afwijken van die van de medeaandeelhouders van de Vennootschap. • De beurskoers van de Gewone Aandelen kan nadelig worden beïnvloed door de (mogelijke) toekomstige verkoop van een aanzienlijk aantal Gewone Aandelen door de Verkopende Aandeelhouder of het management van de Vennootschap. • Aandeelhouders buiten Nederland kunnen bij toekomstige plaatsingen mogelijk geen voorkeursrecht uitoefenen. • De uitkering van toekomstige dividenden is afhankelijk van de financiële positie van de Vennootschap, ontwikkelingen in het werkkapitaal en bedrijfsresultaten, en van de uitkeringen van de werkmaatschappijen van de Vennootschap aan de Vennootschap. • Het risico bestaat dat er geen actieve en liquide markt voor de Gewone Aandelen zal zijn en de koers van de Gewone Aandelen kan volatiel zijn. • Indien geen Afwikkeling plaatsvindt, worden aankopen van de Aangeboden Aandelen buiten beschouwing gelaten en worden transacties in de Aangeboden Aandelen tenietgedaan. • Beleggers met een andere referentievaluta dan de euro zullen bij het beleggen in de Gewone Aandelen te maken krijgen met bepaalde valutarisico's.

Onderdeel E – Aanbieding		
E.1	**Netto-opbrengsten en geschatte kosten**	De Vennootschap zal geen opbrengsten ontvangen uit de verkoop van de Aangeboden Aandelen en/of de verkoop van Overtoewijzingsaandelen door de Verkopende Aandeelhouder, waarvan de netto-opbrengsten door de Verkopende Aandeelhouder zullen worden ontvangen. De Verkopende Aandeelhouder verwacht na aftrek van de geschatte kosten, provisies en belastingen die met betrekking tot de Aanbieding ten laste van de Verkopende Aandeelhouder komen, circa €563,75 miljoen in netto-opbrengsten van de Aanbieding te ontvangen (op basis van een Aanbiedingsprijs (hieronder gedefinieerd) in het midden van de Bandbreedte Aanbiedingsprijs (hieronder gedefinieerd), ervan uitgaande dat het maximale aantal door de Verkopende Aandeelhouder Aangeboden Aandelen wordt verkocht en dat de Overtoewijzingsoptie (hieronder gedefinieerd) die door de Verkopende Aandeelhouder in verband met de Aanbieding is verleend, niet wordt uitgeoefend).

		De totale uitgaven en belastingen met betrekking tot de Aanbieding bedragen naar schatting €9.3 miljoen, waarvan naar schatting €7.3 miljoen betaald zal worden door de Verkopende Aandeelhouder. Een bedrag van €2.0 miljoen aan uitgaven en belastingen die gerelateerd zijn aan de Aanbieding is in 2016 door de Vennootschap betaald.
E.2a	**Redenen voor de Aanbieding en aanwending van opbrengsten**	De Vennootschap is van mening dat de Aanbieding en beursnotering van de Gewone Aandelen op Euronext Amsterdam het profiel en de naamsbekendheid van de Vennootschap zal versterken. Daarnaast zal door de Aanbieding een markt in de Gewone Aandelen voor bestaande en toekomstige aandeelhouders ontstaan en krijgt de Verkopende Aandeelhouder deels zijn investering in de Vennootschap terug. Na Afwikkeling zal de Verkopende Aandeelhouder nog steeds de meerderheidsaandeelhouder zijn. Hij is voornemens in de loop der tijd een langetermijnminderheidsaandeelhouder van de Vennootschap te worden. De Verkopende Aandeelhouder is voor 100% in handen van de familie Wessels.
E.3	**Voorwaarden van de Aanbieding**	**Aangeboden Aandelen** De Verkopende Aandeelhouder biedt maximaal 25.000.000 Aangeboden Aandelen aan, exclusief Overtoewijzingsaandelen. De Aanbieding bestaat uit (i) een openbare aanbieding aan institutionele en particuliere beleggers in Nederland en (ii) een onderhandse plaatsing bij bepaalde institutionele beleggers in verschillende andere jurisdicties. De Aangeboden Aandelen worden binnen de Verenigde Staten van Amerika (de "**Verenigde Staten**") aangeboden en verkocht aan gekwalificeerde institutionele beleggers zoals gedefinieerd in Rule 144A ("**Rule 144A**") ingevolge de US Securities Act of 1933, zoals gewijzigd (de "**US Securities Act**"), op grond van Rule 144A of een andere vrijstelling van, of in een transactie die niet is onderworpen aan, de registratievereisten van de US Securities Act en toepasselijke Amerikaanse effectenwetgeving van een staat, en buiten de Verenigde Staten, overeenkomstig Regulation S ingevolge de US Securities Act. De Aanbieding wordt uitsluitend in die jurisdicties gedaan waar en uitsluitend aan diegenen aan wie de Aangeboden Aandelen rechtsgeldig mogen worden aangeboden en verkocht. **Overtoewijzingsoptie** De Verkopende Aandeelhouder heeft aan ABN AMRO Bank N.V. ("**ABN AMRO**"), ING Bank N.V., handelend via haar Corporate Finance divisie ("**ING**"), Merrill Lynch International en Morgan Stanley & Co. International plc (de "**Joint Global Coordinators**"), namens de Underwriters (als hierna gedefinieerd), een optie verleend (de "**Overtoewijzingsoptie**"), die binnen 30 kalenderdagen na de Eerste Handelsdatum kan worden uitgeoefend, uit hoofde waarvan de Joint Global Coordinators (namens de Underwriters) van de Verkopende Aandeelhouder kunnen eisen dat deze maximaal 3.750.000 extra Gewone Aandelen (de "**Overtoewijzingsaandelen**") verkoopt tegen de Aanbiedingsprijs, bestaande uit maximaal 15% van het totale aantal Aangeboden Aandelen dat bij de Aanbieding is verkocht (met uitzondering van Overtoewijzingsaandelen), teneinde overtoewijzingen af te dekken, indien van toepassing, in verband met de Aanbieding of, indien van toepassing, het tot stand brengen van stabilisatietransacties. **Aanbiedingsperiode** Onder voorbehoud van verkorting of verlenging van het tijdschema van de Aanbieding kunnen belangstellende Nederlandse particuliere beleggers inschrijven op de Aangeboden Aandelen tijdens de periode vanaf

9:00 Centraal Europese Tijd ("CET") op 28 april 2017 tot 17:30 CET op 10 mei 2017 en kunnen belangstellende institutionele beleggers inschrijven op Aangeboden Aandelen tijdens de periode vanaf 9:00 CET op 2 mei 2017 tot 14:00 CET op 11 mei 2017 (de "**Aanbiedingsperiode**").

In geval van verkorting of verlenging van de Aanbiedingsperiode kan de prijsstelling, toewijzing, toelating en eerste verhandeling van de Aangeboden Aandelen, alsmede betaling (in euro's) voor en levering van de Aangeboden Aandelen, dienovereenkomstig worden vervroegd of verlengd.

In het tijdschema hieronder worden bepaalde verwachte belangrijke data voor de Aanbieding vermeld:

Gebeurtenis	**Tijdstip (CET) en Datum**
Start Aanbiedingsperiode Nederlandse particuliere beleggers	09:00 – 28 april 2017
Start Aaubiedingsperiode institutionele beleggers	09:00 – 2 mei 2017
Einde Aanbiedingsperiode Nederlandse particuliere beleggers	17:30 – 10 mei 2017
Einde Aanbiedingsperiode institutionele beleggers	14:00 – 11 mei 2017
Prijsstelling en toewijzing	11 mei 2017
Publicatie resultaat Aanbieding	12 mei 2017
Eerste Handelsdatum (handel op basis van 'as-if-and-when-delivered')	12 mei 2017
Afwikkelingsdatum (betaling en levering)	16 mei 2017

NB: de Verkopende Aandeelhouder en de Vennootschap behouden zich het recht voor om samen met de Joint Global Coordinators de Aanbiedingsperiode te verkorten of te verlengen.

Bandbreedte aanbiedingsprijs en aantal Aangeboden Aandelen

De aanbiedingsprijs per Aangeboden Aandeel (de "**Aanbiedingsprijs**") ligt naar verwachting tussen een prijs van €21,25 en €25,25 (de "**Bandbreedte Aanbiedingsprijs**"). De Bandbreedte Aanbiedingsprijs is een indicatieve bandbreedte en de Aanbiedingsprijs kan buiten de Bandbreedte Aanbiedingsprijs worden gesteld.

De Aanbiedingsprijs en het exacte aantal in de Aanbieding Aangeboden Aandelen worden na het einde van de Aanbiedingsperiode, die kan worden verkort dan wel verlengd, op basis van het *book building*-proces vastgesteld door de Verkopende Aandeelhouder en de Vennootschap in overleg met de Joint Global Coordinators, waarbij rekening wordt gehouden met economische- en marktomstandigheden, een kwalitatieve en kwantitatieve beoordeling van de vraag naar de Aangeboden Aandelen en andere factoren die gepast worden geacht.

De Aanbiedingsprijs en het exacte aantal in de Aanbieding Aangeboden Aandelen zullen worden genoemd in een prijsverklaring die bij de Stichting Autoriteit Financiële Markten (de "**AFM**") zal worden gedeponeerd en middels een persbericht dat op de website van de Vennootschap zal worden gepubliceerd.

De Verkopende Aandeelhouder en de Vennootschap, in overleg met de Joint Global Coordinators, behouden zich het recht voor het maximum aantal Aangeboden Aandelen te verhogen of te verlagen en vóór toewijzing van de Aangeboden Aandelen de Bandbreedte Aanbiedingsprijs aan te passen. Iedere verhoging van de bovengrens van de Bandbreedte Aanbiedingsprijs op de laatste dag van de Aanbiedingsperiode of de vaststelling van een Aanbiedingsprijs boven de Bandbreedte Aanbiedingsprijs heeft tot gevolg dat de Aanbiedingsperiode met ten

		minste twee werkdagen wordt verlengd. Iedere verhoging van de bovengrens van de Bandbreedte Aanbiedingsprijs op de dag vóór de laatste dag van de Aanbiedingsperiode heeft tot gevolg dat de Aanbiedingsperiode met ten minste één werkdag wordt verlengd. Iedere wijziging zal in een persbericht worden aangekondigd, dat ook op de website van de Vennootschap zal worden geplaatst. Bij een wijziging van het aantal Aangeboden Aandelen dient een verwijzing naar Aangeboden Aandelen in het Prospectus te worden gelezen als een verwijzing naar het gewijzigd aantal Aangeboden Aandelen, en dient een verwijzing naar Overtoewijzingsaandelen te worden gelezen als een verwijzing naar het gewijzigd aantal Overtoewijzingsaandelen. **Toewijzing** Toewijzing van de Aangeboden Aandelen vindt naar verwachting plaats na sluiting van de Aanbiedingsperiode op of rond 11 mei 2017, behoudens verkorting or verlenging van het tijdschema voor de Aanbieding. Toewijzingen aan beleggers die hebben ingeschreven op Aangeboden Aandelen worden gedaan door de Joint Global Coordinators, in overleg met de Verkopende Aandeelhouder en de Vennootschap, en of, en op welke wijze, de Aangeboden Aandelen waarop is ingeschreven al dan niet worden toegewezen geschiedt geheel ter eigen beoordeling. Het kan zijn dat beleggers niet alle Aangeboden Aandelen toegewezen krijgen waarop zij hebben ingeschreven. Er geldt geen maximum of minimum aantal Aangeboden Aandelen waarop belangstellende beleggers kunnen inschrijven en meerdere (aanvragen voor) inschrijvingen zijn toegestaan. Mocht de Aanbieding overtekend zijn, dan kan het zijn dat beleggers minder Aangeboden Aandelen ontvangen dan waarop zij hebben ingeschreven. De Verkopende Aandeelhouder en de Vennootschap kunnen in overleg met de Joint Global Coordinators ter eigen beoordeling en zonder opgave van redenen elke inschrijving geheel of gedeeltelijk afwijzen. **Voorkeurstoewijzing Particulieren** Er geldt een voorkeurstoewijzing van Aangeboden Aandelen aan in aanmerking komende particuliere beleggers in Nederland, in overeenstemming met toepasselijke wet- en regelgeving (de "**Voorkeurstoewijzing Particulieren**"). Aan iedere in aanmerking komende particuliere belegger in Nederland (ieder afzonderlijk een "**Nederlandse particuliere belegger**") worden, in principe, de eerste 250 Aangeboden Aandelen (of minder) toegewezen waarop die belegger heeft ingeschreven. Wanneer het totale aantal Aangeboden Aandelen waarop door Nederlandse particuliere beleggers ingevolge de Voorkeurstoewijzing Particulieren is ingeschreven echter hoger is dan 10% van het totale aantal Aangeboden Aandelen (aangenomen dat de Overtoewijzingsoptie niet wordt uitgeoefend), kan de voorkeurstoewijzing aan iedere Nederlandse particuliere belegger naar evenredigheid worden verlaagd tot de eerste 250 Aangeboden Aandelen (of minder) waarop deze belegger inschrijft. Hierdoor kan het zijn dat Nederlandse particuliere beleggers niet alle van de eerste 250 Aangeboden Aandelen (of minder) krijgen toegewezen waarop zij hebben ingeschreven. Het exacte aantal Aangeboden Aandelen dat aan Nederlandse particuliere beleggers zal worden toegewezen, zal na afloop van de Aanbiedingsperiode worden vastgesteld. De Voorkeurstoewijzing Particulieren zal alleen gemaakt worden met betrekking tot de Aangeboden Aandelen bestaande uit maximaal 10% van het totaal aantal Aangeboden Aandelen, exclusief de Overtoewijzingsaandelen. De Verkopende Aandeelhouder en de Vennootschap hebben, in overleg met de Joint Global Coordinators, volledige discretie om te bepalen of, en hoe, de resterende Aangeboden Aandelen waarvoor is aangemeld toegewezen zullen worden.

		Nederlandse particuliere beleggers kunnen alleen inschrijven op basis van een 'bestens' order. Dit houdt in dat Nederlandse particuliere beleggers verplicht zijn de in hun aandeleninschrijving aangegeven Aangeboden Aandelen tegen de Aanbiedingsprijs te kopen en te betalen, voor zover aan hen toegewezen, zelfs als de Aanbiedingsprijs boven de bovengrens ligt van de Bandbreedte Aanbiedingsprijs (indien van toepassing, zoals gewijzigd). Nederlandse particuliere beleggers zijn gerechtigd op elk moment vóór het einde van de Aanbiedingsperiode (indien van toepassing, zoals verkort of verlengd) hun inschrijving te annuleren of te wijzigen bij de financiële tussenpersoon waar hun oorspronkelijke inschrijving was ingediend. Om in aanmerking te komen voor de Voorkeurstoewijzing Particulieren dienen Nederlandse particuliere beleggers hun inschrijvingen te plaatsen tijdens de periode vanaf 28 april 2017 om 9:00 CET tot 10 mei 2017 om 17:30 CET, via hun bank dan wel andere financiële tussenpersonen. Iedere bank dan wel financiële tussenpersoon kan een vroegere indieningstermijn stellen, die voor de sluitingstijd van de Aanbiedingsperiode gelegen is. ABN AMRO zal als retail coördinator (de "**Retail Coördinator**") alle inschrijvingen van Nederlandse particuliere beleggers samenvoegen en de Joint Global Coordinators hiervan op de hoogte stellen. **Betaling** Betaling (in euro) voor, en levering van, de Aangeboden Aandelen ("**Afwikkeling**") zal naar verwachting plaatsvinden op de afwikkelingsdatum, naar verwachting 16 mei 2017 (de "**Afwikkelingsdatum**"), behoudens verkorting dan wel verlenging. Belastingen en kosten, indien van toepassing, zijn voor rekening van de belegger. Bij Nederlandse particuliere beleggers kunnen door hun bank of overige financiële tussenpersoon kosten in rekening worden gebracht. Beleggers dienen de Aanbiedingsprijs op of voor de Afwikkelingsdatum (of eerder bij een vroegtijdig sluiten van de Aanbiedingsperiode en daaropvolgende verkorting van het vaststellen van de Aanbiedingsprijs, toewijzing, aanvang van handel en Afwikkeling) in onmiddellijk beschikbare gelden in euro te voldoen. **Levering Aangeboden Aandelen** De Aangeboden Aandelen worden geleverd via de girale systemen van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., handelend als Euroclear Nederland. Indien Afwikkeling niet op de Afwikkelingsdatum plaatsvindt zoals gepland, of in het geheel niet plaatsvindt, kan de Aanbieding worden ingetrokken, in welk geval alle inschrijvingen voor de Aangeboden Aandelen worden genegeerd, eventueel gedane toewijzingen worden geacht niet te zijn gedaan, gedane inschrijvingsbetalingen zonder rente of overige vergoeding worden terugbetaald en transacties in de Aangeboden Aandelen op Euronext Amsterdam kunnen nietig worden verklaard. Iedere handel in Aangeboden Aandelen voorafgaande aan Afwikkeling geschiedt volledig voor het risico van de betrokkenen. **Underwritingovereenkomst** De Vennootschap, de Verkopende Aandeelhouder en de hieronder genoemde underwriters (de "**Underwriters**") zijn op 28 april 2017 een underwritingovereenkomst aangegaan ten aanzien van de aanbieding en verkoop van de Aangeboden Aandelen in verband met de Aanbieding (de "**Underwritingovereenkomst**"). De Underwritingovereenkomst is onder meer voorwaardelijk gesteld aan het aangaan van een prijsstellingsovereenkomst tussen de Vennootschap, de Verkopende Aandeelhouder en de Underwriters waarin de Aanbiedingsprijs per Aangeboden Aandeel wordt bepaald. Op grond van, onder de voorwaarden van en onder voorbehoud van de in de

		Underwritingovereenkomst uiteengezette voorwaarden heeft de Verkopende Aandeelhouder ermee ingestemd de Aangeboden Aandelen te verkopen tegen de Aanbiedingsprijs aan de door Underwriters aangetrokken kopers of, bij gebreke daarvan, aan de Underwriters zelf, en de Underwriters hebben ieder voor zich, maar niet gezamenlijk, ermee ingestemd kopers aan te trekken voor de Aangeboden Aandelen of, bij gebreke daarvan, de Aangeboden Aandelen zelf te kopen tegen de Aanbiedingsprijs. De Verkopende Aandeelhouder en de Vennootschap hebben in de Underwritingovereenkomst bepaalde verklaringen en garanties gegeven en bepaalde toezeggingen gedaan. Daarnaast zijn de Verkopende Aandeelhouder en de Vennootschap overeengekomen de Underwriters te vrijwaren tegen bepaalde aansprakelijkheid in verband met de Aanbieding. De Underwritingovereenkomst bepaalt dat de verplichtingen van de Underwriters tot het aantrekken van kopers voor de Aangeboden Aandelen of, bij gebreke daarvan, tot het zelf kopen van de Aangeboden Aandelen onder meer zijn onderworpen aan de volgende opschortende voorwaarden: (i) de ontvangst van opinies over bepaalde juridische kwesties van juridisch adviseurs, (ii) de ontvangst van de gebruikelijke certificaten van functionarissen, (iii) de ondertekening van documenten met betrekking tot de Aanbieding en het geldig en volledig van kracht zijn van deze documenten en de goedkeuring van de AFM van het Prospectus, (iv) het aangaan van de prijsstellingovereenkomst, en daarmee de bepaling van de Aanbiedingsprijs en het exacte aantal Aangeboden Aandelen (d.w.z. underwriting van, uitsluitend, het afwikkelingsrisico), (v) de toelating van de Gewone Aandelen tot de notering en verhandeling op Euronext Amsterdam uiterlijk om 9:00 CET op de Eerste Handelsdatum, en (vi) bepaalde andere gebruikelijke voorwaarden, waaronder met betrekking tot de juistheid van de verklaringen en garanties door de Vennootschap en de Verkopende Aandeelhouder en elk van de Vennootschap en de Verkopende Aandeelhouder welke hebben voldaan aan de voorwaarden van de Underwritingovereenkomst. Indien zich bepaalde specifieke gebeurtenissen voordoen, zoals (i) een materiële negatieve verandering in de bedrijfsvoering, financiële positie, resultaten van bedrijfsactiviteiten of de vooruitzichten van de Vennootschap en haar dochtermaatschappijen als geheel sinds de datum van de Underwritingovereenkomst, (ii) een schending van een verklaring, garantie of toezegging of anderszins van de Underwritingovereenkomst of (iii) het onwaar, onjuist of misleidend zijn van een verklaring in het Prospectus, de prijsstellingsverklaring of een wijziging of aanvulling op het Prospectus, kunnen de Underwriters ervoor kiezen de Underwritingovereenkomst te allen tijde voorafgaand aan de Afwikkelingsdatum te beëindigen (of, daarna, slechts met betrekking tot de Overtoewijzingsoptie), en de Aanbieding kan worden geannuleerd, in welk geval alle inschrijvingen voor de Aangeboden Aandelen of enkel de Overtoewijzingsaandelen, zoals in dat geval van toepassing is, zullen worden genegeerd, eventueel gedane toewijzingen worden geacht niet te zijn gedaan, gedane inschrijvingsbetalingen worden zonder rente of andere vergoeding terugbetaald en transacties in de Aangeboden Aandelen op Euronext Amsterdam kunnen worden geannuleerd. Handelsverkeer in de Aangeboden Aandelen voorafgaand aan de Afwikkeling zijn geheel voor risico van de daarbij betrokken partijen. **Joint Global Coordinators en Joint Bookrunners** ABN AMRO Bank N.V., ING, Merrill Lynch International en Morgan Stanley & Co. International plc treden op als Joint Global Coordinators, en tezamen met BNP PARIBAS en Coöperatieve Rabobank U.A. als joint bookrunners voor de Aanbieding (de "**Joint Bookrunners**").

		Underwriters De Joint Global Coordinators en de Joint Bookrunners treden op als de Underwriters. **Noteringsagent en betaalkantoor** ABN AMRO Bank N.V. is de noteringsagent en het betaalkantoor met betrekking tot de toelating tot de notering en handel van de Gewone Aandelen op Euronext Amsterdam. **Stabilisatieagent** Morgan Stanley & Co. International plc is de stabilisatieagent met betrekking tot de Aangeboden Aandelen op Euronext Amsterdam. **Retail Coördinator** ABN AMRO Bank N.V. is de Retail Coördinator met betrekking tot de Voorkeurstoewijzing Particulieren.
E.4	**Materiële belangen bij de Aanbieding**	Bepaalde Underwriters, Kempen & Co N.V. optredend als de financieel adviseur van de Verkopende Aandeelhouder (de "**Financieel Adviseur van de Verkopende Aandeelhouder**") en/of hun respectieve gelieerde ondernemingen houden zich van tijd tot tijd bezig, en kunnen zich in de toekomst bezighouden, met commercial banking, investment banking en financiële adviesverlening en aanverwante activiteiten in hun gebruikelijke gang van zaken met de Vennootschap en/of de Verkopende Aandeelhouder (of daaraan gelieerde partijen) waarvoor zij een gebruikelijke compensatie, vergoeding en/of provisie hebben of kunnen ontvangen. ABN AMRO Bank N.V., ING, BNP PARIBAS, Coöperatieve Rabobank U.A. en een aan Morgan Stanley & Co. International plc gelieerde onderneming behoren tot de verstrekkers van een krediet en een aantal herroepelijke en onherroepelijke garanties die aan de Vennootschap zijn verleend. Ieder van de Underwriters, de Financieel Adviseur van de Verkopende Aandeelhouder en ieder van hun respectieve gelieerde ondernemingen kunnen in verband met de Aanbieding als primaire positie Aangeboden Aandelen in de Aanbieding nemen en kunnen in die hoedanigheid voor eigen rekening deze effecten en alle Aangeboden Aandelen of gerelateerde beleggingen behouden, kopen of verkopen en kunnen deze Aangeboden Aandelen of andere beleggingen aanbieden of verkopen anders dan in verband met de Aanbieding. Verwijzingen in het Prospectus naar Aangeboden Aandelen die worden aangeboden of geplaatst dienen dan ook te worden gelezen als zijnde inclusief iedere Aanbieding of plaatsing van Aangeboden Aandelen aan een van de Underwriters, de Financieel Adviseur van de Verkopende Aandeelhouder of een van hun respectieve gelieerde ondernemingen die in die hoedanigheid handelen. Daarnaast kunnen bepaalde Underwriters, de Financieel Adviseur van de Verkopende Aandeelhouder of hun gelieerde ondernemingen met beleggers financieringsregelingen (met inbegrip van swaps of *contracts for difference*) treffen in het kader waarvan deze Underwriters (of hun gelieerde ondernemingen) en de Financieel Adviseur van de Verkopende Aandeelhouder van tijd tot tijd Gewone Aandelen kunnen verwerven, houden of vervreemden. Geen van de Underwriters of de Financieel Adviseur van de Verkopende Aandeelhouder zijn voornemens de omvang van deze belegging of transacties openbaar te maken anders dan op grond van een wettelijke of regelgevende verplichting daartoe. De Underwriters of de Financieel Adviseur van de Verkopende Aandeelhouder kunnen als gevolg van deze transacties belangen hebben die mogelijk niet op één lijn liggen met de belangen van beleggers, de Verkopende Aandeelhouder of met de belangen van de Vennootschap, of hiermee strijdig kunnen zijn.

E.5	**Persoon of entiteit die heeft aangeboden de Gewone Aandelen te verkopen en Lock-up-afspraken**	**Lock-up Verkopende Aandeelhouder** De Verkopende Aandeelhouder is op grond van de Underwritingovereenkomst met de Underwriters overeengekomen dat hij voor een periode vanaf de datum van de Underwritingovereenkomst tot 180 dagen na de Afwikkelingsdatum, anders dan zoals hieronder uiteengezet, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators (handelend namens de Underwriters) niet: (i) rechtstreeks of indirect een optie, recht, warrant of overeenkomst tot koop zal aanbieden, verpanden, verkopen, overeenkomen te verkopen, of verlenen, een optie tot verkoop uit zal oefenen, een optie of overeenkomst tot verkoop zal kopen met betrekking tot Gewone Aandelen of andere effecten van de Vennootschap of effecten die converteerbaar zijn naar of uitoefenbaar of inwisselbaar zijn voor, of wezenlijk gelijk zijn aan, Gewone Aandelen of overige effecten van de Vennootschap, of deze rechtsreeks of indirect zal uitlenen of anderszins overdragen of vervreemden, of zal verzoeken of verlangen dat de Vennootschap een inschrijvingsverklaring ingevolge de US Securities Act of een vergelijkbaar document indient bij een andere toezichthouder van de financiële markten, effectenbeurs of beursautoriteit met betrekking tot het voorgaande; (ii) een swap of andere overeenkomst of transactie zal aangaan waarmee rechtsreeks of indirect, geheel of gedeeltelijk, de economische gevolgen van de eigendom van Gewone Aandelen of andere effecten van de Vennootschap worden overgedragen, of die op andere wijze hetzelfde economische effect heeft als (i), ongeacht of in het geval van (i) en (ii) een dergelijke transactie zal worden afgewikkeld door levering van Gewone Aandelen of dergelijke andere effecten, in contanten of anderszins; (iii) een dergelijk voornemen tot het aangaan van deze transactie publiekelijk bekend zal maken; of (iv) een voorstel tot het bewerkstelligen van het voorgaande zal voorleggen aan de aandeelhouders of de algemene vergadering of enig ander orgaan van de Vennootschap. De voorgaande beperkingen zijn niet van toepassing op: (i) de verkoop van de Aangeboden Aandelen in de Aanbieding; (ii) het lenen van Gewone Aandelen aan de Joint Global Coordinators (handelend namens de Underwriters) op grond van de Share Lending Agreement; (iii) de overdracht van de Gewone Aandelen die beschikbaar zullen worden gesteld aan leden van de Raad van Bestuur en ander belangrijk managementpersoneel van de Vennootschap als onderdeel van de aandelenbeloning; (iv) de verkoop, overdracht of vervreemding van Gewone Aandelen als gevolg van de aanvaarding van een volledig of partieel overnamebod in lijn met de Wet op het financieel toezicht of het verstrekken van een onherroepelijke toezegging om een dusdanig bod te aanvaarden, mits de Joint Global Coordinators twee werkdagen voor een dusdanige aanvaarding of toezegging schriftelijk hiervan worden geïnformeerd; (v) de overdracht van alle uitgegeven Gewone Aandelen op grond van een juridische splitsing, fusie of een gelijksoortige zakelijke combinatie met een derde partij en (vi) de verkoop of overdracht van aandelen in het kapitaal van de Verkopende Aandeelhouder aan een of meer personen, zijnde een natuurlijk persoon of rechtspersoon, die de directe of indirecte economisch eigenaar is van de Verkopende Aandeelhouder op de datum van de Underwritingovereenkomst, op voorwaarde dat voorafgaand aan elke zodanige overdracht de verkrijger akkoord is gegaan om gebonden te zijn door de hiervoorafgaande beperkingen voor het resterende deel van de lock-up periode. **Lock-up Vennootschap** De Vennootschap is op grond van de Underwritingovereenkomst met de Underwriters overeengekomen dat hij voor een periode vanaf de datum van de Underwritingovereenkomst tot 180 dagen na de Afwikkelingsdatum, anders dan zoals hieronder uiteengezet, zonder de

		voorafgaande schriftelijke toestemming van de Joint Global Coordinators (handelend namens de Underwriters) niet: (i) rechtstreeks of indirect een optie, recht, warrant of overeenkomst tot koop zal uitgeven, zal aanbieden, verpanden, verkopen, overeenkomen te verkopen, of verlenen, een optie tot verkoop uit zal oefenen, een optie of overeenkomst tot verkoop zal kopen met betrekking tot Gewone Aandelen of andere effecten van de Vennootschap of effecten die converteerbaar zijn naar of uitoefenbaar of inwisselbaar zijn voor, of wezenlijk gelijk zijn aan, Gewone Aandelen of overige effecten van de Vennootschap, of deze rechtsreeks of indirect zal uitlenen of anderszins overdragen of vervreemden, of zal verzoeken of verlangen dat de Vennootschap een inschrijvingsverklaring ingevolge de US Securities Act of een vergelijkbaar document indient bij een andere toezichthouder van de financiële markten, effectenbeurs of beursautoriteit met betrekking tot het voorgaande; (ii) een swap of andere overeenkomst of transactie zal aangaan waarmee rechtsreeks of indirect, geheel of gedeeltelijk, de economische gevolgen van de eigendom van Gewone Aandelen of andere effecten van de Vennootschap worden overgedragen, of die op andere wijze hetzelfde economische effect heeft als (i), ongeacht of in het geval van (i) en (ii) een dergelijke transactie zal worden afgewikkeld door levering van Gewone Aandelen of dergelijke andere effecten, in contanten of anderszins; (iii) een dergelijk voornemen tot het aangaan van deze transactie publiekelijk bekend zal maken; of (iv) een voorstel tot het bewerkstelligen van het voorgaande zal voorleggen aan de aandeelhouders of de algemene vergadering of enig ander orgaan van de Vennootschap. De voorgaande beperkingen zijn niet van toepassing op het verlenen van beloningen in opties of Gewone Aandelen door de Vennootschap of het uitgeven van Gewone Aandelen bij uitoefening van opties verleend door de Vennootschap, in elk geval op grond van het medewerkersbeloningsprogramma als bekendgemaakt in het Prospectus. De Joint Global Coordinators (handelend namens de Underwriters) kunnen geheel ter eigen beoordeling en op ieder moment zonder voorafgaande openbare kennisgeving schriftelijk afstand van deze beperkingen doen met betrekking tot de hiervoor omschreven verkoop, emissies of overdrachten van Gewone Aandelen. Indien de toestemming van de Joint Global Coordinators (handelend namens de Underwriters) met betrekking tot een lock-up-afspraak wordt aangevraagd, kan door de Joint Global Coordinators geheel ter eigen beoordeling worden bepaald of deze toestemming al dan niet wordt verleend. **Lock-up Management** Ieder van de Directeuren is voor de hieronder omschreven periodes een lock-up overeengekomen met de Verkopende Aandeelhouder met betrekking tot de Gewone Aandelen die beschikbaar zullen worden gemaakt aan ieder van de Directeuren als onderdeel van de aandelenbeloning. Op grond van de Underwritingovereenkomst is de Verkopende Aandeelhouder separaat met de Joint Global Coordinators (handelend namens de Underwriters) overeengekomen dat deze lock-up niet zal worden aangepast en dat daarvan geen afstand zal worden gedaan voor een periode vanaf de datum van de Underwritingovereenkomst tot 360 dagen na de Afwikkelingsdatum. Deze Gewone Aandelen zullen op een geblokkeerde effectenrekening worden geplaatst op de Eerste Handelsdag en zullen uitsluitend worden vrijgegeven (a) aan de voorzitter van de Raad van Bestuur (alle 70.000 Gewone Aandelen) één dag na de algemene vergadering van de Vennootschap in 2020 op voorwaarde dat hij op die datum nog steeds in dienst is van de Vennootschap en (b) aan ieder van de andere Directeuren als volgt: 20.000 Gewone Aandelen één dag na het latere moment van (x) de algemene vergadering van de Vennootschap in 2018 of (y) het aflopen van de periode van 360 dagen na de Afwikkelingsdatum, 20.000 Gewone

		Aandelen één dag na de algemene vergadering van de Vennootschap in 2019 en de resterende 70.000 Gewone Aandelen één dag na de algemene vergadering van de Vennootschap in 2020, op voorwaarde dat de relevante Directeur op deze data nog steeds in dienst is bij de Vennootschap. In het geval dat een Directeur vrijwillig zijn dienstverband met de Vennootschap beëindigt voorafgaand aan (i) één dag na het latere moment van (x) de algemene vergadering van de Vennootschap in 2018 of (y) het aflopen van de periode van 360 dagen na de Afwikkelingsdatum, of (ii) één dag na de algemene vergadering van de Vennootschap in 2019, dan zal hij recht hebben op 50% van de Gewone Aandelen die op deze datum beschikbaar zouden zijn en de resterende Gewone Aandelen die zijn gegeven als onderdeel van de aandelenbeloning zullen terug worden overgedragen aan de Verkopende Aandeelhouder. De Verkopende Aandeelhouder heeft zich gecommitteerd om 450,000 Gewone Aandelen beschikbaar te maken aan circa 150 belangrijke managers van de Vennootschap per de Eerste Handelsdag op voorwaarde dat die belangrijke managers een lock-up overeenkomen met de Verkopende Aandeelhouder.
E.6	**Verwatering**	Niet van toepassing. Aangezien alleen bestaande Gewone Aandelen worden aangeboden, heeft de Aanbieding geen verwaterend effect.
E.7	**Verwachte kosten die door de Vennootschap aan de belegger berekend worden**	Niet van toepassing. Er worden ten aanzien van de Aanbieding geen kosten door de Vennootschap of de Verkopende Aandeelhouder aan de beleggers in rekening gebracht.

Before investing in the Ordinary Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects. The price of the Ordinary Shares could decline and an investor might lose part or all of their investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. VolkerWessels may face a number of these risks described below simultaneously and one or more of the risks described below may be interdependent. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to VolkerWessels' business, results of operations, financial condition and prospects.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although VolkerWessels believes that the risks and uncertainties described below are the material risks and uncertainties concerning VolkerWessels' business and industry, and the Ordinary Shares, they are not the only risks and uncertainties relating to VolkerWessels and the Ordinary Shares. Other risks, events, facts or circumstances not presently known to VolkerWessels, or that VolkerWessels currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any Ordinary Shares. Furthermore, before making an investment decision with respect to any Ordinary Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and/or tax advisers and carefully review the risks associated with an investment in the Ordinary Shares and consider such an investment decision in light of their personal circumstances.

Risks relating to VolkerWessels' business and industry

VolkerWessels is exposed to the cyclical nature of the construction industry, which is exacerbated during economic downturns.

VolkerWessels operates in various segments of the construction industry, including residential and commercial real estate development, infrastructure and energy and telecom infrastructure. The construction industry and the resulting demand for VolkerWessels' services have been, and are expected to continue to be, cyclical and subject to significant fluctuations due to changes in economic conditions and client spending, particularly during economic downturns.

VolkerWessels provides services to a broad range of public and private sector clients. Adverse economic conditions may negatively impact VolkerWessels' clients' ability and willingness to fund their projects, and cause clients to reduce their capital expenditures, alter the mix of services purchased, seek more favourable prices and other contract terms, or otherwise slow their spending on VolkerWessels' services. In addition, during economic downturns, private sector clients' ability to pay, or pay in a timely manner, VolkerWessels' accounts receivables may be negatively affected. VolkerWessels derives a significant portion of its revenue from public sector clients. Declines in national and local tax revenues as well as economic declines may result in lower government spending and demand for VolkerWessels' services.

The residential and commercial real estate sector is typically affected at an early stage of the economic cycle. Improvements in the broader economy and local market conditions may lead to increased construction costs as a result of rising wages, subcontractor fees or commodity prices. Additionally, economic improvements may result in rising interest rates, which can negatively affect demand in the real estate sector. The infrastructure sector is typically impacted at a later stage in the economic cycle as public sector clients adjust spending budgets to economic developments. As a result, VolkerWessels' business in the infrastructure sector may be slower to realise any benefits of an economic recovery.

The cyclicality of the construction industry, particularly during economic downturns, in connection with any of these businesses may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

VolkerWessels operates in highly competitive markets and may lose business to competitors or otherwise be unable to compete effectively.

The construction industry is highly competitive. VolkerWessels competes with many local, national and international contractors on the basis of, among others, price, quality, efficiency, innovation, client service and support, desirable sites and suitable land, technical knowledge, reputation, availability of credit and funding and the degree of design and execution risk assumption. European and national public procurement rules in the countries and regions in which VolkerWessels operates require governmental entities to publicly announce construction projects for which they seek tenders and to allow any contractor from a European Union member state to tender for such projects, which enables contractors without a local presence to compete for projects locally. In addition, VolkerWessels competes with a number of smaller, locally-based contractors capable of undertaking various types of projects, predominantly in the Netherlands.

The extent of VolkerWessels' competition varies by industry, geographic market and project type. In recent years, there has been intense competition in the Dutch infrastructure sector as a result of overcapacity in the market partly driven by the decrease in supply of projects due to a reduction in the commissioning of, and expenditure on, infrastructure projects by national and local governments as well as increased competition from foreign competitors. Similarly, in the United Kingdom construction sector, there has been an increase in competition with a trend of foreign competitors entering and competing in the specialist market segments in which the Company operates. Due to these conditions, some of VolkerWessels' national and international competitors have bid, and may continue to bid, for tenders at prices, or accept terms and conditions, that VolkerWessels would not consider economically prudent, which may in turn hinder VolkerWessels' ability to win tenders, or otherwise negatively affect the terms on which it is able to win tenders.

If VolkerWessels is not able to maintain project sales to existing clients, including important public sector clients, introduce new products or concepts, attract new clients, respond to client trends, improve operating efficiency, reduce operating and overhead expenses or increase net margins, it may not be able to compete successfully. Increasing competition from existing competitors in the sectors in which VolkerWessels operates or a further consolidation in the markets in which it operates could add pressure on prices and margins and increase competition for VolkerWessels, especially in circumstances where VolkerWessels 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.

VolkerWessels is exposed to significant counterparty credit risk, which may result in additional liabilities.

VolkerWessels contracts with a large number of parties in its business, including clients, suppliers, subcontractors and joint venture partners. VolkerWessels is therefore exposed to the risk of default by, or the insolvency of, such counterparties, which may result in significant liability for VolkerWessels. VolkerWessels' exposure to counterparty risk is enhanced by the long-term nature of many of its construction projects and larger and more complex projects, particularly if general economic conditions deteriorate. As a result, VolkerWessels may incur additional liabilities and obligations, be unable to collect amounts due from its counterparties in a timely manner, or at all, or face greater working capital requirements and absorb greater execution and financial risks. For example, as a result of the insolvency of its consortium partner Royal Imtech N.V. in 2015, VolkerWessels was required to increase its contractual commitments to the construction consortium for the construction and development of the North-South subway line in Amsterdam, as a result of which it may face project losses or lower profits from that project than the expected profits it had originally projected and reflected in its order book.

Rising interest rates or inflation could reduce the demand for VolkerWessels' services as well as decrease VolkerWessels' profit on its existing contracts, in particular with respect to its fixed-price contracts.

Improvements in economic conditions may result in interest rates rising. If interest rates rise, for example as a result of the cessation or tapering off of the European Central Bank's quantitative easing programme in response to improved economic conditions, the cost of funding for

VolkerWessels' clients will increase, which may have a negative impact on their willingness or ability to fund projects, and consequently, negatively affect VolkerWessels' business. Additionally, VolkerWessels may not be able to fully offset increased costs as a result of higher levels of inflation, including wage inflation, through price increases, particularly with respect to certain long-term fixed-price contracts which do not include inflation protection clauses such as indexation. A rise in interest rates may also negatively impact the potential yield on real estate held for sale by VolkerWessels and may also affect the yield that VolkerWessels is able to realise in disposing its equity investments in "public-private partnership" projects. Therefore, interest rate rises and higher levels of inflation may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

The complexity and long-term nature of construction projects expose VolkerWessels to contracting risks, which may result in financial liabilities.

VolkerWessels' business involves complex and long-term construction projects, including long-term maintenance and operating contracts entered into on a fixed-price or lump-sum basis. To a large extent, VolkerWessels' profitability depends on the scope of the project being correctly determined during the tender and execution phases, costs being accurately calculated and controlled, and on projects being completed on time and not subject to any early termination, such that costs are contained within the pricing structure of the relevant contract, particularly for fixed-price and lump-sum contracts and for larger and more complex projects. Any failure to do so may result in lower than anticipated profits or the incurrence of contract losses. Cost overruns can be due to inefficiency, delays by VolkerWessels, subcontractors or suppliers, poor design or errors in designs or calculations, failure to properly hedge contractual risks, and liabilities or claims. Furthermore, long-term fixed-price contracts expose VolkerWessels to margin compression or contract losses as a result of variable input costs, which may rise over time. A significant number of contracts are based in part on cost calculations that are subject to a number of assumptions. If the estimate of the overall risks or calculations of the revenues or costs of one or more contracts prove inaccurate or circumstances change, lower profits may be achieved from, or greater losses may be incurred on, such contracts than had been anticipated.

Additionally, risk allocation is, to a certain extent, driven by contract models imposed by clients. Public sector clients or larger private sector clients may adopt contract models with terms that increase VolkerWessels' risk exposure, which VolkerWessels may not find acceptable. If more model contract terms that increase the risk exposure for VolkerWessels become prevalent in VolkerWessels' primary markets, VolkerWessels' ability to enter into profitable contracts may be adversely affected.

Failure to properly manage projects, or project delays, may result in additional costs or claims and adversely affect profits and cash flows.

The construction industry is highly schedule-driven. Most of VolkerWessels' contracts are subject to specific completion schedule requirements with penalties charged or deductions applied in the event the required schedules are not met. Delays may be caused by events beyond VolkerWessels' control, including unexpected issues related to site conditions such as unexpected geohydrological conditions or the discovery of pollution or World War II bombs on construction sites, or may be caused as a result of actions by third parties, including subcontractors. Failure to meet any such schedule requirements could result in the incurrence of significant contractual penalties or damage to VolkerWessels' reputation and client base. Additionally, clients may require extra work or may change the original scope of work. This process may result in disputes as to whether the work performed is beyond the scope of the work included in the original project plans and specifications or as to the price to be paid for such work. Additionally, VolkerWessels may be required to fund the cost of such additional work for a period of time until the change order is approved and funded by the client, impacting VolkerWessels' working capital. The profitability of a project may be adversely impacted if VolkerWessels is not able to receive payment for additional work or compensation for actions by third parties.

VolkerWessels' success is dependent upon its ability to hire and retain qualified employees and match VolkerWessels' workforce with business demands.

The success of VolkerWessels' business is dependent upon its ability to hire and retain qualified employees, including engineers, designers, technical employees, and corporate management

professionals at a reasonable cost who have the required experience and expertise. The market for such employees is highly competitive, especially during favourable market and economic conditions. It may be difficult to attract or retain qualified individuals with the expertise required or within the timeframe required by VolkerWessels' clients or as needed to complete one or more contracts in a timely manner, or to replace such employees when needed in a timely manner. In addition, failure to attract the required employees may require VolkerWessels to rely more heavily on subcontractors which may result in cost increases. Additionally, VolkerWessels may lose employees to its competitors. For example, VolkerWessels has experienced, and may in the future experience, losses of employees to competitors as a result of the success of that competitor in a tender bid in which VolkerWessels had participated. If VolkerWessels is unable to attract and retain skilled employees, its future performance and growth may be adversely affected.

Furthermore, VolkerWessels' future performance and results of operations depend on, among other matters, whether and when it will receive certain new contract awards, including the extent to which it is able to utilise its workforce. The level at which VolkerWessels utilises its workforce is impacted by a variety of factors including its ability to manage attrition, its ability to forecast its need for services, which allows VolkerWessels to maintain an appropriately sized workforce, its ability to transition employees from completed projects to new projects or between internal business groups and its need to devote resources to non-chargeable activities such as training or business development. While VolkerWessels' estimates are based upon good faith judgements, these estimates can be unreliable and may frequently change based on newly available information. VolkerWessels wins a significant amount of business through tenders. The uncertainty of contract award timing can present difficulties in matching VolkerWessels' workforce size with its contract needs. If an expected contract award is delayed or not received, VolkerWessels could incur costs resulting from reductions in staff or redundancy of facilities. These factors may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

VolkerWessels relies on subcontractors and suppliers to complete certain projects who may not be available at commercially acceptable terms.

VolkerWessels uses subcontractors to perform portions of its contracts as a prime contractor and to manage workflow. While VolkerWessels is not dependent on any single subcontractor, general market conditions may limit the availability of subcontractors to perform portions of VolkerWessels' contracts on commercially acceptable terms potentially causing project delays and cost increases. In addition, VolkerWessels may have disputes with subcontractors arising from the quality and timeliness of work performed by such subcontractors, customer concerns about the subcontractors or VolkerWessels' failure to extend existing work orders or issue new work orders under a subcontract. If any of VolkerWessels' subcontractors fail to perform, in a timely manner or at all, the agreed-upon services, or if the subcontractors' work product is not of suitable quality, then VolkerWessels' ability to fulfil its obligations as a prime contractor and its reputation may be jeopardised and VolkerWessels may be financially liable for the subcontractors' obligations.

In addition, VolkerWessels relies on suppliers to obtain the materials necessary for certain projects. VolkerWessels also relies on equipment manufacturers and lessors to provide it with the equipment it requires to conduct its operations. Although VolkerWessels is not dependent on any single supplier or equipment manufacturer or lessor, any substantial limitation in the availability of required suppliers or equipment could negatively affect its operations. Additionally, if materials provided by suppliers were not of sufficient quality, VolkerWessels' ability to fulfil its obligations as a contractor and its reputation may be jeopardised and VolkerWessels may incur financial liabilities.

The failure by a subcontractor or supplier to comply with applicable laws, regulations or client requirements could, for example through the use of undocumented workers, also negatively impact VolkerWessels' reputation and, for government clients, could result in fines, penalties or suspension being imposed on VolkerWessels.

VolkerWessels' use of partnerships and joint ventures exposes it to risks and uncertainties, many of which are outside of its control.

As is customary in the construction industry, VolkerWessels participates in a number of bids and projects that are taken on in the form of partnerships and joint ventures with third parties, resulting in joint and several liability for each of the partners and hence the risk to VolkerWessels of being held liable for non-performance or misconduct of others. Accordingly, if the partnership or

joint venture is found liable and one or more of the partners is unable or unwilling to pay its proportional share, VolkerWessels may be liable for more than its proportional share.

VolkerWessels cannot control the actions of its partners, and may be affected by their non-performance, default or bankruptcy. Additionally, VolkerWessels may not have control over the operations of the partnerships in which it holds minority interests, and may be affected by the misconduct or poor operational decisions of its partners. If such circumstances occur, VolkerWessels may be required to pay financial penalties, provide additional services and resources, or make additional investments to ensure adequate performance and delivery of the contracted services. Under agreements with joint and several liabilities, VolkerWessels could be liable for both its own obligations and those of its partners. These circumstances could also lead to disputes and litigation or reputational harm.

VolkerWessels depends on the management effectiveness of its partners. Differences in views among the partners may result in delayed decisions or in failures to agree on major issues, which could materially affect the business and operations of the partnerships or joint ventures. If VolkerWessels is not able to enforce its contractual rights, it may not be able to realise the benefits of the partnership or joint venture or it may be subject to additional liabilities. In addition, VolkerWessels cannot guarantee that its strategic partners will wish to continue their partnerships with VolkerWessels in the future or that VolkerWessels will be able to pursue its stated strategies with respect to its partnerships or joint ventures and the markets in which they operate. Furthermore, VolkerWessels' partners may be subject to a change of control, which may affect their strategies in connection with the respective partnership or joint venture.

The failure by a partner to comply with applicable laws, regulations or client requirements could also negatively impact VolkerWessels' reputation and, for government clients, could result in fines, penalties or suspension being imposed on VolkerWessels.

VolkerWessels is exposed to fluctuations in commodity prices.

The market price and availability of commodities which VolkerWessels utilises for its operations, such as lumber, steel, cement, bitumen and stone, can fluctuate. VolkerWessels typically seeks to hedge its exposure to commodity price fluctuation through, for example, fixed price contracts with its subcontractors or suppliers, price indexation agreements with its clients or through financial hedges, if available on commercially acceptable terms. See "*Operating and Financial Review—Fluctuations in Raw Materials and Construction Supply Prices and VolkerWessels' Ability to Pass on Cost Increases*". However, if VolkerWessels is not able to effectively hedge or pass on to its clients the effects of the volatility of commodity prices, its project costs and profit margins may be adversely affected.

Additionally, commodity price fluctuations may adversely affect the economies or industries in which VolkerWessels' clients operate which may in turn reduce demand for VolkerWessels' services or result in clients deferring new investments or cancelling or delaying existing projects. For example, the recent decline in the price of both oil and gas has affected demand for VolkerWessels' services in Canada, where market demand depends, to a large degree, on spending by companies in the oil and gas industries and local governments whose tax revenues are correlated with the performance of such industries. A sustained decline in commodity price levels, which has an impact on industries in which VolkerWessels' clients operate, such as the oil and gas industry, may therefore have a negative impact on VolkerWessels' business in Canada.

Any failure of VolkerWessels' management information and internal control systems may adversely affect its ability to implement its business strategy and adequately respond to unfavourable developments within VolkerWessels' companies.

VolkerWessels' strategy is based on a decentralised model, meaning that certain management decisions are taken at the discretion of VolkerWessels' operating companies. VolkerWessels has implemented management information and internal control systems, such as regular management reporting and business control and internal approvals framework. to seek to ensure that its business strategy is implemented throughout the organisation of VolkerWessels, that decisions taken at the operating company level are aligned to the overall VolkerWessels' strategy and to be able to respond to unfavourable developments within its individual group companies. VolkerWessels derives a significant portion of its revenue from projects with a value of less than €10 million, which typically do not require the approval of the management board (*raad van bestuur*) of the Company (the

"**Management Board**" and each member thereof, a "**Managing Director**"). If VolkerWessels is unable to effectively maintain a disciplined approach to tenders across its operating companies, in particular with respect to smaller tenders, including with respect to price and risk assumption, its business may be adversely affected. Any failures of such management information and internal control systems may prevent VolkerWessels from adequately responding to unfavourable developments within any of its operating companies and implementing its strategy, which may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

The medium-term objectives included in this Prospectus may differ materially from VolkerWessels' actual results and investors should not place undue reliance on them.

The medium-term objectives included in this Prospectus may differ materially from VolkerWessels' actual results and investors should not place undue reliance on them. The medium-term objectives described under "*Business—Medium-Term Objectives*" and elsewhere are management's objectives for medium-term revenue growth, EBITDA growth, EBITDA margin, capital expenditure, return on capital employed, working capital, tax and dividends. VolkerWessels has not defined, and does not intend to define, "medium term", and these objectives should not be read as indicating that VolkerWessels is targeting such metrics for any particular fiscal year. These medium-term objectives are based upon a number of assumptions (including the success of VolkerWessels' business strategies), which are inherently subject to significant business, operational, economic and other risks, many of which are outside of VolkerWessels' control. Accordingly, such assumptions may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that VolkerWessels achieves in future periods whether or not its assumptions relating to the medium-term otherwise prove to be correct. As a result, VolkerWessels' actual results may vary materially from these medium-term objectives and investors should not place undue reliance on them.

Construction and maintenance sites are inherently dangerous workplaces. If VolkerWessels suffers from a major incident in relation to one or more of its projects, VolkerWessels could be exposed to significant financial liabilities and reputational harm, as well as civil and criminal liabilities.

The construction industry involves a high degree of operational risk and, while VolkerWessels has invested, and will continue to invest, substantial resources in its health and safety programmes, there can be no assurance that VolkerWessels will avoid significant liability. Serious incidents, including fatalities as well as unsafe conditions such as asbestos exposure, may subject VolkerWessels to substantial claims, including claims for bodily injury or loss of life, damages, liabilities, costs, penalties, civil litigation or criminal prosecution. In addition, if VolkerWessels' safety record were to substantially deteriorate over time or if it were to suffer substantial penalties or criminal prosecution for violation of health and safety regulations, VolkerWessels' clients could cancel contracts, VolkerWessels' ability to generate new contracts could suffer and VolkerWessels' reputation may be adversely affected, any of which may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Changes and uncertainties in political conditions may have a negative impact on VolkerWessels' business.

VolkerWessels operates primarily in the Netherlands, the United Kingdom, Germany and North America. Political conditions in these geographies or globally may impair the level of public spending on infrastructure and impact the demand for VolkerWessels' services. Additionally, political uncertainty may result in delays in, or a cancellation of, projects due to challenging market developments. Changes in governmental regimes in the jurisdictions in which VolkerWessels operates can impact VolkerWessels' existing relationships with its clients in the infrastructure sector. In addition, in the period before and immediately after the installation of a new government, activities and policies in relation to public sector investments may be suspended. New governments may reduce demand for VolkerWessels' services or cancel existing long-term maintenance contracts with VolkerWessels.

The geographies in which VolkerWessels operates have been, and may continue to be, subject to significant political volatility. For example, on 23 June 2016 a majority of voters in the UK referendum on membership in the European Union voted for the UK to leave the EU, which led to the UK government lodging a notice to leave the EU on 29 March 2017 (commonly referred to as "**Brexit**"). The effects of Brexit will depend on any agreements the UK makes to retain access to EU markets and could result in significant political and economic uncertainty. Furthermore, the result of

the UK exit vote has led to a decrease in the value of GBP against the euro, as well as a general increase of volatility in currency exchange markets.

In addition, uncertainty around the composition of the coalition following the recent Dutch election, upcoming elections in the UK, France and Germany and the recent United States presidential elections may have a negative effect on levels of government spending and market conditions, increase volatility in currency exchange markets and may result in changes to government policies, such as policies in connection with immigration, that could negatively affect VolkerWessels' businesses.

Failure to comply with regulations or respond to changes in regulations or governmental procurement policies could result in significant liabilities and adversely affect VolkerWessels' business.

The construction industry is, and will continue to be, subject to substantial regulation. VolkerWessels is subject to various laws applicable to its businesses generally, including laws affecting tax, land use, zoning, occupational health and safety, product safety, quality and liability, transportation and labour and employment practices in the geographies where it operates. A failure by VolkerWessels to comply with applicable regulations may result in civil or criminal and other liabilities, which may negatively impact VolkerWessels' ability to maintain contracts with, or win new business from, its clients, particularly public sector clients, which are a significant source of business.

VolkerWessels is also subject to a variety of environmental laws and regulations governing discharges to air and water and the handling, storage, and disposal of hazardous or waste materials. Such laws and regulations and the risk of related litigation can cause significant delays to a project and add significantly to its cost. Environmental laws and regulations and policies are reviewed periodically and any changes thereto could affect VolkerWessels in substantial and unpredictable ways. If VolkerWessels fails to comply with any environmental laws or regulations, VolkerWessels could be exposed to fines, penalties or potential litigation liabilities, or experience project cancellations.

VolkerWessels' ability to do business relies on, among other things, obtaining and maintaining construction permits, licences, concessions, leases or contracts. VolkerWessels may not be able to obtain necessary permits in a timely manner or comply with applicable regulations, which can result in project delays, the imposition of fines, the loss of contracts or inability to generate new contracts and could harm VolkerWessels' reputation in the industry. Furthermore, refusal by government authorities to grant, or to amend, any permits, licences, concessions or other similar authorisations may impact the value of VolkerWessels' land bank.

VolkerWessels typically wins business from public sector clients through public tenders, which are subject to procurement regulations. Supranational, national or local governments could change their procurement methodologies or any law or regulation that applies to the business of VolkerWessels. If there are changes in governmental policies, programmes or procurement methodologies or to any such laws or regulations, VolkerWessels may be unable to maintain its existing levels of government work or be unable to maintain existing levels of profitability in relation thereto and, more generally, may incur additional costs which may not be recoverable.

VolkerWessels may be adversely affected by violations of anti-corruption, anti-money laundering, anti-bribery and competition laws.

VolkerWessels operates in an industry that has historically been subject to significant fraud and corruption investigations as well as substantial anti-trust investigations, and is subject to substantial anti-corruption, anti-money laundering, anti-bribery and competition laws. VolkerWessels' policies require compliance with such laws, including the requirements to maintain accurate information and internal controls. Despite VolkerWessels' internal training and compliance programmes, there can be no assurance that no violations have been, or in the future will be, committed by its operating companies, employees or agents. Any such violations may expose it to civil and criminal penalties, contract cancellations, and reputational harm, any of which could have a significant negative impact on its business, results of operations, financial condition and prospects.

The construction sector as a whole, including VolkerWessels, has in the past been fined for collusive behaviour. Certain of VolkerWessels' subsidiaries have in the past participated in, and have been the subject of government investigations into, a construction company cartel and bitumen cartel and a demolition contractor cartel in the Netherlands. Any similar future violation of relevant laws or

regulations by VolkerWessels or any of its companies or employees will carry increasingly adverse risks including high penalties that may be levied and reputational damage. The precautions VolkerWessels takes to prevent and detect non-compliance with these rules may not always have the desired effect. While VolkerWessels has since maintained what it believes to be robust anti-trust compliance policies and control procedures, there can be no assurance that its internal policies and control procedures will prevent similar or other violations by its operating companies, employees or agents, which may result in civil and criminal penalties, harm to its reputation, and a decline in revenue and profits.

VolkerWessels is exposed to fluctuations in foreign currency exchange rates.

VolkerWessels derives revenue and incurs costs in currencies other than euro, while it reports its results in euro. In 2016, 25% of VolkerWessels' revenue was in non-euro currencies, mainly the GBP and the Canadian dollar. The results of operations of VolkerWessels are therefore impacted by the fluctuation of the exchange rates of these currencies. Depending on exchange rate movements, this may result in higher or lower contributions to VolkerWessels' result in euro. For example, in the year ended 31 December 2016, the euro-equivalent revenue contribution from VolkerWessels' UK segment was negatively impacted as a result of a depreciation of the GBP compared to the euro. The annual average EUR:GBP exchange rate decreased from 1.38 in 2015 to 1.22 in 2016. The UK referendum to leave the EU has resulted in, and may in the future result in further, declines in the EUR:GBP exchange rate. In certain less frequent occasions, on a per project basis where VolkerWessels is aware of mismatches between the currency of its costs and its revenues, VolkerWessels attempts to mitigate the risk of currency fluctuations through customary financial hedging arrangements. Accordingly, exchange rate volatility, in particular volatility of the EUR:GBP exchange rate, may have an adverse impact on VolkerWessels' results of operations as reported in euro.

The realisable value of VolkerWessels' land bank may be lower than the book value and VolkerWessels may be unable to maintain a high-quality land bank.

As at 31 December 2016, VolkerWessels owned a land bank (directly held and through joint ventures and associates) with a book value of €316 million, consisting of: (i) €294 million of land positions in the Netherlands of which €208 million are directly held land positions and €86 million are held through joint ventures and associates; and (ii) €22 million of directly held land positions in North America.

There are risks inherent to controlling, owning and developing land. If demand for residential or commercial properties declines, for example as a result of an economic downturn, VolkerWessels may not be able to build and sell properties profitably and it may not be able to fully recover the costs of some of the land that it owns. While VolkerWessels annually assesses the value of its land bank and has relied recently on a third party expert valuation, such valuations are based on a number of assumptions and may not be accurate and, as a result, the estimated realisable value of the land bank may be lower than the most recent book value or the valuation according to such a third party independent reviewer. As a result, VolkerWessels may have to sell developed real estate or land positions for a lower profit margin, it may have to record inventory impairment charges or have to record impairments on the value of its land bank or its deposits for lots controlled under option or certain of VolkerWessels' similar contracts may be put at risk. Consequently, a significant deterioration in economic conditions may result in substantial impairment charges of VolkerWessels' land bank.

Generally, the acquisition and maintenance of a high-quality land bank is a significant benefit for the future performance of the Netherlands – Construction & Real Estate Development business. Doing so includes purchasing land at the right time and price and investing in the most appropriate geographic locations. VolkerWessels' ability to acquire land may be adversely affected by a lack of supply of high-quality land in suitable locations on acceptable terms or an increase in the demand for land by competitors or other interested parties. VolkerWessels may also fail to identify suitable land, face obstacles in the purchasing process, fail to manage land purchases so as to meet the demands of its business or be unable to fund land purchases due to a deterioration of its business.

The valuations of the VolkerWessels land bank contained in this Prospectus may not accurately reflect the value of the land bank.

This Prospectus contains information regarding the market value of VolkerWessels' land bank, which is different from the book value also disclosed herein, included in an independent valuation prepared by DTZ Zadelhoff v.o.f., part of the Cushman & Wakefield group ("**Cushman & Wakefield**") as set forth in the valuation report which is included in this Prospectus. Neither Cushman & Wakefield, nor any person acting on its behalf, makes any warranty, express or implied, or assumes any liability with respect to the reliance upon or use of any information or analysis disclosed in the valuation report. VolkerWessels has no intention to obtain further independent assessments reflecting the market valuation of its land bank.

As land bank positions are unique, the valuation of the land bank is inherently subjective and thus subject to uncertainty. A property's valuation depends on the factors considered during the valuation and on the applied valuation methods. In valuing a property, factors such as operating expenses, expected capital expenditure, the age of the properties, historical vacancy rates and inflation rates may be considered. In addition, property valuations are based on assumptions that may not be correct. In particular, Cushman & Wakefield makes certain assumptions in its valuation report, including the lease tenure, leasing, town planning and the condition and repair of buildings and sites, including environmental matters. Furthermore, some of the important assumptions used by both Cushman & Wakefield and VolkerWessels in determining their valuations are based on information sourced from within VolkerWessels. An adverse change in one of the assumptions used or factors considered in valuing a property can materially decrease the assessed value of the property.

A change in the factors or assumptions underlying the appraisal, including deterioration in prevailing market or economic conditions, could also cause the market value determined for the respective valuation date to result in an impairment loss on the current book value for the land bank. If such losses are significant, they could have a material adverse effect on VolkerWessels' financial condition and results of operations.

VolkerWessels' order books are not necessarily indicative of its future revenue or results due to possible cancellations or scope adjustments.

The amounts of VolkerWessels' order books are not necessarily indicative of its future revenue or results related to the performance of such work. Cancellations or scope adjustments have occurred, and in the future may occur, from time to time, especially in times of economic downturn. Moreover, the present levels of the order books are not necessarily indicative of future levels of the order books. As a result, any cancellations or scope adjustments in VolkerWessels' order books may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Unsuccessful tender procedures may result in significant non-recoverable tender costs.

VolkerWessels participates in complex tender procedures, in particular for large and complex projects and projects with public sector clients. VolkerWessels typically invests significant costs and time in relation to such tenders. These costs are largely unrecoverable in the event that VolkerWessels is not successful in, or decides not to continue to pursue, a tender bid and are expensed in the income statement for the relevant reporting period. If VolkerWessels is unable to achieve a sustainable level of successful bids, or if it is continually unsuccessful in its bids for a protracted period, the incurrence of failed tender costs may affect VolkerWessels' profitability, which may have a negative impact on its business, results of operations and financial condition.

The performance of VolkerWessels may be affected by weather conditions.

The construction industry is typically seasonal and dependent on weather conditions, with periods of frost, snow and heavy rain negatively affecting construction activity. VolkerWessels typically experiences reduced levels of construction activity during periods of cold weather, particularly during winter.

Additionally, severe weather, hurricanes, severe storms, torrential rains, floods, natural disasters and similar events can result in project delays and cost overruns, increased costs or shortages of materials or labour or damage to projects under construction and housing stock, any of which may

have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

The complex nature of the construction business exposes VolkerWessels to litigation risk.

The complex nature of the construction business and the corresponding contracts and contractual structures, expose VolkerWessels to potentially significant litigation including claims related to regulatory violations, breach of contract, contractual disputes, health and safety-related issues and for construction defects. Insurance, if any, may be insufficient to cover the particular claim or loss. VolkerWessels can also be exposed to claims if it agreed that a project would achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met, whether as a result of VolkerWessels' actions or of third parties, including subcontractors or suppliers. In VolkerWessels' contracts with clients, subcontractors and suppliers, it may agree to retain or assume potential liabilities for damages, penalties, deductions, losses, and other exposures relating to projects, such as issuing performance guarantees, that could result in claims that exceed the anticipated profits relating to those contracts. In addition, while clients, subcontractors and suppliers may agree to indemnify VolkerWessels against certain liabilities, such third parties may refuse or be unable to satisfy their obligations under such indemnities or may invoke caps in respect of their maximum liability under such indemnity. Such claims may harm VolkerWessels' reputation, even if VolkerWessels is successful on a claim, or result in substantial financial liabilities, which may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Information technology failures and data security breaches could harm VolkerWessels' business.

VolkerWessels uses information technology and other computer resources to carry out important operational and marketing activities and to maintain its business records. These information technology systems are dependent upon global communications providers, web browsers, telephone systems and other aspects of network infrastructure that have experienced security breaches, cyber-attacks, significant systems failures and service outages in the past. A material breach in the security of VolkerWessels' information technology systems or other data security controls could include the theft or release of client, employee or company data. A data security breach, a significant and extended disruption in the functioning of VolkerWessels' information technology systems or a breach of any of its data security controls could disrupt its business operations, damage its reputation and cause it to lose clients, adversely impact its revenue, result in it being subject to regulatory penalties or require it to incur significant expense to address and remediate or otherwise resolve these kinds of issues. The release of confidential information as a result of a security breach could also lead to reputational harm or litigation or other proceedings against VolkerWessels by affected individuals or business partners, or by regulators, and may result in penalties or fines. VolkerWessels may also be required to incur significant costs to protect against damages caused by information technology failures or security breaches in the future. Additionally, the techniques used to obtain unauthorised access, disable or degrade systems change frequently and often are not recognised until launched against a target; VolkerWessels may be unable to anticipate these techniques or to implement adequate preventative measures. Consequently, VolkerWessels cannot provide assurances that a security breach, cyber-attack, data theft or other significant systems or security failures will not occur in the future, and such occurrences may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

VolkerWessels is exposed to the risk of strikes, work stoppages and other collective action or bargaining.

VolkerWessels may experience lengthy consultations with labour unions and works councils, strikes, work stoppages or other industrial actions, as well as the negotiation of new collective bargaining agreements or salary increases in the future, which could disrupt VolkerWessels' operations. In addition, strikes by employees of any of VolkerWessels' key suppliers or contractors could occur. The occurrence of any or all of the above could disrupt VolkerWessels' operations, which may have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

VolkerWessels may be unable to source commercially viable insurance cover or insurance cover at all, suffer uninsured losses or suffer material losses in excess of insurance proceeds.

While VolkerWessels maintains commercial insurance at a level management believes is appropriate against risks commonly insured in the industry, there is no assurance that it will be able to obtain the desired levels of commercially viable cover in the future. Therefore, VolkerWessels may be exposed to certain liabilities which may not be fully covered by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not insurable on a commercially viable basis, or may not be currently, or in the future, covered by VolkerWessels' insurance policies. Should an uninsured loss or a loss in excess of insured limits occur, VolkerWessels could lose capital invested in the affected project or property. In addition, VolkerWessels could be liable for damages caused by uninsured risks. VolkerWessels may also remain liable for any debt or other financial obligation related to the affected project or property. If VolkerWessels incurs material losses in excess of insurance proceeds, its business, results of operations, financial condition and prospects could be negatively impacted.

The uncommitted nature of bank guarantee and surety facilities or a lack of availability of such facilities may impact VolkerWessels' business.

In the construction industry, it is market practice to use bank guarantee and surety facilities with respect to contract performance. It is therefore of importance to VolkerWessels to have sufficient guarantee and surety facilities available. With the exception of VolkerWessels' €150 million committed guarantee facility, these facilities are agreed on a bilateral basis with a bank or surety company and can be terminated unilaterally at any time. Any such termination could result in non-availability of sufficient guarantee and surety facilities, which could adversely impact VolkerWessels' ability to acquire new projects or result in significant collateral obligations for outstanding guarantees or sureties. Changes in market conditions may adversely affect VolkerWessels' ability to continue to benefit from current bank guarantee and surety facilities or to enter into new facilities required to obtain additional work, which may in turn have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Fluctuations in working capital may result in increased financing costs.

The working capital available to VolkerWessels fluctuates significantly during the year and is impacted by the commencement or completion of projects, delayed or failed payments by clients, general pressure to accelerate payments to subcontractors, insolvency or default of counterparties, increasing inventory, adjustment of payment terms and payment behaviour of clients in the public and private sector. In addition, legislation and proposed changes to legislation that require early payments to creditors can apply pressure to the availability of working capital.

A significant or continuous increase in working capital requirements or a failure by VolkerWessels to manage its working capital requirements, for example as a result of changes in payment behaviour by public and private sector clients, could create liquidity problems, which may require VolkerWessels to incur additional indebtedness, which may not be available on commercially acceptable terms, or at all, and result in additional financing costs, which may have a negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Failure to comply with the covenants and conditions under VolkerWessels' debt and credit agreements and its committed and uncommitted facilities may cause VolkerWessels' debt to become immediately due and payable and restrict the availability of future borrowing.

The terms of VolkerWessels' debt and credit agreements and its committed and uncommitted facilities impose certain restrictions on its operations and require compliance with certain covenants, notably leverage and interest cover ratios (see "*Operating and Financial Review—Liquidity and Capital Resources—Credit Facilities*"). There can be no assurance that VolkerWessels will be able to maintain compliance with the covenants under its debt and credit agreements in the longer term. Failure to comply with those covenants may lead to VolkerWessels defaulting on its obligations and cross-default on its committed and uncommitted facilities, restrict the availability of credit to VolkerWessels or result in the acceleration of VolkerWessels' obligations to repay its debt facilities, which may require raising additional capital or borrowings. There can be no assurance of the availability of such additional capital or borrowings at the relevant time or, if available, whether it would be on

acceptable terms. This may, accordingly, have a significant negative impact on VolkerWessels' business, results of operations, financial condition and prospects.

Acquisitions involve risks that may negatively impact VolkerWessels.

VolkerWessels has in the past considered attractive opportunities in the market that it believes would further strengthen its position through bolt-on acquisitions and support the local and regional capabilities of VolkerWessels. VolkerWessels may acquire companies that expand, complement or diversify its business. Acquisitions may expose VolkerWessels to operational challenges and risks, including but not limited to:

- the diversion of management's attention;
- the ability to profitably manage acquired businesses;
- the availability of sufficient funding to meet increased capital needs;
- the assimilation of new employees and the integration of business cultures;
- the ability to retain key personnel and to retain or hire qualified personnel required for expanded operations;
- the integration of information, monitoring, accounting, finance, sales, billing, payroll and regulatory compliance systems;
- challenges in keeping existing clients and obtaining new clients; or
- the potential impairment of acquired goodwill and intangible assets.

Any failure of VolkerWessels to successfully integrate acquired businesses may adversely affect its business. Additionally, VolkerWessels may not be able to realise the full benefits of acquisitions, including anticipated synergies, costs savings or growth opportunities. In addition, there is no assurance that VolkerWessels will be able to continue to locate suitable acquisition targets or will be able to complete acquisition transactions on terms acceptable to it.

In addition, acquired companies may have liabilities that VolkerWessels fails, or is unable, to discover in the course of performing due diligence investigations. The indemnification granted by sellers of acquired companies may not be sufficient in amount, scope or duration to fully offset the possible liabilities associated with businesses or properties assumed by VolkerWessels upon consummation of an acquisition. VolkerWessels may discover additional information about acquired businesses that could have a material adverse effect, such as unknown or contingent liabilities, unprofitable projects and liabilities related to compliance with applicable laws, for which it is unable to recover in full or at all from the sellers of such businesses.

Changes in tax treaties, laws, rules or interpretations or the outcome of tax audits could have an adverse effect on VolkerWessels.

The tax laws and regulations in the jurisdictions in which VolkerWessels operates may be subject to change, for instance changes following the adoption by the EU Council of the Anti-Tax Avoidance Directive on 12 July 2016 in Council Directive (EU) 2016/1164. New tax laws or regulations may be introduced by competent authorities with or without retrospective effect and there may be changes in the interpretation and enforcement of such tax laws or regulations, such as with respect to applicable transfer pricing rules regarding intercompany loans and intragroup services, and the value-added tax treatment of VolkerWessels' client services. As a result, VolkerWessels may face increases in taxes payable (plus accrued interest and penalties), for example, if tax rates increase, if tax laws or regulations are modified in an adverse manner, or if new tax laws or regulations are introduced by the competent authorities, with or without retrospective effect.

In addition, tax authorities in the relevant jurisdictions periodically examine VolkerWessels. Tax audits typically include a review of interest deductibility, VolkerWessels' transfer pricing arrangements, VolkerWessels' fiscal unity, the taxation of foreign exchange results, the amount of depreciation or write-downs of VolkerWessels' assets that it recognises for tax purposes and VAT matters. Tax audits for periods not yet reviewed may consequently lead to higher tax assessments. Any additional taxes or other sums that become due may have a material adverse effect on VolkerWessels' business, results of operations, financial condition and prospects.

There is uncertainty in the Dutch market in relation to the status of independent contractors for wage tax and social security purposes and this uncertainty may influence VolkerWessels' decision to use the services of these contractors in the future.

VolkerWessels business regularly utilises the services of self-employed workers, providing services in their capacity of independent contractors. If an independent contractor provides his services in person to VolkerWessels and is subject to a sufficient degree of authority (meaning that the contractor needs to follow certain instructions), the Dutch tax authorities may take the position that such an independent contractor is deemed to be an "employee" of VolkerWessels for Dutch wage tax and social security purposes. In such a scenario VolkerWessels may be held liable for wage tax and social security premiums.

In the past, uncertainty on an independent contractor's status could be clarified by obtaining an official declaration (*Verklaring arbeidsrelatie*) from the Dutch tax authorities. However, new legislation (*Wet deregulering beoordeling arbeidsrelaties*) entered into force on 1 May 2016, which replaced this declaration by a system of "model agreements" published by the Dutch tax authorities. Alternatively, parties can opt to use a tailor-made agreement and have this agreement reviewed by the Dutch tax authorities.

To date, the Dutch tax authorities have only published a limited amount of model agreements. In addition, the Dutch tax authorities are experiencing a backlog in confirming the tax treatment of tailor-made agreements that have been sent to them for review. As a consequence, there is a substantial uncertainty as to the conditions under which VolkerWessels can use the services of an independent contractor without incurring exposure to Dutch wage tax or social security premiums.

Although the Dutch government issued a statement that it will not enforce this legislation until 1 January 2018, the general uncertainty in relation to independent contractors' status for tax purposes may impact VolkerWessels' willingness to hire a flexible work force and, if this uncertainty persists, VolkerWessels may incur higher contractor and employment costs.

VolkerWessels uses subcontractors to perform part of its contracting work and to manage workflow in the Netherlands. As such, VolkerWessels may be held liable for Dutch wages, Dutch wage tax and Dutch social security premiums due to, or in respect of, employees of subcontractors.

VolkerWessels frequently undertakes projects as a contractor in the Netherlands. A part of these projects may be performed by subcontractors.

As of July 2015, new Dutch legislation entered into force under the name *Wet aanpak schijnconstructies*. This law creates a "chain liability" for contractors that engage the services of subcontractors. Each contractor can be held jointly and severally liable for the Dutch wages of employees that have been underpaid by such subcontractors. Employees are no longer forced to seek damages from their direct employer, but may also elect to hold any contractor "up the chain" liable for their damages. VolkerWessels seeks to mitigate its potential liability by specifically agreeing the employment conditions in its subcontracting agreements.

A similar chain of liability concept is set out in the Dutch Tax Collection Act 1990 (*Invorderingswet 1990*). Based on this act, VolkerWessels, as a contractor, is liable for Dutch wage taxes and Dutch social security premiums owed by subcontractors of VolkerWessels. VolkerWessels seeks to mitigate this liability by transferring part of the subcontractor fees that relate to Dutch wage tax and Dutch social security premiums to a blocked bank account designated to make payments to the Dutch tax authorities. As a result, the liability of VolkerWessels should be limited to the amount, if any, by which a subcontractor's liability exceeds the payment made into the blocked account.

These legislative initiatives illustrate a tendency by legislators and tax authorities to impose liability on primary contractors for the obligations of their subcontractors. This exposes VolkerWessels to potential liabilities that could increase its costs. It may also make the use of subcontractors less efficient or less attractive, which may negatively affect VolkerWessels' reputation and profitability.

Risks relating to the Offer Shares and the Offering

Immediately after Settlement, the Selling Shareholder will be in a position to exert substantial influence on the Company and the interests pursued by the Selling Shareholder could differ from the interests of the Company's other shareholders.

Immediately after Settlement, the Selling Shareholder will continue to be the Company's largest shareholder and will hold approximately 67.55% of the Company's issued and outstanding share capital (62.86% assuming full placement of the Offer Shares and the Over-Allotment Option is exercised in full). As a result, the Selling Shareholder will continue to be able to influence substantially or control matters requiring approval by the general meeting of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company, and may vote its Ordinary Shares in a way with which other shareholders do not agree.

Moreover, pursuant to the relationship agreement between the Selling Shareholder and the Company dated 28 April 2017, which will become effective as of the First Trading Date (the "**Relationship Agreement**"), the Selling Shareholder will have the right to designate for nomination, and propose replacements for, a certain number of positions of the supervisory board (*raad van commissarissen*) of the Company (the "**Supervisory Board**" and each member thereof, a "**Supervisory Director**"). Initially, the Selling Shareholder will be in a position to designate for nomination a majority of three out of five positions on the Supervisory Board. For more information, see "*Selling Shareholder and Related Party Transactions—Related Party Transactions—Relationship Agreement*".

Therefore, in combination with its large shareholding, the Selling Shareholder will be in a position to exert substantial influence on the general meeting of the Company and, consequently, on matters decided by the general meeting, including the appointment of Supervisory Directors, the distribution of dividends, the amendment of the Company's articles of association or any proposed capital increase. This concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares.

The interests of the Selling Shareholder could deviate from the interests of the Company's other shareholders. The Selling Shareholder, as the major shareholder of the Company, may delay, postpone or prevent transactions that might be advantageous for investors or other shareholders. In addition, the Selling Shareholder and/or its respective affiliates may, in the future, own businesses that directly compete with VolkerWessels.

Future offerings of debt or equity securities by VolkerWessels, or the perception thereof, may adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares may dilute investors' shareholdings.

Pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, the Management Board, subject to the approval of the Supervisory Board, will be authorised to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares for a period of 18 months following the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Ordinary Shares. This authorisation of the Management Board is limited to 10% of the issued Ordinary Shares immediately following Settlement.

VolkerWessels may in the future seek to raise capital through public or private debt or equity financings by issuing additional Ordinary Shares, debt or equity securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Ordinary Shares. In addition, VolkerWessels may in the future seek to issue additional Ordinary Shares as stock dividend or as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, VolkerWessels may issue new Ordinary Shares in connection with the establishment of employee stock option plans. The issuance of any additional Ordinary Shares may dilute an investor's shareholding interest in VolkerWessels.

Furthermore, any additional debt or equity financing VolkerWessels may need may not be available on terms favourable to VolkerWessels or at all, which could adversely affect its future plans and the market price of the Ordinary Shares. Any additional offering or issuance of Ordinary Shares by VolkerWessels, or the perception that an offering or issuance may occur, could also have a negative impact on the market price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

Future sales or the possibility of future sales of a substantial number of Ordinary Shares by the Selling Shareholder and VolkerWessels' management may adversely affect the market price of the Ordinary Shares.

The Selling Shareholder and the Company have agreed with the Underwriters, pursuant to an underwriting agreement entered into on 28 April 2017 (the "**Underwriting Agreement**"), to restrictions on their ability to issue, sell or transfer Ordinary Shares for a period of 180 days after the Settlement Date. In addition, each of the Managing Directors has agreed to a lock-up with the Selling Shareholder in respect of the Ordinary Shares that will be granted to them under the share incentive (see "*Management, Employees and Corporate Governance—Share Incentive*") for a period of at least 360 days after the Settlement Date. After the expiration of the applicable lock-up period, the Selling Shareholder or the Managing Directors may sell their Ordinary Shares or the Company may sell additional Ordinary Shares in the public market. In addition, the Joint Global Coordinators have full discretion to waive the lock-up in connection with the Selling Shareholder and the Company at any time before its expiry. This could also result in the Selling Shareholder and the Company selling Ordinary Shares in the public market before expiry of the applicable lock-up periods. In addition, there could also be a perception in the market that such sales could occur due to the expiry of the relevant lock-up period or its waiver. See "*Plan of Distribution—Lock-up Arrangements*".

The market price of the Ordinary Shares could decline if, following the Offering and after the expiration of the lock-up period, a substantial number of Ordinary Shares are sold by the Selling Shareholder in the public market or if there is a perception that such sales could occur. Furthermore, a sale of Ordinary Shares by any or all of the Managing Directors could be considered as a lack of confidence in the performance and prospects of VolkerWessels and could cause the market price of the Ordinary Shares to decline. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future.

Shareholders outside the Netherlands may not be able to exercise pre-emptive rights in future offerings.

In the event of an increase in the Company's share capital, shareholders are generally entitled to full pre-emptive rights unless these rights are limited or excluded either by virtue of Dutch law, by a resolution of the general meeting, or by a resolution of the Management Board, which is subject to the approval by the Supervisory Board (if the Management Board has been designated by the general meeting or the articles of association of the Company for this purpose). The Management Board will be designated by the general meeting prior to Settlement for a period of 18 months following Settlement to limit or exclude pre-emptive rights subject to limits as set out in this Prospectus. However, certain holders of Ordinary Shares outside the Netherlands may not be able to exercise pre-emptive rights, and therefore suffer dilution, unless local securities laws have been complied with.

In particular, holders of Ordinary Shares in certain other countries, including the United States, may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless the Company complies with local requirements, or in the case of the United States, unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Dutch jurisdictions may experience a dilution of their holding of Ordinary Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. VolkerWessels will evaluate at the time of any issue of Ordinary Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with compliance with any such local laws or any such registration statement, as well as the indirect benefits to it of enabling the exercise of such holders of their pre-emptive rights to Ordinary Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to comply with such local laws or file a registration statement. VolkerWessels cannot assure investors that any registration statement would be filed as to enable the exercise of such holders' pre-emptive rights or participation in a rights offer.

The payment of any future dividends will depend on VolkerWessels' financial condition, working capital developments and results of operations, as well as on VolkerWessels' operating subsidiaries' distributions to VolkerWessels.

Distribution of dividends may take place after the adoption of the annual accounts by the general meeting, which show that the distribution is allowed. The Company may only make distributions to its shareholders insofar as the Company's equity exceeds the sum of the paid-in and

called-up share capital increased by the reserves as required to be maintained by Dutch law or by the articles of association of VolkerWessels. The Management Board may furthermore determine, subject to the approval of the Supervisory Board, that any amount out of the profit remaining after any distribution on preference shares in the share capital of the Company with a nominal value of €0.01 each ("**Preference Shares**"), if any, will be added to the reserves. The Management Board determines whether the Company is able to make the distributions. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on the Company's subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of such subsidiaries' respective jurisdictions. The distribution by the Company of an interim dividend and the distribution of dividends in the form of Ordinary Shares are subject to the prior approval of the Supervisory Board. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

There is a risk that an active and liquid market for the Ordinary Shares will not develop and the price of the Ordinary Shares may be volatile.

Prior to the Offering, there has been no public trading market for the Ordinary Shares. There can be no assurance that an active trading market for the Ordinary Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Ordinary Shares, as well as increase their price volatility. Investors may not be in a position to sell their Ordinary Shares quickly or at the market price if there is no active trading in Ordinary Shares. In addition, an illiquid market for the Ordinary Shares may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Ordinary Shares.

The Offer Price may not be indicative of the market price for the Ordinary Shares after the Offering has completed. The market price of the Ordinary Shares could also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company operates or equity markets generally. As a result of these and other factors, the Ordinary Shares may trade at prices significantly below the Offer Price. VolkerWessels cannot assure that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of VolkerWessels' actual operating performance.

Provisions in the articles of association of the Company may delay, deter or prevent takeover attempts that may be favourable to the holders of Ordinary Shares.

The Company has been authorised to implement an anti-takeover measure within five years after the Offering consisting of the possibility of the issuance of Preference Shares to an outside foundation, in conformity with Dutch law and practice. The Company may set up a foundation, the objects of which will be to protect the interests of the Company, the business maintained by the Company and the entities with which the Company forms a group and all persons involved therein, in such a way that the interests of the Company and those businesses and all persons involved therein are protected to the best of its abilities, and by making every effort to prevent anything which may affect the independence and/or the continuity and/or the identity of the Company and of those businesses in violation of the interests referred above.

To this end, after its incorporation, the foundation will be granted a call option by the Company. The foundation may exercise the call option subject to the Selling Shareholder holding, directly or indirectly, less than 20% of the issued Ordinary Shares. On each exercise of the call option, the foundation is entitled to acquire from the Company up to a maximum corresponding with 100% of the issued Ordinary Shares outstanding immediately prior to the exercise of the call option, less one Ordinary Share. Any Preference Share already placed with the foundation at the time of the exercise of the call option will be deducted from this maximum. The foundation may exercise its option right repeatedly, each time up to the aforementioned maximum. See "*Description of Share Capital and Corporate Structure—Anti-Takeover Measures*".

The issuance of Preference Shares in this manner would cause substantial dilution to the voting power of any shareholder, including a shareholder attempting to obtain control over the general meeting of the Company, and may therefore have the effect of preventing, discouraging or delaying a change of control over the Company that might otherwise be in the interest of certain shareholders, or have otherwise resulted in an opportunity for shareholders to sell the Ordinary Shares at a

premium to the then prevailing market price. This anti-takeover measure may have an adverse effect on the market price of the Ordinary Shares.

If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.

Application has been made to list the Ordinary Shares on Euronext Amsterdam under the symbol "KVW". VolkerWessels expects that the Offer Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an "as-if-and-when-delivered" basis. Settlement may not take place on the Settlement Date or at all, if certain conditions of events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see "*Plan of Distribution*"). Trading in the Offer Shares before Settlement will take place subject to the condition that, if Settlement does not take place, the Offering will be withdrawn, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam N.V. will be annulled. All dealings in the Offer Shares prior to Settlement and delivery are at the sole risk of the parties concerned. The Company, the Selling Shareholder, the Listing and Paying Agent, the Underwriters, the Financial Adviser to the Selling Shareholder and Euronext Amsterdam do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Ordinary Shares.

VolkerWessels' equity capital is denominated in euro, and all dividends on the Ordinary Shares will be paid by the Company in euro. Investors whose reference currency is a currency other than the euro may be adversely affected by any reduction in the value of euro relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting euro into another currency. Investors whose reference currency is a currency other than the euro are therefore urged to consult their financial advisers.

The rights and responsibilities of a shareholder are governed by Dutch law and will differ in some respects from the rights and obligations of shareholders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a shareholder established under the laws of some other jurisdictions.

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

IMPORTANT INFORMATION

General

Prospective investors are expressly advised that an investment in the Ordinary Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. A prospective investor should not invest in the Ordinary Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Ordinary Shares will perform under changing conditions, the resulting effects on the value of the Ordinary Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Ordinary Shares.

The content of this Prospectus should not be construed as legal, business or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of VolkerWessels, the Managing Directors and Supervisory Directors, the Selling Shareholder, the Financial Adviser to the Selling Shareholder or any of the Underwriters or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Offer Shares. Prior to making any decision whether to purchase the Offer Shares, prospective investors should read the entire content of this Prospectus and, in particular, the section entitled "*Risk Factors*" when considering an investment in the Company. None of the Company, the Selling Shareholder or any of the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares by such offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial or legal advisers before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, VolkerWessels, the Ordinary Shares and the terms of the Offering, including the merits and risks involved.

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 of the Dutch Financial Supervision Act, and therefore prospective investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Management Board and the Supervisory Board, the Selling Shareholder, the Financial Adviser to the Selling Shareholder or the Underwriters or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any subscription or sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the business or affairs of VolkerWessels since the date of this Prospectus or that the information contained herein is correct as at any time since its date.

No representation or warranty, express or implied, is made or given by, or on behalf of, the Underwriters, the Listing and Paying Agent, the Financial Adviser to the Selling Shareholder or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy, fairness, verification or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Underwriters, the Listing and Paying Agent, the Financial Adviser to the Selling Shareholder or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. None of the Underwriters, the Listing and Paying Agent, the Financial Adviser to the Selling Shareholder or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective

capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, Selling Shareholder, VolkerWessels, the Offering or the Ordinary Shares. Accordingly, the Underwriters and the Listing and Paying Agent, the Financial Adviser to the Selling Shareholder and each of their respective affiliates or representatives, or their respective directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

The Underwriters and the Financial Adviser to the Selling Shareholder are acting exclusively for the Selling Shareholder and/or the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective customers in relation to the Offering and will not be responsible to anyone other than the Selling Shareholder and/or the Company for providing the protections afforded to their respective customers or for giving advice in relation to, respectively, the Offering or any transaction or arrangement referred to herein.

The Listing and Paying Agent is acting exclusively for the Company and will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than for providing the protections afforded to its clients or for giving advice in relation to the Offering and the listing or any transaction of arrangement referred to herein.

The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, the Offer Shares may be restricted by law in certain jurisdictions other than the Netherlands, including but not limited to the United States.

This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by the Company or the Underwriters that would permit an initial public Offering of the Offer Shares or possession or distribution of a prospectus in any jurisdiction where action for that purpose would be required. Neither the Company nor the Management Board and the Supervisory Board, the Selling Shareholder or any of the Underwriters accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Offer Shares, of any of these restrictions. See "*Selling and Transfer Restrictions*".

The Company, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained herein and information given by the Company's duly authorised officers and employees in connection with investors' examination of the Company and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriters.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, may take up a portion of the Offer Shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered

or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Responsibility Statement

This Prospectus is made available by the Company, and the Company accepts sole responsibility for the information contained in this Prospectus. The Company declares that, it has taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Presentation of Financial and Other Information

Historical financial data

Unless otherwise indicated, financial information contained in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). In this Prospectus, the term "**Financial Statements**" refers to the audited consolidated special purpose financial statements of the Company as at and for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 and the notes thereto beginning on page F-1 of this Prospectus. The Financial Statements have been audited by Deloitte Accountants B.V. ("**Deloitte**"). The Financial Statements should be read in conjunction with the accompanying notes thereto and Deloitte auditor's report thereon.

The Financial Statements are special purpose statements prepared for the purposes of the Offering and present the historical financial information of the Company in the format that it intends to report its financial results in the future beginning with the publication of the Company's statutory consolidated financial statements for the year ended 31 December 2016.

The financial information as of and for the years ended 31 December 2015 and 2014 in the Financial Statements has been prepared on the basis of the Dutch GAAP statutory financial statements as of and for the years ended 31 December 2015 and 31 December 2014 filed with the Chamber of Commerce (the "GAAP Statutory Accounts") of Storm Investments B.V., the Company's predecessor, subject to a conversion to IFRS and certain scope adjustments.

In December 2016, VolkerWessels acquired 94.88% of the shares in Kondor Wessels Holding GmbH ("**KWH**") (the "**KWH Acquisition**"). The acquisition has been treated as a transaction under common control and KWH's results have been retrospectively consolidated with VolkerWessels' results from 1 January 2014.

In July 2016, VolkerWessels sold its offshore activities to Boskalis (the "**Offshore Business**"). The results of operations attributable to the Offshore Business are presented as discontinued operations in VolkerWessels' audited consolidated income statement and audited consolidated statement of cash flows included in the Financial Statements. In accordance with IFRS, VolkerWessels' audited consolidated statement of financial position has not been adjusted to give effect to such reclassification and, accordingly, include the Offshore Business.

As from the Company's financial statements for 2010, VolkerWessels reclassified its results from operations from its German rail and road activities as discontinued operations. The results of operations attributable to the German rail and road activities are presented as discontinued operations in VolkerWessels' audited consolidated income statement included in the Financial Statements. In accordance with IFRS, VolkerWessels' audited consolidated statement of financial position and audited consolidated statement of cash flows have not been adjusted to give effect to such reclassification and, accordingly, include the German rail and road activities.

As a result of these scope adjustments as well as IFRS conversion, the historical financial information in the Financial Statements is not comparable to the historical financial information in the GAAP Statutory Accounts for the corresponding periods.

In addition, VolkerWessels presents consolidated revenue, EBITDA, EBITDA margin, EBIT and EBIT margin for the years ended 31 December 2013, 2012, 2011, 2010 and 2009, respectively, in this Prospectus. These measures have been derived from the Company's IFRS statutory financial statements for the years ended 31 December 2013, 2012, 2011, 2010 and 2009 filed with the Chamber of Commerce (the "**IFRS Statutory Accounts**"), subject to certain scope adjustments to aid the comparability of such measures with consolidated revenue, EBITDA, EBITDA margin, EBIT and EBIT margin for the years ended 31 December 2016, 2015 and 2014 presented in this Prospectus and included in the Financial Statements.

The Company has adjusted these measures to (i) give effect to the KWH Acquisition on the basis that such acquisition had occurred on 1 January 2009 by adding revenue, EBIT and EBITDA attributable to KWH to consolidated revenue, EBIT and EBITDA for the periods, which was prepared on the basis of Dutch GAAP and may therefore not be directly comparable to revenue, EBIT and EBITDA for KWH as if it had been prepared on the basis of IFRS, (ii) adding revenue, EBIT and EBITDA attributable to Matex Vastgoed I B.V. and Matex Vastgoed III B.V., two holding companies that own property (mainly office buildings) of VolkerWessels, which were accounted for on an off balance sheet basis until 1 January 2014 and therefore not reflected in consolidated revenue, EBIT and EBITDA as reported in the GAAP Statutory Accounts, (iii) give effect to the divestment of the Offshore Business as if the classification as a discontinued operation prior to such divestment had occurred on 1 January 2009 by deducting revenue, EBIT and EBITDA attributable to the Offshore Business; and (iv) adjust the EBITDA for 2013, 2012 and 2011 positively with an amount of €6 million, €8 million and €10 million, respectively, for a financial lease adjustment which is also included in the Financial Statements.

VolkerWessels also reports financial results on a segmental basis. Its reporting segments are the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure, the Netherlands – Energy & Telecom Infrastructure, VolkerWessels UK, VolkerWessels North America, VolkerWessels Germany and Other. The Company's reporting segments largely correspond to its operating segments except for its Other reporting segment, which includes non-segment activities such as facility management services of PCH Integrated Facility Management & Services B.V. and related companies ("**PCH**"), Matex Vastgoed I B.V. and Matex Vastgoed III B.V. ("**Matex**") rental income, Volcap S.A. ("**Volcap**") insurance and holding company costs. See Note 6 to the Financial Statements.

VolkerWessels also generates inter-segment revenue in the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure, the Netherlands – Energy & Telecom Infrastructure and Other segments. These inter-segment revenues relate to subcontracted work or services performed by group companies of a certain segment for the benefit of another segment. Inter-segment revenue is eliminated from VolkerWessels' consolidated revenue. See Note 6 to the Financial Statements.

Non-IFRS financial information

This Prospectus contains certain financial measures that are not defined or recognised under IFRS, including EBITDA, EBITDA margin, EBIT, EBIT margin, cash conversion, free cash flow, capital employed, return on capital employed ("**ROCE**"), solvency, investments, net working capital, net debt and order book. See "*Selected Consolidated Financial Information—Non-IFRS financial information*".

Rounding and negative amounts

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

In preparing the financial information included elsewhere in this Prospectus, most numerical figures are presented in millions of euros. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest one million. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information included elsewhere in this Prospectus. Such percentages may be computed on the numerical figures expressed in thousands of euros. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Currency

In this Prospectus, unless otherwise indicated: all references to "EUR", "euro" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to "USD" are to the lawful currency of the United States; all references to "GBP" are to the lawful currency of the United Kingdom; and all references to "CAD" or "Canadian dollars" are to the lawful currency of Canada.

Exchange Rates

The Financial Statements are published in EUR. The exchange rates below are provided solely for information and convenience. The table below shows, for the periods indicated, the period end, average, high and low Bloomberg composite rate expressed as GBP per €1.00 and CAD per €1.00. The Bloomberg composite rate is a 'best market' calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The average rate for a year means the average of the Bloomberg composite rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg composite rates during that month, or shorter period, as the case may be. The rates may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this Prospectus. No representation is made that euros could have been, or could be, converted into GBP or CAD at any particular rate indicated or any other rate.

	Period end	Average rate	High	Low	Period end	Average rate	High	Low
		GBP1.00 per EUR				CAD1.00 per EUR		
Year								
2011	1.20	1.15	1.20	1.11	0.76	0.73	0.78	0.70
2012	1.23	1.23	1.29	1.18	0.76	0.78	0.82	0.74
2013	1.20	1.18	1.23	1.14	0.68	0.73	0.78	0.68
2014	1.29	1.24	1.29	1.19	0.71	0.68	0.72	0.64
2015	1.36	1.38	1.44	1.27	0.67	0.70	0.76	0.65
2016	1.17	1.22	1.36	1.10	0.71	0.68	0.72	0.63
2017 (through to 25 April 2017)	1.18	1.17	1.20	1.14	0.67	0.71	0.72	0.67

	Period end	Average rate	High	Low	Period end	Average rate	High	Low
		GBP1.00 per EUR				CAD1.00 per EUR		
Month								
November 2016	1.18	1.15	1.18	1.11	0.70	0.69	0.70	0.67
December 2016	1.17	1.18	1.20	1.17	0.71	0.71	0.72	0.70
January 2017	1.17	1.16	1.18	1.14	0.71	0.71	0.72	0.70
February 2017	1.17	1.17	1.19	1.16	0.71	0.72	0.72	0.71
March 2017	1.17	1.16	1.17	1.14	0.70	0.70	0.71	0.69
April 2017 (through to 25 April 2017)	1.18	1.18	1.20	1.17	0.67	0.70	0.71	0.67

On 25 April 2017, the Bloomberg composite rate between the GBP and EUR was GBP 0.85 per €1.00 and the Bloomberg composite rate between the CAD and EUR was CAD 1.49 per €1.00.

Valuation Report

At the Selling Shareholder's request, Cushman & Wakefield prepared a valuation of VolkerWessels' land bank and development rights in the Netherlands as at 1 February 2017 and issued a report dated 21 March 2017 on the basis of market value in accordance with the valuation standards contained within the Cushman & Wakefield report. The report has been included as an annex to this Prospectus and has been included with Cushman & Wakefield's consent.

The market value as defined by Cushman & Wakefield is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The market value determined by Cushman & Wakefield is based on certain qualifications and assumptions (including tenure, ownership, leasing, town planning, and the condition and repair of buildings and sites, including environmental matters), estimates and projections in accordance with the terms of the report. The Company cannot assure you that the projections or assumptions used, estimates made or procedures followed in the valuation of VolkerWessels' portfolio are correct, accurate or complete.

Any opinions or conclusions reached in the valuation report are dependent upon these assumptions, estimates and projections that may or may not occur. Cushman & Wakefield stated in its report that its valuation involved sufficient current local and national knowledge of the particular property market, and that it has the skills and understanding to undertake the valuation competently. All conclusions are based on information available at the time of review. Changes in factors upon which the review was based could affect the results. Forecasts are inherently uncertain because of events or combinations of events that cannot reasonably be foreseen, including the actions of government, individuals, third parties and competitors. There is no implied warranty of merchantability or fitness for a particular purpose to apply.

Data based on the valuation report, which is included in this Prospectus, involves risks and uncertainties and is subject to change based on a variety of external factors, including those discussed in "*Risk Factors*".

Neither Cushman & Wakefield, nor any person acting on its behalf, makes any warranty, express or implied, or assumes any liability with respect to the reliance upon or use of any information or analysis disclosed in the valuation report.

Except for the valuation report, no information construed as expert representations or reports has been used in this Prospectus. Such information has been quoted accurately and, as far as the Company is aware and to the extent that it may determine based on the information published by the experts, no fact has been omitted that could make the quoted information inaccurate or misleading.

Cushman & Wakefield has its registered office at Parnassusweg 803, 1082 LZ Amsterdam, The Netherlands. The Cushman & Wakefield team comprises valuers registered at the Dutch Register of Real Estate Appraisers NRVT (*Nederlands Register Vastgoed Taxateurs*).

Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of VolkerWessels' own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as 'believe', 'the Company believes', 'expect', 'the Company expects', 'see', 'the Company sees', and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to VolkerWessels' business and markets. Unless otherwise indicated, such information is based on VolkerWessels' analysis of multiple sources, including the "Country and Summary Report of the Euroconstruct Organisation", published in connection with the 82nd Euroconstruct Conference held on 24 and 25 November 2016 ("**Euroconstruct**" or the "**Euroconstruct Report**") and, as far as the Company is aware and is able to

ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, certain statements are made regarding VolkerWessels' competitive and market position. VolkerWessels believes these statements to be true, based on market data and industry statistics, but VolkerWessels has not independently verified the information. VolkerWessels cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, VolkerWessels' competitors may define their markets and their own relative positions in these markets differently than VolkerWessels does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with VolkerWessels' figures.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the final closing of the Offer Period, a supplement to this Prospectus will be published in accordance with relevant provisions under the Dutch Financial Supervision Act. Such a supplement will be subject to approval by the AFM in accordance with Section 5:23 of the Dutch Financial Supervision Act and will be made public in accordance with the relevant provisions under the Dutch Financial Supervision Act. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances, provided that the new factor, material mistake or inaccuracy, arose or was noted before the final closing of the Offering. Investors are not allowed to withdraw their acceptance in any other circumstances.

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 supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

NOTICE TO INVESTORS

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

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Ordinary Shares.

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to

purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

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

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless the Offer Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws. All offers and sales of the Ordinary Shares outside the United States will be made in compliance with Regulation S under the US Securities Act and in accordance with applicable law. See "*Selling and Transfer Restrictions*".

THE OFFER SHARES HAVE NOT BEEN RECOMMENDED BY ANY US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

For so long as any Offer Shares are 'restricted securities' within the meaning of Rule 144(a)(3) under the US Securities Act, VolkerWessels will during any period in which VolkerWessels is neither subject to section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act. VolkerWessels is not currently subject to the periodic reporting requirements of the US Exchange Act.

NOTICE TO INVESTORS IN OTHER JURISDICTIONS

IN THE UNITED KINGDOM, THIS PROSPECTUS IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, PERSONS (A) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), OR (B) WHO ARE HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY BE LAWFULLY COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER (ALL SUCH PERSONS BEING REFERRED TO AS RELEVANT PERSONS). IN THE UNITED KINGDOM, THIS PROSPECTUS IS DIRECTED ONLY AT RELEVANT PERSONS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO AND WILL ONLY BE ENGAGED IN WITH RELEVANT PERSONS. PERSONS IN THE UNITED KINGDOM WHO ARE NOT RELEVANT PERSONS WHO RECEIVE THIS PROSPECTUS SHOULD NOT TAKE ANY ACTION ON THE BASIS OF THIS

PROSPECTUS AND SHOULD NOT RELY ON OR ACT UPON IT. SUBJECT TO CERTAIN EXCEPTIONS, THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, THE EUROPEAN ECONOMIC AREA (OTHER THAN THE NETHERLANDS), AUSTRALIA, CANADA, HONG KONG, JAPAN, SWITZERLAND, SINGAPORE, BAHRAIN, DUBAI INTERNATIONAL FINANCIAL CENTRE, THE KINGDOM OF SAUDI ARABIA, KUWAIT, OMAN, QATAR AND THE UNITED ARAB EMIRATES. SEE "*SELLING AND TRANSFER RESTRICTIONS*".

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area other than the Netherlands (each, a "**Relevant Member State**") no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares, as that definition 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**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Enforceability of Civil Liabilities

The ability of shareholders in certain countries other than the Netherlands, in particular the United States, to bring an action against the Company may be limited under law. At the date of this Prospectus, the Company is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands and the Company will be converted into a public company with limited liability (*naamloze vennootschap*) immediately before the First Trading Date. At the date of this Prospectus, all Managing Directors and Supervisory Directors, and most of VolkerWessels' employees are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws.

The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the United States will not be recognised and enforced by the Dutch courts. However, if a person has obtained a final judgment without possibility of appeal for the payment of money rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment insofar as it finds that

(i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards, (ii) the judgment by the United States court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*), or (iii) the judgment by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and except to the extent that the foreign judgment contravenes Dutch public policy (*openbare orde*).

Information Regarding Forward-Looking Statements

Certain statements in this Prospectus other than statements of historical fact are forward-looking, including statements that reflect the group's intentions, beliefs or current expectations and projections about the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the group operates. In particular, this Prospectus contains forward-looking statements under the following headings: "*Risk Factors*", "*Dividends and Dividend Policy*", "*Operating and Financial Review*", "*Industry*" and "*Business*", which are based on VolkerWessels' current beliefs and projections and on information currently available to it. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond VolkerWessels' control and all of which are based on VolkerWessels' current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believe", "expect", "may", "will", "could", "would", "should", "intend", "estimate", "plan", "assume", "predict", "project", "hope", "seek", "anticipate", "annualised", "goal", "target", "potential", "objective" or "aim" and similar expressions or the negatives thereof or other variations thereof or comparable terminology, or by discussions of VolkerWessels' strategy, objectives and future plans that involve risks and uncertainties.

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

Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, "*Risk Factors*", "*Dividends and Dividend Policy*", "*Operating and Financial Review*", "*Industry*" and "*Business*" and include, among other things, statements relating to:

- VolkerWessels' strategy, outlook and growth prospects;
- VolkerWessels' liquidity, capital resources and capital expenditures;
- VolkerWessels' expectation as to future growth in demand for VolkerWessels' services;
- VolkerWessels' medium-term objectives in relation to certain metrics such as revenue growth and EBITDA margin;
- general economic trends, in particular economic conditions in VolkerWessels' key countries/regions; and
- the competitive environment in which VolkerWessels operates.

Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, VolkerWessels' actual future financial condition or results of operations could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions,

underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realised. Additional risks not known to VolkerWessels or that VolkerWessels does not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur. Prospective investors are advised to read "*Risk Factors*", "*Dividends and Dividend Policy*", "*Selected Consolidated Financial Information*", "*Operating and Financial Review*", "*Industry*" and "*Business*" for a more complete discussion of the factors that could affect VolkerWessels' future performance and the industry in which VolkerWessels operates.

Certain Terms

As used herein, all references to the "Company" refers to Koninklijke VolkerWessels N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and together with its consolidated group companies "VolkerWessels". "Management Board", "Supervisory Board" and "general meeting" refer to, respectively, the management board (*raad van bestuur*), the supervisory board (*raad van commissarissen*) and the general meeting (*algemene vergadering*) of the Company, being the corporate body or, where the context so requires, the physical meeting of the Company.

Definitions

This Prospectus is published in English only. Definitions used in this Prospectus are defined in "*Defined Terms*".

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background and Reasons for the Offering

The Company believes that the Offering and the listing of Ordinary Shares on Euronext Amsterdam will further enhance the Company's profile and brand recognition. In addition, the Offering will create a market in the Ordinary Shares for existing and future shareholders and provides the Selling Shareholder with a partial realisation of its investment in the Company.

After Settlement, the Selling Shareholder will still be the majority shareholder. It intends to become a long-term minority shareholder of the Company over time.

The Selling Shareholder is wholly-owned by the Wessels family.

Use of Proceeds

The Company will not receive any proceeds from the sale of the Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholder, the net proceeds of which will be received by the Selling Shareholder.

After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholder, the Selling Shareholder expects to receive approximately €563.75 million in net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares by the Selling Shareholder and no exercise of the Over-Allotment Option granted by the Selling Shareholder in connection with the Offering).

The total expenses and taxes related to the Offering are estimated to amount to approximately €9.3 million, of which an estimated amount of €7.3 million will be paid by the Selling Shareholder. An amount of €2.0 million of expenses and taxes related to the Offering was paid by the Company in 2016.

DIVIDENDS AND DIVIDEND POLICY

The Company may only make distributions to its shareholders if its equity exceeds the amount of the paid-in and called-up part of the issued capital plus the reserves as required to be maintained by the VolkerWessels articles of association (if any) or by Dutch law. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on its subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of such subsidiaries' respective jurisdictions. The Management Board, with the approval of the Supervisory Board, determines which part of the profits will be added to reserves, taking into account the financial condition, earnings, cash needs, working capital developments, capital requirements (including requirements of its subsidiaries) and any other factors that the Management Board and the Supervisory Board deem relevant in making such a determination. The remaining part of the profits after the addition to reserves will be at the disposal of the general meeting. The Management Board, with the approval of the Supervisory Board, makes a proposal for the remaining part of the profits that will be at the disposal of the general meeting. Dividend distribution is further summarised in "*Description of Share Capital and Corporate Structure—Dividend Distributions*".

Dividend history

The Company intends to declare and pay a dividend of €1.04 per Ordinary Share for the year ending 31 December 2016, amounting to a dividend payment of €83.2 million in total before the First Trading Date. The Company has not paid any dividends in respect of the financial years 2015 and 2014. See Note 30 of the Financial Statements.

Dividend Policy

The Company's intention is to apply a dividend pay-out policy that targets a pay out of 50% to 70% of annual reported net income that is attributable to the shareholders of the Company. For the year ending 31 December 2017 the Company targets a pay-out ratio of 60%.

Due to the IFRS treatment of the share incentive (as will be provided to Managing Directors and other key managers of the Company, see "*Management, Employees and Corporate Governance—Share Incentive*") as provided for by the Selling Shareholder, annual reported net income that is attributable to the shareholders of the Company in the period 2017-2020 will be lower than it otherwise would be without such a share incentive. In determining the dividend to be paid out by the Company during this period, the pay-out ratio will be applied to the annual reported net income that is attributable to the shareholders of the Company calculated as if the personnel expenses for the share incentive under IFRS did not occur.

The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control. Please see "*Important Information—Information Regarding Forward-Looking Statements*".

Manner and Time of Dividend Payments

Payment of any dividend in cash will in principle be made in euro. Any dividends that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts without the need for the shareholders to present documentation proving their ownership of the Ordinary Shares. Payment of dividends on the Ordinary Shares not held through Euroclear Nederland will be made directly to the relevant shareholder using the information contained in the Company's shareholders' register and records. Dividends become eligible and payable with effect from the date established by the Management Board.

The Company intends to pay dividends in two semi-annual instalments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year following shareholder approval of the full year accounts.

Uncollected Dividends

A claim for any declared dividend and other distributions lapses five years after the date those dividends or distributions were released for payment. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

Taxation

Dividend payments are generally subject to withholding tax in the Netherlands. See "*Taxation—Taxation in the Netherlands—Dividend Withholding Tax*".

INDUSTRY

The information presented in this section is taken or derived from the sources identified in "Important Information—Market and Industry Data". In addition, certain statements below are based on VolkerWessels' own proprietary information, insights, opinions or estimates and not on any third party or independent source. These statements contain words such as 'believe', 'expect', 'see', and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

VolkerWessels is active in the construction industry with its main geographic focus being the Netherlands, followed by the United Kingdom, North America (mainly Western Canada and the north-west of the United States) and Germany.

This section describes the characteristics, trends and growth drivers of the construction industry and of each country in which VolkerWessels is active. This section also describes the competitive landscape for each of the countries or regions VolkerWessels is active in.

Overview of the construction industry

The construction industry can be broadly divided into three market segments: residential construction, non-residential construction and infrastructure construction, which are described in more detail below. When discussing residential- and non-residential construction in this section of this Prospectus, such discussion includes real estate development for both residential and non-residential uses. In the Netherlands, VolkerWessels is active across all three market segments. In the United Kingdom and North America, VolkerWessels is mainly active in infrastructure construction and in Germany mainly in residential construction.

Residential construction includes development and construction of new homes as well as renovation of existing homes. New residential development and construction tends to be more cyclical than renovation as it is to a larger extent driven by economic growth as opposed to residential renovation, which is driven by, for example, ageing housing supply.

Non-residential construction entails the development, construction and maintenance of all types of buildings except for homes such as, among others, office buildings, commercial buildings, storage buildings, educational buildings, healthcare buildings, agriculture buildings, industrial buildings and miscellaneous buildings.

Infrastructure construction includes the construction and maintenance of roads, railways, water works and other transport including airport infrastructure, telecommunications and energy infrastructure. This market segment is largely financed through public appropriations, awarded by central, local and regional governments. Work in the infrastructure construction market segment, especially for transportation and waterworks infrastructure projects, is largely assigned via regulated tender processes.

Characteristics and drivers of the construction industry

Construction output is sensitive to economic conditions, which impact demand for construction services. As such, VolkerWessels is exposed to economic downturns, but may also benefit from economic upswings in its home markets. VolkerWessels is active in the Western European and North American construction markets.

The economy of the European Union ("**EU**") has developed positively over the past years, primarily due to strengthening of domestic demand. The low oil price combined with the loose monetary policy of the European Central Bank ("**ECB**") has supported modest growth rates. As a result of this, the EU Construction confidence indicator[1] ("**EU construction confidence**") continues to recover and, according to the Country and Summary Report of the Euroconstruct Organisation[2] ("**Euroconstruct**" or the "**Euroconstruct Report**"), has surpassed the EU long-term average, which is calculated as the period from 2005 to 2016. According to Euroconstruct, investors have been

1 The indicator, published by the European Commission, is an assessment of the general economic situation by economic agents in the sector and is based on past, current and future levels of employment and the state of the order books in the construction sector. The indicator is a balance comprising the difference between positive and negative answering options, measured as percentage points of total answers.

2 Published in connection with the 82nd Euroconstruct Conference held on 24 and 25 November 2016.

increasing their exposure to property and real estate development in several countries, driven in part by the low returns on other asset classes. After a protracted decline following the global financial crisis, European construction output[3] bottomed out in 2013. Since then, the market as a whole has been gradually recovering and construction output increased from €1,373 billion in 2013 to €1,441 billion in 2016, representing approximately 10% of the EU Gross Domestic Product ("**GDP**"), according to Euroconstruct. The distribution of construction output among the different market segments across Europe has remained relatively stable over the past years. In 2016, the residential construction market segment as a whole contributed almost 47% of the total construction output, whereas the non-residential construction market segment represented 32% followed by the infrastructure construction market segment, which represented 21% of the total construction output, according to Euroconstruct. In the near to mid-term, Eurostat ("**Eurostat**", the statistical Directorate-General of the European Commission) expects GDP in Europe to grow 1.8% in 2017 and 2018.

The economies of Canada and the United States have experienced a steady recovery following a protracted decline during the global financial crisis. In the near to mid-term, long-term national infrastructure plans are expected to stimulate investments in the infrastructure market segment by (federal) governments, supported by strong expected underlying GDP growth rates ranging from 2.0%-2.3% in the period from 2017 to 2018 as per Eurostat.

The table below summarises the expected GDP growth and construction output growth for the main countries and regions in which VolkerWessels is active. Construction output growth rates substantially vary per region in 2016, with the Netherlands outperforming and the United Kingdom as a whole underperforming the other regions, partly due to the uncertainty surrounding the United Kingdom's decision in June 2016 to withdraw from the European Union. However, growth rates in the transport infrastructure market sub-segment in the United Kingdom show significantly higher growth rates than the national average construction output growth rates as a whole (see "*—Regional market characteristics—United Kingdom*").

Region		2016E	2017E	2018E	2019E
Europe	GDP growth	1.9%	1.8%	1.8%	n.a.
	Construction output growth	2.0%	2.1%	2.2%	2.1%
The Netherlands	GDP growth	2.1%	2.0%	1.8%	n.a.
	Construction output growth	5.5%	4.3%	3.9%	3.9%
United Kingdom	GDP growth	2.0%	1.5%	1.2%	n.a.
	Construction output growth	-0.2%	-0.2%	0.9%	2.8%
Canada	GDP growth	1.3%	2.0%	2.1%	n.a.
	Construction output growth	-1.6%	3.0%	3.1%	3.5%
United States	GDP growth	1.6%	2.3%	2.1%	n.a.
	Construction output growth	1.2%	2.8%	2.7%	2.6%
Germany	GDP growth	1.9%	1.6%	1.8%	n.a.
	Construction output growth	2.5%	1.5%	0.2%	-0.6%

Source: Euroconstruct for European construction output growth data, BMI for North American construction output growth data, GDP data from (European Union GDP data used for "Europe")

Residential construction

The residential construction market segment in Europe has developed at a slightly faster pace than the rest of the construction industry since 2009 but also suffered the steepest decline as a result of the global economic crisis given its dependence on private and consumer expenditure and investment rather than public sector spending. The residential construction market has benefitted from: (i) a revival in consumer confidence, (ii) favourable demographic effects, (iii) low interest rates and (iv) improving economic sentiment supporting the recovery in the market post the global financial crisis. Euroconstruct reports that residential construction growth has been mainly driven by growth in new residential construction. For 2017, the most significant increase in new residential construction in

3 Euroconstruct data; representing Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, The Netherlands, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland and the UK. Construction output by Euroconstruct is calculated as the production value according to branch definitions and includes works done by all firms that execute construction works regardless of the industry group they belong to. Production value includes project development; planning and engineering works, architects, plot work-up, construction work on the building including intermediate products, installations work, public fees, financial costs, fees to estate agents, transaction costs and advertisement costs.

Western Europe[4] in Euro terms is expected for Germany, France, Spain and the Netherlands, according to Euroconstruct. This represents 79% of the expected growth in Western-European new residential construction in Euro terms.

According to Euroconstruct, key drivers for construction related to the renovation of residential buildings are (i) the need to renovate older housing stock (42% of the housing stock is older than 1960 in Northern and Central Europe); (ii) the ageing of the population (an increasing share may need renovation of their homes in order to make them suitable for living with some physical disabilities) and (iii) energy efficiency requirements (even with the relatively low oil prices, technologies and equipment available for energy savings are much more cost-efficient than a few decades ago, supported by governmental regulations).

Non-residential construction

Non-residential construction is strongly influenced by general economic developments, as expansion of production capacity in line with growth forecasts creates demand for, among others, office buildings, factories and shops. The level of non-residential construction growth also depends on the extent to which there is previously built and currently available installed non-residential building capacity. According to Euroconstruct, more than two-thirds of the regional differences in growth rates of non-residential construction in the years 2014 and 2015 can be explained by differences in economic growth in the different countries.

Infrastructure construction

Infrastructure construction output is among others impacted by the following factors: (i) conditions of existing infrastructure such as age, flaws and damage due to severe changes in weather conditions; (ii) investments by government investment funds; (iii) economic growth, which is driving development of new projects; (iv) environmental and energy policy; (v) financing conditions for private investors; (vi) a country's political climate; and (vii) a country's public debt level and government budget.

Given the fact that several European countries have been burdened by significant debt positions and financial deficits, public spending including infrastructure spending has been significantly reduced in recent years. As a result of this, there is a need for infrastructure replacement and renovation in several countries. Whilst infrastructure in Western Europe is generally in good condition, it is expected that in the near future existing infrastructure will need to be replaced or renovated due to ageing and increased capacity requirements, which will drive new investments. The expectations and outlook for infrastructure construction are positive for the period from 2017 to 2019 with construction volume anticipated to grow at an accelerating rate, according to Euroconstruct. Broader political focus on the development of national infrastructure in North America, as well as increased private sector investments in high-quality infrastructure projects, is expected to drive demand in this market segment.

The EU target of generating 20% of energy from renewable sources by 2020 has supported energy infrastructure construction. According to the Euroconstruct Report, the United Kingdom and the Netherlands are furthest removed from this target, which may require substantial investments to be made.

Key industry trends

Within the construction industry, several key trends can be observed which may have a significant impact on the industry at large, as well as on the Company's position within the construction industry. A non-exhaustive selection of the key industry trends that may have an impact on VolkerWessels' operations are described below.

Technological developments

The construction industry has been slow in adopting new technologies. According to McKinsey[5], the construction industry is among the least digitised industries. Substantial efficiency gains in the industry are expected, for example, through the digitalisation of construction sites via Building

4 Euroconstruct data; representing Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

5 Imagining construction's digital future, McKinsey, June 2016

Information Modelling (BIM), which entails connected systems of sensors, intelligent machines, mobile devices and new software applications. This method ensures digital (3D) simulation of a project before the building starts, and provides a framework for information management and sharing throughout the lifecycle of a construction project. This method facilitates planning and materials management, minimises failure costs including planning errors, permits fast calculations, quantifies extra costs and enhances safety and quality. The Boston Consulting Group[6] estimates that within ten years, full-scale digitalisation will lead to annual global cost savings between 13% and 21% in the engineering and construction phase and between 10% and 17% in the operational phase. Equipment and employee tracking and drone surveying can be used to monitor construction sites during the construction phase. During the operations phase, embedded sensors can monitor the asset, checking for deterioration and facilitating the guidance and prediction of maintenance work. These technologies are expected to enable market participants to deal with increased project complexity and significantly larger data pools. VolkerWessels closely monitors such technological developments and is proactively incorporating such technology into its business, for example via the tracking and optimisation of the movements of asphalt machines and trucks using GPS (see "*Business—Strategy—Further improvement of VolkerWessels' margins through operational excellence*").

Supply chain integration

The construction sector is known for the large number of participants in its supply chain (for example, clients, manufacturers, engineers, architects, contractors, subcontractors, end-clients), who frequently have to coordinate the delivery of their products and services. During the construction process, these parties have to align their activities, typically on a project-by-project basis as construction partners often differ per project. As a result, the successful execution of construction projects normally relies on the contribution of individual parties with a specific expertise in the supply chain, which may result in an inefficient process. According to Bouwend Nederland[7], annual failure costs[8] within the construction sector are estimated at 5% to 35% of total costs, which is partly driven by inefficient supply chain cooperation.

Increased cooperation within the supply chain increases overall efficiency and therefore may reduce failure costs in construction processes. Optimisation of supply chain cooperation can be realised internally within a diversified construction company and externally between various companies active in the supply chain. One of the key requirements for strong performance in external supply chain cooperation is excellent internal supply chain cooperation. The improvement potential is mostly visible in the design and engineering phase; hence supply chain cooperation should mostly focus on involvement of all parties at an early stage of the process. When all parties are involved and aligned from the start of a project, process design, usage of materials and planning and logistics can be more tailored to the overall process resulting in decreasing failure costs and increasing returns concepts. There are already some examples in the construction industry of supply chain cooperation (for example, "*Samen Slimmer Bouwen*" by VolkerWessels and "*Samen Anders Samen Beter*" by Bouwbedrijven Jongen, which won the Nyenrode supply chain award in 2015).

During the financial crisis many large construction companies divested their "non-core" activities to free up capital, resulting in supply chain segregation. Today, Deloitte Financial Advisory Services [9] observes the trend of supply chain integration in Germany through increased merger and acquisition activity, whereby mid-sized contractors have been seeking to acquire smaller targets with niche businesses in order to integrate downstream activities in their portfolio. Deloitte Financial Advisory Services expects to see the same pattern of merger and acquisition activity in construction markets across Europe.

Industrialisation

The construction industry is becoming more industrialised and standardised as a result of increasing demand for higher quality products and services, lower costs and flexibility. Industrialisation is expected to occur through process and product optimisation. One of the product innovations is the production of prefabricated (prefab) factory-produced elements, whereas traditional construction methods assemble separate parts on the construction site. The main advantages of prefab

6 The Transformative Power of Building Information Modelling, Boston Consulting Group, March 2016
7 Ketensamenwerking in de bouw, Stichting Research Rationalisatie Bouw, January 2011
8 Defined as costs which arise due to failure which could have been avoided
9 European Construction monitor, Deloitte Financial Advisory Services, March 2016

construction are (i) the reduction of the on-site construction period, (ii) the added value, because less space is required, on narrow construction sites (mostly in urban parts), (iii) lower costs due to economies of scale, and (iv) construction independent from weather conditions under controlled conditions to ensure quality and efficiency. Various market initiatives with prefab construction methods are being rolled out in the market (for example, VolkerWessels' "MorgenWonen" concept), with expectations for further growth in the coming years.

Sustainability

The construction industry is the largest global consumer of resources and raw materials according to the World Economic Forum[10]. About 50% of global steel production is used to manufacture building products worldwide and buildings are responsible for 25% to 40% of global energy use. Therefore, improving the quality of construction methods and the materials used should result in more sustainable solutions and lower long-term costs. Potential benefits in terms of sustainability can also be achieved through more efficient use and recycling of raw materials. A current trend in making buildings more sustainable is applying the circular economy principle. The goals of this principle are that materials are efficiently managed and recycled, operations fully rely on renewable energy and an adverse impact on human life is avoided. Examples of award winning circular buildings built by VolkerWessels are The Edge and Park 20|20, both in and near Amsterdam, the Netherlands.

Regional market characteristics

The Netherlands

In 2016, 71% of VolkerWessels' revenue was generated in the Netherlands. The Netherlands is a mature and stable economy, which has gradually recovered from the global financial crisis followed by two years of negative GDP growth in 2012 (-1.1%) and 2013 (-0.2%). GDP growth, as measured by Eurostat improved in the years thereafter with 1.4%, 2.0% and 2.1% in 2014, 2015 and 2016, respectively. For 2017 and 2018, Eurostat expects GDP growth in the Netherlands of 2.0% and 1.8%, respectively.

The favourable economic conditions of the past years, together with a strong labour market, have boosted consumer demand, which in combination with the monetary policy of low interest rates, supported demand for residential housing. After a period of increasing unemployment rates between 2008 (3.7%) and 2014 (7.4%), labour market forecasts of the Dutch Central Bank ("**DNB**") estimate that for the coming years unemployment will continue to decrease from 6.9% in 2015 to 5.4% in 2018, while consumer confidence is expected to increase to pre-crisis levels. Over the next few years, political uncertainty could potentially have an impact on the economy. The Dutch export market may be negatively influenced by the outcome of the Brexit referendum, although the extent or detail of any such impact is currently difficult to predict as a result of the uncertainty around Brexit negotiations.

Total construction output in the Netherlands was €66.2 billion in 2015 according to Euroconstruct. Total construction output for the period 2016 to 2019 is expected to grow at a compound annual growth rate ("**CAGR**") of 4.1% according to the Euroconstruct Report. Growth in construction output is expected to differ between market segments; for example new residential construction is expected to grow rapidly while non-residential construction is expected to grow at a modest rate. The table below provides an overview of historical construction output and expected construction output growth rates in the Dutch construction market for the period 2016 to 2019. VolkerWessels is active in all market segments except for "Other civil engineering". The most relevant market segments for VolkerWessels within the Netherlands – Construction & Real Estate Development segment are new residential and new non-residential construction (which has a combined new construction output of €21.2 billion that is expected to grow with a CAGR of 7.0% in the period from 2016 to 2019).

10 Shaping the Future of Construction – A Breakthrough in Mindset and Technology, World Economic Forum, May 2016

Construction output in the Netherlands		Construction output (€bn)				CAGR
		2014A	2015A	2016E	2019E	2016E to 2019E
VolkerWessels operating segment	*Market sub-segment*					
Construction & Real Estate Development	New residential construction	7.7	10.2	11.4	15.1	9.8%
	New non-residential construction	9.8	9.6	9.8	10.9	3.6%
	Renovation residential construction	13.6	15.4	16.6	18.4	3.5%
	Renovation non-residential construction	9.8	10.0	10.5	11.4	2.7%
Infrastructure	Roads	9.7	9.8	10.1	10.8	2.2%
	Railways	2.8	2.8	2.8	3.0	1.8%
	Other transport (including water works)	1.9	2.0	2.0	2.1	1.8%
Energy & Telecom Infrastructure	Energy infrastructure construction	1.7	1.7	1.8	1.9	2.9%
	Telecom infrastructure construction	0.6	0.6	0.7	0.7	1.8%
	Other civil engineering	4.0	4.1	4.2	4.4	2.0%
Total construction		**61.6**	**66.2**	**69.9**	**78.7**	**4.1%**

Source: Euroconstruct

Residential construction – output, market developments and drivers for growth

The Dutch residential construction market can be sub-divided into new construction and construction for the renovation and maintenance of existing buildings, both areas in which VolkerWessels is active. In the Netherlands, total new residential construction output was €10.2 billion in 2015, while total renovation/maintenance residential construction output was €15.4 billion, according to Euroconstruct. The total market for residential construction in the Netherlands, according to Euroconstruct, is expected to grow at a CAGR of 6.1% for the period from 2016 to 2019.

The Dutch new residential construction market is expected to grow, according to Euroconstruct, at a CAGR of 9.8% for the period from 2016 to 2019. This is mainly driven by the increasing number of households, which has outpaced the number of dwellings added to the housing stock, resulting in a deficit of over 100,000 new dwellings. Growth in the Dutch new residential construction market is furthermore fuelled by: (i) improved consumer confidence, (ii) low interest rates, and (iii) increasing population growth further supported by immigration and accommodation of refugees.

According to Euroconstruct, the Dutch residential renovation and maintenance construction market is expected to grow at a CAGR of 3.5% for the period from 2016 to 2019. This growth is expected to be driven by: (i) low interest rates, (ii) an increase in the number of dwellings sold, (iii) increasing demand for dwellings suitable for occupancy by the elderly, (iv) an increasing and obsolete housing supply, (v) an increasing need for the accommodation of refugees, (vi) the implementation energy-saving investments such as more efficient insulation that were postponed due to the global financial crisis, and (vii) offices and commercial buildings that will be transformed into houses.

Non-residential construction – output, market developments and drivers for growth

According to Euroconstruct, total non-residential output in the Netherlands was €19.7 billion in 2015, of which €9.6 billion was new construction. Euroconstruct expects the total Dutch non-residential construction market to grow at a CAGR of 3.1% for the period from 2016 to 2019, of which new construction is forecasted to grow at a CAGR of 3.6% and renovation/maintenance construction at a CAGR of 2.7%. Growth in the Dutch non-residential construction market is expected to be driven by: (i) the economic recovery having a positive impact on industries sensitive to economic cyclicality which in turn is driving demand for commercial and storage buildings, (ii) a recovering demand for industrial buildings, and (iii) the increasing demand for healthcare buildings as a result of government-driven transformations of the healthcare system.

Infrastructure construction – output, market developments and drivers for growth

In the Dutch infrastructure construction market, VolkerWessels is primarily active in transport infrastructure, telecommunications, energy works and water works. According to Euroconstruct, total infrastructure construction output in the Netherlands including energy and telecommunication infrastructure was €21.0 billion in 2015. Within this market, transport infrastructure was responsible for the largest share with a total output of €14.5 billion, subdivided into roads (€9.8 billion), railways (€2.8 billion) and other transport (including waterworks) (€2.0 billion), according to Euroconstruct. Next to transport infrastructure, other relevant market sub-segments are energy works with a total output in 2015 of €1.7 billion, telecommunication infrastructure (€0.6 billion), and water works (€0.6 billion), according to Euroconstruct.

The multi-year Dutch government agenda for infrastructure investments is expected to support the future growth of the Dutch infrastructure construction market. The total Multi-Year Government Infrastructure Programme (MIRT)[11] for the period from 2017 to 2021 amounts to €39.4 billion and includes a number of large funds, including an Infrastructure component (which predominantly relates to road and rail works, and will account for approximately 75% of the total budget), the Delta fund (related to water works, and will account for approximately 15% of the total budget) and other various funds (includes financing programmes and other spending on asset management and renovation, and will account for approximately 10% of the total budget). Total MIRT budget is on average €8 billion per year of which approximately €5 billion is allocated to roads and rail works.

For the period from 2016 to 2019, the total Dutch infrastructure construction market is expected to grow at a CAGR of 2.1% according to Euroconstruct. Key growth drivers are expected to be: (i) the continued economic recovery, (ii) the public sector investment agenda, mainly through the Infrastructure and Delta funds, (iii) railway investments to create extra capacity and increase the efficient use of existing capacity, (iv) increase of investments in alternative transport infrastructure (for example, activities in the port of Rotterdam) and (v) the strong rise of the residential housing market leading to related road investments.

The energy infrastructure market segment in the Netherlands is fragmented, with multiple contractors being active in this market segment. Demand is affected by oil and gas prices, which impacts the level of investments in infrastructure by oil and gas companies. More recently, legislative developments to limit hydrocarbon emissions have positively impacted demand in the sector as industrial clients seek to upgrade their infrastructure to reduce CO_2 emissions. Energy markets are currently at the start of a transition from fossil fuels to renewables, driving the need for investment in new energy networks and decentralised energy generation, as well as creating additional demand for sustainable sources of energy such as wind and solar farms.

Telecom infrastructure construction demand is driven by: (i) consumer's increasing demand for data which requires telecom sector participants to continue to invest in new and up-to-date networks; and (ii) technological developments, such as increasing 5G and "Internet of Things" networks.

Main competitors

In the Netherlands, competition varies per market segment in which VolkerWessels is active. In residential construction, the Company's main competitors are BAM, Ballast Nedam, Dura Vermeer, Heijmans, TBI, Van Wijnen and many smaller local companies. In non-residential construction, the Company's main competitors are BAM, Ballast Nedam, Dura Vermeer, Heijmans, TBI and many smaller local companies. VolkerWessels occupied the number one position in the combined market of residential construction and non-residential construction in 2015[12].

11 MIRT Projectenoverzicht 2016

12 VolkerWessels' analysis based on a comparison of its own revenues as compared to the revenue of its competitors for the relevant period. Number 2 player 1.1x smaller based on Construction and Maintenance and Engineering services and Property revenues in the Netherlands as per 2015 annual results. Competitor information sourced from publically available data. Revenue of competitors may not be calculated on a fully comparable basis to VolkerWessels.

In infrastructure construction, effective competition in the Netherlands can be subdivided into two categories: large and "public-private partnership" projects, and small/regional projects. VolkerWessels' main competitors in these two categories are respectively: (i) BAM, Boskalis, Besix, Heijmans, Hochtief, Strabag and TBI; and (ii) BAM, Hakkers, Heijmans, Van Gelder, Verboon Maasland and many smaller local companies. VolkerWessels occupied the number one position in this market in 2015[13].

The energy and telecom infrastructure market segments in the Netherlands have similar competitors. VolkerWessels' main competitors within the energy infrastructure market are A. Hak, BAM, Engie, Heijmans, Spie, Stork and Van Gelder. For the telecom infrastructure market, VolkerWessels has the following competitors: Baas, BAM, Guidion, Koning & Hartmann, LCC, Schuuring, Spie and Van Gelder.

United Kingdom

In 2016, 19% of VolkerWessels' total revenue was generated in the United Kingdom. The United Kingdom is the second largest economy in Europe, and has made a strong recovery following the financial and European debt crises. GDP growth in the United Kingdom as measured by Eurostat was 1.3%, 1.9%, 3.1% and 2.2% in 2012, 2013, 2014 and 2015, respectively. For 2016, Eurostat estimates GDP growth of 2.0%. For 2017 and 2018 Eurostat forecasts GDP growth at 1.5% and 1.2%, respectively.

Brexit could have a material impact on the country's economy and institutions as a result of the economic and social relationship with mainland Europe. The Brexit vote caused some initial financial upheaval, with one visible change being the increase in volatility in the EUR:GBP exchange rate. Political and economic consequences are less evident and uncertain at this point.

In the United Kingdom, VolkerWessels is mainly active in the infrastructure construction market. According to the Euroconstruct Report, total infrastructure construction output in the United Kingdom in 2015 was €40.8 billion. VolkerWessels, however, focuses on a number of market sub-segments in infrastructure construction, which include road transport infrastructure, railways transport infrastructure and water works infrastructure. In 2015, these market sub-segments respectively accounted for €11.4 billion, €5.8 billion and €3.4 billion of construction output. Construction output data for 2014 – 2019 for these three market sub-segments in which VolkerWessels is mainly active are depicted in the table below. Euroconstruct expects that these three market sub-segments and the market sub-segment "other transport infrastructure" combined will grow at a CAGR of 7.2% from 2016 to 2019.

		Construction output (€bn)				CAGR
Construction output in the United Kingdom		**2014A**	**2015A**	**2016E**	**2019E**	**2016E to 2019E**
VolkerWessels operating segment	*Market sub-segment*					
United Kingdom	Road transport infrastructure	6.9	11.4	10.3	12.8	7.3%
	Railways transport infrastructure	7.6	5.8	4.3	6.0	11.2%
	Water works infrastructure	2.8	3.4	5.3	6.5	7.3%
	Other transport infrastructure	3.2	2.9	1.9	1.6	(5.0%)
Total transport construction		**20.5**	**23.5**	**21.8**	**26.9**	**7.2%**

Source: Euroconstruct

Market developments, outlook and drivers for growth

The main areas for growth in infrastructure construction volume in the United Kingdom are expected to be energy, road (maintenance), water projects and airports, underpinned by the National Infrastructure and Construction Pipeline[14]. The pipeline comprises a delivery plan describing the

13 VolkerWessels' analysis based on a comparison of its own revenues as compared to the revenue of its competitors for the relevant period. Number 2 player 1.3x smaller based on Civil engineering revenues in the Netherlands as per 2015 annual results. Competitor information

government's plans for approximately GBP301 billion of investment over the period 2016 to 2021. In total, the pipeline outlines a plan for GBP502 billion of investment in over 700 infrastructure projects and programmes. Of this amount, approximately GBP206 billion relates to the energy sector, approximately GBP138 billion to the transport sector and approximately GBP21 billion to the water & waste sector. For the rail network in particular, the Department for Transport, Network Rail and the Office of Rail and Road committed to a GBP38 billion investment programme, covering enhancements to the rail network, renewal of worn-out equipment and maintenance and operational costs. In the roads sector, the Road Investment Strategy of Highways England, which outlines the 2015 to 2016 programme for enhancement, renewal and improvement of motorways and major roads, details a GBP15 billion investment in over 100 major schemes.

Execution of the delivery plans in the rail and road sectors in the United Kingdom drives investments, whereas in the energy sector changes in sources towards nuclear and renewables drive investments. Given the involvement of and (partial) funding by public agencies and/or (semi-) regulatory nature of the various target market (sub-) segments, a visible opportunity pipeline exists for VolkerWessels in the United Kingdom. Examples include port and airport projects, which stand to benefit from growth in global trade and air travel, investments in the repair of flood-damaged infrastructure and in the strengthening of flood defences.

Main competitors

In VolkerWessels' specialist market sub-segments in the United Kingdom (for example, rail, road and airport infrastructure, water & environment), its main competitors are Balfour Beatty, BAM Nuttall, Carillion, Costain, Laing O'Rourke and Morgan Sindall. The competitors, and the intensity of competition, vary strongly between the specialist market segments in which the Company operates. VolkerWessels' management expects foreign competitors to increasingly enter and compete in the United Kingdom. VolkerWessels' management believes that in the United Kingdom it has a top three market position in the rail infrastructure, marine and distribution centres and multi-modal facilities market sub-segments in which it operates.

North America

In 2016, 6% of VolkerWessels' total revenue was generated in its VolkerWessels North America segment, representing Western Canada and the north-west of the United States. The below table represents the construction output and (expected) construction output growth in the segments in which the VolkerWessels group is active for the period from 2014 to 2019.

		Construction output ($bn)				CAGR
Construction output in North America		**2014A**	**2015A**	**2016E**	**2019E**	**2016E to 2019E**
VolkerWessels operating segment	*Market sub-segment*					
North America	Canada – infrastructure	25.8	24.5	24.4	28.4	5.2%
	United States – infrastructure	184.1	175.2	180.5	207.3	4.7%
Total infrastructure		**209.9**	**199.7**	**204.9**	**235.7**	**3.9%**

Source: BMI Research (A Fitch Research)

Canada – market developments, outlook and drivers for growth and competition

During the global financial crisis, Canada's economy performed relatively well compared to the United States primarily due to a strongly regulated banking sector as well as supportive natural resource prices. GDP in Canada rebounded strongly post-crisis with growth figures of 1.7%, 2.2%, 2.5% and 0.9% in 2012, 2013, 2014 and 2015[15]. The limited growth in 2015 was marked by varying growth rates across different parts of the country. Eurostat forecasts GDP growth of 1.3% in 2016 and relatively stable GDP growth for 2017 (2.0%) and 2018 (2.1%). Furthermore, the Canadian construction industry amounted to 7.3% of GDP in 2015 which is above the long-term average (period from 2000-2015) of 6.9%.

14 Updated as of December 2016

15 Statistics Canada

Canada's long-term infrastructure plan is expected to revitalise the construction economy with investments in green and social infrastructure, as well as public transit, trade and transportation initiatives and the improvement of rural and northern communities. The Fall Economic Statement in 2016 outlines CAD25.3 billion for public transit over 11 years, with funds such as the Public Transit Infrastructure Fund (CAD3.4 billion) implemented jointly with provincial governments to bolster investment in the industry.

Renewed investment in transportation-related infrastructure at the provincial level will have a material impact on provinces such as Alberta, which boasts more than 31,000 kilometres of highway, more than any other province in Canada.[16] The recent stability in the price of oil is also set to stimulate growth in Alberta, with the Conference Board of Canada forecasting 2.2% economic growth in 2017. In 2016, the Canadian government and Alberta announced a CAD1.1 billion agreement for funding under the Public Transit Infrastructure Fund and Clean Water and Wastewater Fund, with the federal government providing up to half of the funding, including 46 transit projects and 17 water projects. The funding was subsequently increased and now covers 101 public transit projects. On the infrastructure front, the Ministry of Transportation and Infrastructure has planned to invest CAD894 million in projects related to highways, bridges and other transport-related infrastructure for the 2016/2017 fiscal year. Investments in Canada's infrastructure in the north-western regions are structurally supported by a need for ongoing investments as a result of the region's severe changes in weather conditions over the seasons. Additionally, the recent approval of the federal government of Kinder Morgan's Trans Mountain pipeline project should lead to increased capital investment in British Columbia.

Competitors in Canada include Colas, Carillion, Lafarge Holcim, Vinci, Carillion and various smaller local firms such as Tollestrup Construction and E-Construction.

United States – market developments, outlook, drivers for growth and competition

As the largest economy in the world, the United States made a steady recovery from the global financial crisis after contracting in two consecutive years. The recovery in GDP growth over the last years remained relatively stable, reaching 2.2%, 1.7%, 2.4% and 2.6% growth in 2012, 2013, 2014 and 2015, respectively. Eurostat estimates 1.6% growth for 2016 and forecasts increased GDP growth of 2.3% and 2.2% for 2017 and 2018. The recovery in the construction industry in the United States has accelerated in recent years spurred by the falling unemployment rate, rising incomes and house prices. According to both Business Monitor Intelligence ("**BMI**") and the IMF, infrastructure, the principal construction segment that VolkerWessels operates in, is expected to grow in 2017 and 2018.[17]

A number of factors are expected to stimulate infrastructure growth at the national and the local level in Washington State where VolkerWessels operates. The wider infrastructure market segment is to benefit from the broader political focus on national infrastructure, as demonstrated by the recent USD1 trillion, ten year infrastructure plan proposed by Senate Democrats. Additionally increased private sector investment stemming from the growing "public-private partnership" market is anticipated. PwC[18] notes that the United States infrastructure market segment needs approximately USD3.6 trillion of investment by 2020 to improve current levels of infrastructure. According to PwC, the burgeoning private sector is ready to invest in suitable high-quality infrastructure projects in North America as there was USD75 billion of investment capital available in those funds at the end of the first half of 2016.[19]

VolkerWessels is well positioned to benefit from increased investment in infrastructure, particularly through its exposure to roadwork (such as the new construction, rehabilitation and intersections), civil work (bridges, retaining walls etc.) as well as underground utilities and development construction. The five-year Fixing America's Surface Transportation act, which came into force in December 2015 and has a budget totalling USD305 billion, aims to improve mobility on America's highways through critical transportation projects and funding for roads, local pavements, bridges, transit, freight, bicycling and walking improvements. This budget is not related to the infrastructure plan as proposed by the Senate Democrats. BMI forecasts highway construction and

16 Alberta Business Plan 2016-2019, Transportation

17 BMI Research (A Fitch Research) growth forecast of 2.8% and 2.7% and FMI growth forecast of 3.0% and 4.0% in 2017 and 2018 respectively. FMI's forecast is for Total Non-building Structures, which includes power, highway and street, sewage and waste disposal, water supply, and conservation and development.

18 Public-private partnerships in the US: The State of the market and the road ahead, PwC, November, 2016

19 Public-private partnerships in the US: The State of the market and the road ahead, PwC, November, 2016

transport infrastructure as likely to become a focal driver of growth in the United States construction industry with growth expected to outpace general construction growth from 2017. Infrastructure output is expected to grow at a 4.7% CAGR from 2016 to 2019[20]. At a local level, in states like Washington, the approval of a USD16 billion transportation plan and the USD54 billion Sound Transit 3 expansion will be critical drivers of local level infrastructure spending. Additionally, the VolkerWessels' key markets continue to be supported by presence of critical US industry players, such as Boeing, Microsoft, Amazon, Starbucks and Weyerhaeuser Company, all operating in the Seattle region, requiring ongoing investments in infrastructure to secure access to resources and export channels for their products. This combined with population growth in the Washington State region, expected to be above the national growth rate, provides further long-term impetus for future infrastructure spending in the region.

VolkerWessels' key competitors in the Seattle area are Atkinson Construction, Gary Merlino Construction and Northwest Construction. Other smaller and local competitors serve niche segments with a limited scope of services.

Germany

In 2016, 4% of VolkerWessels' total revenue was generated in Germany. Germany is a mature and stable economy, the backbone of the Eurozone and Europe's largest economy in GDP terms. Recovery after the global financial crisis was quick, but was, according to Eurostat, followed by near-zero GDP growth in 2012 and 2013. The economy recovered thereafter with GDP growth at 1.6% and 1.7% in 2014 and 2015, respectively. Eurostat estimates German GDP growth of 1.9% in 2016 and forecasts 1.6% and 1.8% GDP growth in 2017 and 2018.

GDP growth is driven by an expanding service sector as well as a relatively buoyant construction industry. The expansion of private consumption and the increase of public expenditure aimed at housing refugees have been key drivers of these sectors. These drivers led to high growth of construction output in 2015 and 2016, with estimated growth figures of 0.3% and 2.5%, respectively. According to Euroconstruct, construction output growth in Germany is expected to decelerate but remain positive for the coming years with 1.5% in 2017 and 0.2% in 2018. Euroconstruct also expects that the unemployment rate will remain close to 6.1% until 2018, as the number of refugees entering the German labour market will be roughly equal to the number of jobs created.

In Germany, VolkerWessels is primarily active in the new residential construction and development market sub-segment in four urban areas: Berlin, Frankfurt, Munich and the Rhine-Ruhr metropolitan region situated in North Rhine-Westphalia. In VolkerWessels' view, strong housing markets in these regions are driven by GDP growth and continued urbanisation. Urbanisation refers to the population shift from rural to urban areas. According to the United Nations' population division, the urbanisation trend in Germany is strong and is expected to be strong going forward[21]. The United Nations estimates that in 2016 approximately 75.5% of the population lived in urban areas and it estimates this to be 76% by 2020 and 83% by 2050.

According to Euroconstruct, the total German housing stock in the years 2014, 2015 and 2016 was 42.6 million, 42.9 million and 43.1 million residences, respectively. From 2016 to 2019 the total German housing stock is expected to grow steadily at approximately 0.7% annually to 44.1 million residences in 2019, according to Euroconstruct. The same report measured 2015 residential housing development, measured as new residential construction output, at €51.7 billion, whereas residential renovation output accounted for €114.1 billion. According to Euroconstruct, combined non-residential construction and renovation output in Germany in 2015, was €79.4 billion. The below table represents construction output growth in the residential and non-residential construction market segments for 2014 to 2019. VolkerWessels is mainly active in the new residential construction market segment.

20 United States Infrastructure Report (2016Q4), BMI Research (A Fitch Research)
21 United Nations (World Urbanisation Prospects: The 2014 revision)

Construction output in Germany		Construction output (€bn)				CAGR
		2014A	2015A	2016E	2019E	2016E to 2019E
VolkerWessels operating segment	*Market sub-segment*					
Germany	New residential construction	48.2	51.7	56.7	61.5	2.8%
	Residential renovation	114.7	114.1	114.1	112.4	(0.5%)
	New non-residential construction	30.9	30.7	31.4	31.2	(0.2%)
	Non-residential renovation	49.9	48.7	49.2	49.2	(0.0%)
Total		**243.7**	**245.2**	**251.4**	**254.3**	**0.4%**

Source: Euroconstruct

Market developments, outlook and drivers for growth

The German residential construction market upswing after the 2009 low (136,518 new houses built) came after a long period of decline following the German unification related housing boom. A gradual recovery ensued with 216,120 and 216,727 new houses built in 2014 and 2015, respectively[22]. More recently, the continued growth of the number of households in urban areas has partially been a result of an increasing share of single-person households[23]. The growth of permits for the construction of multi-family buildings, one of VolkerWessels' key activities, has sustained. Factors impacting this growth trend are the stricter energy regulations as of 1 January 2016 as well as the high influx of immigrants and related housing demands. Other drivers are the continued low mortgage rates, improved overall economic conditions and a continued decline in the average number of persons per household. Another trend that is favourable for VolkerWessels' business is the increasing need for new assisted living housing types for the ageing population in Germany, with approximately 21% of the population aged 65 or above in 2015, which is expected to increase to 28% in 2030[24].

VolkerWessels' activities in Germany focus on the construction of high-quality residential property in its urban focus areas. VolkerWessels' management expects that demand from buy-to-let investors will be a significant driver of demand in these focus areas. Besides single and multi-family homes VolkerWessels also develops commercial real estate and healthcare properties. The CBRE Vonovia[25] report provides data for all major cities, including the areas where the activities of VolkerWessels are focused. For Berlin the population is expected to increase by 4.7% over the period 2012 to 2030 with the number of households increasing by 5.9% over the same time period. In Frankfurt the population forecast is flat over the period 2012 to 2030, while the number of households is expected to grow by 3.4%. Munich shows the most positive picture with an expected population growth of 4.3% and household growth of 7.6% over the period 2012 to 2030. For the Rhine-Ruhr region the expectations vary among cities, with more positive expectations in Dusseldorf and Cologne. The demographic shift of an ageing population is expected to require an additional 255,000 beds or 2,550 new nursing homes with 100 beds each by 2030 at a cost of at least €25 billion according to a Wüest & Partner study in 2016[26]. The federal states with the greatest demand for new beds for the elderly will be North Rhine-Westphalia, Bavaria and Baden-Württemberg, with the state of Brandenburg surrounding Berlin needing at least 50% more beds.

Main competitors

The Company's main competitors in Germany are Bauwert, Bonava, BPD, Buwog, CG Group, Groth Group, NCC, Project, Wilma Immo and Zech Group. Many of the competitors are either active in construction or development, whereas, unlike most of its competitors, VolkerWessels has an integrated approach and is able to undertake projects that involve both construction and development activities.

22 Consisting of 1, 2 and multi-family houses, source Statistisches Bundesamt, Wiesbaden 2016
23 European Commission's June 2015 research 'People in the EU'
24 *Statistisches Bundesamt*
25 CBRE Vonovia Housing Market Report Germany 2016
26 Pflegeheim-Atlas 2016, Wüest & Partner

Overview

VolkerWessels is a leading, integrated and diversified construction group and aims to operate with a "think global, act local" mind-set.[27] VolkerWessels' operating model combines a local sales and client focus with a centralised management structure that optimises scale and expertise across VolkerWessels' operating companies. VolkerWessels prides itself in developing local companies who are leaders in their respective sub-sectors, supported by strong governance and shared expertise.

VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America and Germany. Operationally, VolkerWessels' business is organised along six segments as set out in the table below:

Operating Segment	Activities
The Netherlands – Construction & Real Estate Development	• Construction and renovation for residential and non-residential real estate including industrial and logistic facilities • Real estate development • In-house technical installations services capabilities • Industrial production and supply of construction elements, including pre-fabricated building supplies such as roofs
The Netherlands – Infrastructure	• Road construction service and maintenance and asphalt production • Railway construction, services and maintenance • Civil engineering activities for roads, waterways and rail • Multi-disciplinary project management for complex projects • Traffic management for road and railway installations
The Netherlands – Energy & Telecom Infrastructure*	• Construction and maintenance of energy infrastructure for underground and above ground pipelines and cables for energy and water transport and production and industrial processes • Construction and maintenance of telecom infrastructure including fibre-optic and wireless networks
VolkerWessels UK	• Industrial construction and civil engineering • Rail construction, services and maintenance • Construction and maintenance of water and energy infrastructure including ports and harbour infrastructure, flood risk management, utilities and waste facilities • Highway and airport infrastructure construction and maintenance • Focus on London and M60 corridor
VolkerWessels North America	• Active particularly in the Alberta and British Columbia provinces, with a focus on municipal road and highways maintenance and underground utilities (sewage and water construction) • Active in the north-west of the United States (broader Seattle area) in roadwork construction and maintenance, civil engineering (such as bridge construction and flood risk management) and underground utilities • Asphalt and gravel production
VolkerWessels Germany	• Construction for residential housing • Real estate development • Focus on selected major urban areas in Germany, in particular Berlin and North Rhine-Westphalia, Frankfurt and Munich regions

**Operations include Belgium*

VolkerWessels has over 120 local operating companies, which consists of national and regional offices and ultimately report to divisional management boards within the operating segments and the Management Board. VolkerWessels undertakes approximately 25,000 projects for more than 7,000 clients per year across its operating segments. The activities of VolkerWessels' Netherlands-based operating companies accounted for 71%, 69% and 72% of its total revenue for the years ended 31 December 2016, 2015 and 2014, respectively, and operated under a holding company, KVWS N.V. The activities of VolkerWessels' operating companies based in the UK, North America and Germany

27 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements.

accounted for the remainder of VolkerWessels' revenues, and are operated through VWS International B.V.

History

VolkerWessels was created through a long history of mergers of local businesses. The Company began as Koninklijke Volker Wessels Stevin, which was formed in 1997 by bringing together two successful Dutch businesses active in the construction industry: the Koninklijke Volker Stevin group and the Kondor Wessels Groep. The Koninklijke Volker Stevin group was formed in 1978 by the combination of the Stevin Groep (formed in 1970) and the Koninklijke Adriaan Volker Groep, whose history dates back to 1854 when Adriaan Volker established himself as an independent building contractor in Sliedrecht, the Netherlands. The Kondor Wessels Groep was founded in 1990 and has its own history going back to the early 1900s and the beginnings of the Wessels family business in 1933 when Arend Wessels, a carpenter from Rijssen, decided to become a building contractor. As a result of the merger in 1997, the two businesses that formed VolkerWessels moved from being a construction business focused in the Netherlands into a leading organisation with activities in various sectors in the construction industry in the Netherlands and selected international markets[28].

Selected significant corporate events since 1997

Year	Description
1997	Koninklijke Volker Stevin, which was particularly active in infrastructure, and Kondor Wessels, specialised in building and property development, combined their activities as Koninklijke Volker Wessels Stevin N.V. In 2002, the trade name VolkerWessels was introduced.
1997	Incorporation of GrantRail Group Ltd as a 50/50 joint venture with British Steel for railway construction and maintenance.
2002	Acquisition of infrastructure maintenance company John Crowley (Maidstone) Ltd in the United Kingdom and reorganisation under the name VolkerStevin Ltd in 2003.
2002	Acquisition of KPN Network Bouw from Royal KPN N.V. and creation of the telecom division.
2003	The Wessels family successfully made a public offer for and subsequently delisted Koninklijke Volker Wessels Stevin N.V.
2004	Acquisition of general contractor Fitzpatrick plc in the United Kingdom.
2007	In May 2007, an agreement was announced in which CVC Capital Partners ("**CVC**") acquired a 42.5% equity interest in Koninklijke Volker Wessels Stevin N.V.
2008	Acquisition of remaining 50% share in GrantRail Group Ltd.
2009	Restructuring of UK companies under the VolkerWessels UK umbrella.
2010/2011	H. Wilson Industries Limited and McNally Contractors Limited were acquired in Canada, further strengthening VolkerWessels' position in Western Canada. VolkerWessels has been in operation in Canada since 1978.
2013	The Wessels family, through its investment organisation Reggeborgh, bought back the interest in VolkerWessels held by CVC in September 2013 and the Company has from late 2013 been wholly owned by the Wessels family.
2014	Acquisition of Mainline Construction Limited in Canada.
2015	Acquisition of PGB Holding B.V., G&S Vastgoed B.V and Biesterbos B.V in 2015 in connection with the activities of the Netherlands – Construction & Real Estate Development segment.
2016	In July 2016, VolkerWessels completed the divestment of its offshore wind energy activities to Royal Boskalis Westminster N.V., which enables its energy and telecom infrastructure activities to be focused on onshore activities. In December 2016, 94.88% of the shares in Kondor Wessels Holding GmbH (with its German construction and real estate, project and area development activities) were acquired from an entity related to the Selling Shareholder, expanding and diversifying VolkerWessels' geographical operations. VolkerWessels acquired Lakes District Maintenance Ltd in 2016, headquartered in British Columbia, Canada, which is a specialist construction and highways maintenance company.

28 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements

Competitive strengths

VolkerWessels' main competitive strengths are the following:

Multi-local leadership.

VolkerWessels is the market leader in terms of revenue in the Dutch construction and infrastructure market with its three business units: the Netherlands – Construction & Real Estate Development; the Netherlands – Infrastructure; and the Netherlands – Energy & Telecom Infrastructure[29]. Outside the Netherlands, VolkerWessels has a top three market position in the United Kingdom in the rail infrastructure, marine and distribution centres and multi-modal market sub-segments in which it operates[30], and holds strong positions in its selected markets in North America and Germany.

VolkerWessels believes that its operating companies have a strong presence and identity in their markets and VolkerWessels is recognised in each sector in which it is active for its quality, reliability, know-how, experience and full service, by both clients and partners. VolkerWessels further believes that its market leading profile, broad position throughout the value chain and solid track record of delivering high-quality projects enables it to develop strong relationships with its clients, which VolkerWessels believes will contribute to future successes.

VolkerWessels primarily acts as the lead contractor for projects but its operating companies are also active in numerous roles throughout the value chain where VolkerWessels focuses on strategic assets and skill sets that add value to its operating companies. VolkerWessels believes this enables VolkerWessels to execute projects that involve all aspects of design, construction, supply, engineering and maintenance, and positions it well when tendering as VolkerWessels is able to add value through its specialist services and selective investments in the supply chain. For example, in 2016 VolkerWessels was a leading asphalt producer in the Netherlands, responsible for approximately 20% to 25% of the asphalt production for road construction in the Netherlands[31]. In addition, VolkerWessels has strategic positions in the supply chain to support its businesses, such as a Norwegian stone quarry that produces mineral aggregates suited for a broad range of applications including the production of asphalt for its road construction activities in the Netherlands, a highly-specialised train for measurement and inspection of tracks to support VolkerWessels' rail construction and maintenance activities in the Netherlands, and asphalt and aggregate production plants to support its highways construction and maintenance operations in the Netherlands and Canada. These in-house production capabilities and supply chain investments enable VolkerWessels to service its clients throughout the year when demand peaks. In addition, it enables VolkerWessels' operating companies to offer a one-stop-shop service offering for road projects together with VolkerWessels' other activities and operating companies connected to road construction. Similarly, in the VolkerWessels UK segment, VolkerWessels has strategic equipment positions that support its primary operations such as a fleet of rail locomotives and service vehicles, and in North America the VolkerWessels operating companies have strategic locations and supply chain positions such as asphalt plants, aggregate pits and road construction vehicles and equipment.

Network of Local Winners, Supported by Strong Governance and Shared Expertise.

The Company believes that it has a strong network of well-established local subsidiaries in each of its segments and that each has a strong individual identity in their respective areas of business. Additionally, VolkerWessels has a wide number of specialised and well-recognised brands. These subsidiaries operate with a relatively high degree of autonomy in order to foster an entrepreneurial culture and local ownership involvement, and typically operate under a local company name. VolkerWessels believes that VolkerWessels' clients and employees have a strong connection with the company they deal with or work for and with local stakeholders and clients. This local sales and execution presence is combined with a strong governance and control framework that is focused around decision-making responsibilities, shared expertise of specialist services, innovation and risk management.

29 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements.

30 Market positions in the UK are based on VolkerWessels estimates.

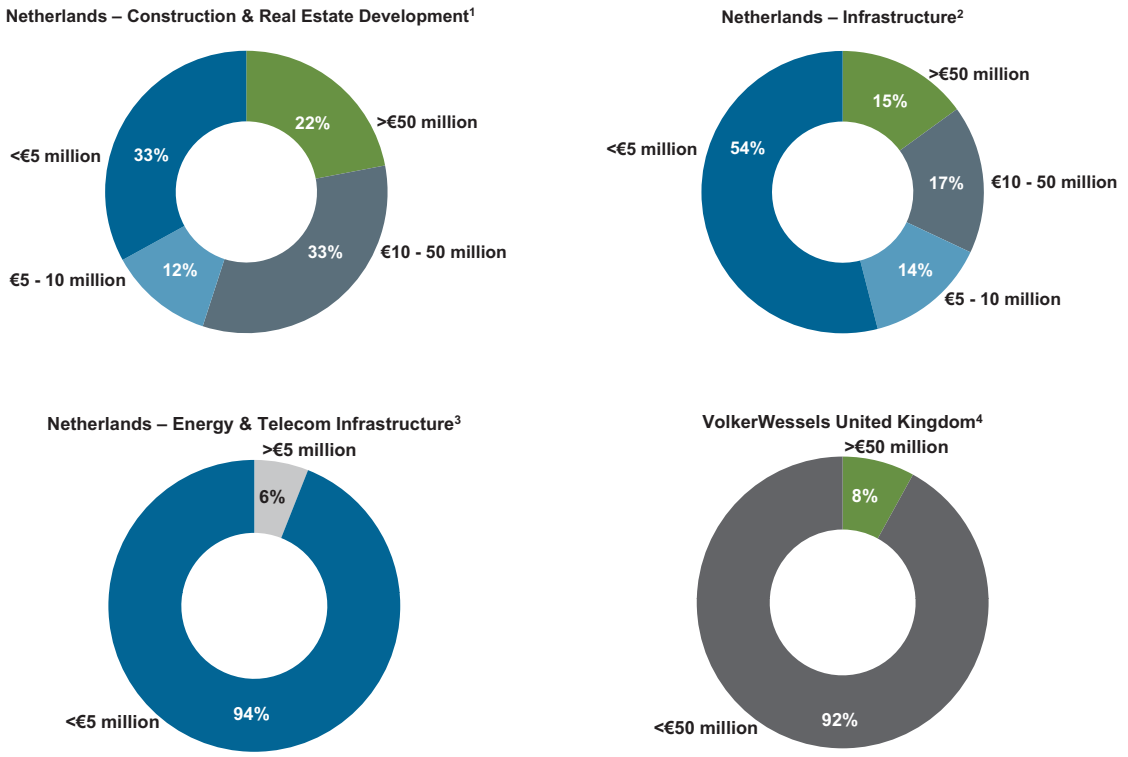
31 Market positions in the Netherlands are based on VolkerWessels estimates.

VolkerWessels considers that the local presence means that the managers and employees of its subsidiaries have a strong sense of responsibility for their financial performance. When VolkerWessels acquires a leading local contractor, VolkerWessels' preferred approach is to maintain the company name and corresponding identity, the core of the management team and to continue to build on the existing strengths while implementing the VolkerWessels' governance and control framework. In this way, VolkerWessels looks to ensure that this relative autonomy is overseen by the risk management and control systems that are in place for VolkerWessels and its subsidiaries, while providing for long-term incentives, strategic guidance and priorities. VolkerWessels' operating companies operate within clear legal and financial frameworks that provide well-established risk management measures (decision authorities, contracting discipline, etc.), which are applied to all parts of VolkerWessels' business.

VolkerWessels' operating model results in a mix of small, medium and large projects that VolkerWessels believes is a unique and important feature. The regional and operational diversification of VolkerWessels' companies ensures that VolkerWessels has limited client and project dependency and are able to maintain a large number of smaller, local client relationships. The smaller, low-complexity projects are locally sourced and executed, and provide for a stable underflow of revenues with a more stable risk return that enables VolkerWessels to take a selective approach as to which of the more complex and larger projects it tenders for. The governance and control frameworks under which the operating companies work also ensure that knowledge and know-how and specialist services are shared, which VolkerWessels believes gives its operating companies the ability to execute complex multi-disciplinary projects.

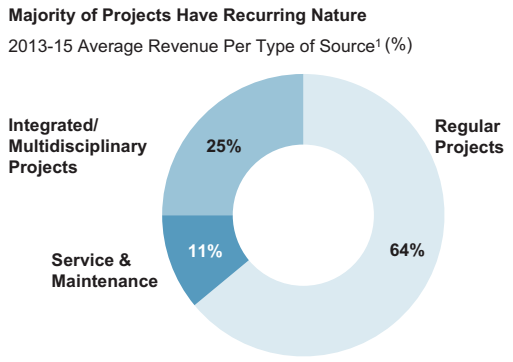
The graphic below shows the composition of the revenue per project size for the operations in the Netherlands and the United Kingdom, which are the largest revenue contributors to VolkerWessels. In the period from 2013 to 2015, 78% of VolkerWessels' projects in the Netherlands – Construction & Real Estate Development segment had a contract size of less than €50 million, while in the Netherlands – Infrastructure segment, 85% of the projects in 2015 were less than €50 million. In the Netherlands – Energy & Telecom Infrastructure segment, 94% of VolkerWessels' projects in 2015 were smaller than €5 million and in VolkerWessels UK, 92% in 2015 of the projects were for a contract value of less than €50 million.

Breakdown project size by revenue

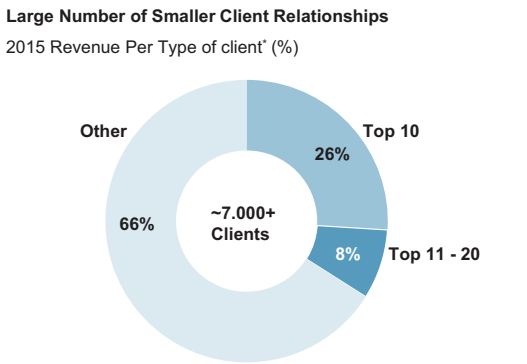


(1) Based on total project revenues from construction activities for the period 2013 – 2015 and excluding real estate development activities.
(2) Based on project revenues for the financial year 2015.
(3) Includes Belgium activities. Based on project revenues from telecom infrastructure activities for the financial year 2015 in the Netherlands. Excluding energy infrastructure activities.
(4) Based on project revenues from the United Kingdom for the financial year 2015.

VolkerWessels believes that its approach of developing local leaders supported by strong governance and shared expertise results in a balanced portfolio of smaller and medium-sized projects complemented by a selective number of larger and more complex projects. One of the results of this approach is that a large part of VolkerWessels' revenue comes from its smaller clients, which results in VolkerWessels having limited dependency on its top ten clients across VolkerWessels as a whole. VolkerWessels also has a limited dependency on the type of project that its operating companies undertake, with the majority of projects being regular projects (note that "regular projects" refers to small and medium sized construction and development projects). The graphic below shows the revenue dependency per project and per client for VolkerWessels in the period 2013 to 2015 and 2015, respectively:



1. Figures based on average project revenue per type of source for the time period 2010-2016 (includes Company estimates for 2016)



* The underlying data excludes the German business and is based on Dutch GAAP figures for 2015

Operational Excellence Based On Prudent Risk Management.

VolkerWessels believes that the quality of its people and culture, as well as its project selection framework and focus on risk management are the key ingredients to operational excellence. VolkerWessels seeks to have a standardised process through its central risk management approach, which aims to cover the preparation phases for selection of key partners, subcontractors and suppliers in the supply chain as well as the tender process and contract management. Prudent cost, risk and engineering control with close client cooperation during project preparation and afterwards helps to achieve an effective delivery of projects and an optimal risk-reward ratio.

It is VolkerWessels' view that the local operating companies and management teams, who are familiar with and recognised by the local markets in which they operate, have the best information to be able to make decisions regarding their operations and projects. As such, unless the project involves complexities or is outside their field of their expertise, VolkerWessels' local operating companies are authorised to make decisions on small projects with revenue below €10 million and within the expertise of the local operating company. This allows VolkerWessels' companies to respond quickly to local opportunities and changing situations.

In addition, for contracts for larger projects (with a value in excess of €10 million), the VolkerWessels operating model requires the divisional and operational management teams to be involved in considering the proposed partners, subcontractors and suppliers for each project to ensure that the operating companies work in combination with well-known and solvent partners. VolkerWessels' policy is not to undertake projects that involve risks to VolkerWessels that it is not willing to bear or cannot adequately control, such as construction projects whereby a client requires a guarantee on output. VolkerWessels' risk management process also provides for insurance of the risks that VolkerWessels is not willing or able to bear itself. Each year, the insurance programme is assessed in terms of amended laws and regulations, insured amounts and new risks, and is adjusted (in the interim) where necessary. For a further description of VolkerWessels' risk management procedures, see "—*Risk management and internal* control".

VolkerWessels is of the view that its operating companies are reliable partners that have developed strong reputations with clients, suppliers and subcontractors, and through its regional offices in the Netherlands and in its international markets, VolkerWessels thoroughly understands the market environments in which its operating companies operate.

Focus on Cash Generation and Balance Sheet Strength.

VolkerWessels believes that it has a solid capital structure in place, with a solvency ratio of 31.5% at year-end 2016 (24.5% at year-end 2015; 21.9% at year-end 2014)[32], which is combined with a strong focus on cash generation. VolkerWessels' cash and cash equivalents[33] was €386 million at year-end 2016, compared to €357 million at year-end 2015 and €240 million at year-end 2014. Whilst VolkerWessels believes that its solid balance sheet and robust solvency levels makes it an attractive project partner as it minimises counterparty risk for clients, suppliers and third parties, it also gives VolkerWessels the flexibility to reject unattractive project proposals. During the selection and execution of projects, VolkerWessels focuses on profitability and cash generation as opposed to turnover, as VolkerWessels has the flexibility to reject unattractive project proposals given VolkerWessels' well-balanced project portfolio and large share of smaller regular projects.

In addition, whilst some of the approximately 120 operating companies in the VolkerWessels group have reported negative EBITDA (in 2015, 17 operating companies reported negative EBITDA, with an average loss of €1.4 million, and in 2016, 9 operating companies reported negative EBITDA, with an average loss of less than €1.3 million), VolkerWessels has a track record of consistently delivering value, with historic consolidated EBITDA growth that has remained relatively resilient during volatile market conditions in previous years (see "*Operating and Financial Review—Key Factors Affecting Results of Operations—Cyclical Nature of the Construction Industry*").

On the basis of the current credit profile of VolkerWessels and/or its operating companies, VolkerWessels has access to the project financing market at acceptable credit terms and reasonable pricing. In addition, VolkerWessels is willing to contribute towards the risk-bearing capital of a project on commercial terms, provided that VolkerWessels also has a share in the construction of such a project. VolkerWessels' credit profile and liquidity position provide it with the flexibility and optionality to take on projects that ultimately meet VolkerWessels' risk-reward requirements. VolkerWessels operates a disciplined working capital management process across its operating companies with monthly reporting and discussions involving the finance directors of the operating companies and the CFO. The prior consent of the Management Board is always required for the contracting of large project and financing agreements.

Skilled and experienced management teams.

VolkerWessels' operating companies handle numerous technically complex projects on a daily basis, as well as assignments of a significant size and with a long duration. These projects are executed by employees with a strong project management track record and long-standing industry experience.

The success of VolkerWessels' business is based on attracting and retaining personnel, including engineers, project management, employees with relevant technical skills and corporate management professionals in VolkerWessels' chosen markets, who have the necessary and required experience and expertise. The Management Board, with over 85 years of combined industry experience, has a strong management track record and long-standing industry experience and is supported by divisional management teams in VolkerWessels' selected geographic locations with an average of 20 years of industry experience. Through VolkerWessels' risk management procedures, its management teams maintain a close involvement in approving and monitoring the projects that its operating companies undertake, which gives a perpetual due diligence of the markets in which VolkerWessels' businesses operate as well as a continued focus on further value creating opportunities.

VolkerWessels places great emphasis on deep client and project involvement of its regional and divisional management teams, concentrated around experienced local management of operating companies. In addition, the success of VolkerWessels' portfolio of activities in its chosen markets is important for attracting and retaining a talented workforce.

32 VolkerWessels defines Solvency as total equity (including minority interests) plus subordinated shareholders' loans as a percentage of total assets. For a reconciliation of Solvency to total assets, see "Selected Consolidated Financial Information – Non-IFRS financial information".

33 Including bank overdrafts.

Strategy

The focus at VolkerWessels is on quality and efficiency to drive controlled and profitable growth. This approach has enabled VolkerWessels to become the market leading contractor in terms of revenue in the Netherlands in its selected markets and to have top-tier competitive positions in the specialist areas that its operating companies compete in internationally[34]. VolkerWessels' aim is to deliver controlled profitable growth and strong shareholder return based on the following three pillars: (i) profitably capture attractive market opportunities, (ii) improve margins through operational excellence, and (iii) pursue strategic bolt-on acquisitions.

VolkerWessels aims to achieve these objectives by providing its customers with optimum services and solutions, relying on a skilled workforce and making sustainability, integrity and safety top priorities in its operations.

Profitably capture attractive market opportunities

VolkerWessels has grown sustainably in the recent years and over that period its profitability has been driven by the strength of its decentralised operating model and its centralised risk management processes. VolkerWessels considers that growing its profitability and cash returns rather than revenue will be a key factor for creating value for its shareholders.

VolkerWessels' decentralised operating model is a key element of sustained growth and profitability. VolkerWessels' risk management and governance processes ensure that its operating companies maintain a disciplined approach when undertaking projects that is based on prudent budgeting and project selection. By having a local focus through its operating companies, VolkerWessels' directors and employees can respond swiftly to market developments and are able to work closely with its clients on their projects, increasing its understanding of their overall business needs, as well as the technical requirements of their specific projects. Combining this focus with VolkerWessels' centralised management structures and the ability to share client insights across the divisions and operating companies of its segments, VolkerWessels believes that its operating model is able to provide a strong basis to capture local market opportunities.

VolkerWessels aims to pursue the development of long-term relationships and alliances with its clients through its local focus and connections. It is focused on opportunities in the Dutch construction and real estate market as well as its strategic land bank opportunities. In addition, VolkerWessels is pursuing opportunities to develop its UK and North America operations to match anticipated increasing levels of public infrastructure investments.

VolkerWessels considers that its ability to offer local level services that benefit from its centralised management and ability to offer innovative solutions will enable it to continue to be competitive in the market. VolkerWessels' operating model provides it with the local opportunities and the shared expertise to market the project services that its clients are expected to need in the pre-design phase, such as planning or innovative solutions for projects; in the design phase, such as project coordination across its range of services; and in the construction phases, including operations and maintenance services.

As VolkerWessels has done in the past, VolkerWessels will continue to focus on a balanced portfolio of small projects that form the core of its operations and large projects, where prudent risk management and budgeting will continue to underline its project selection process.

Further improvement of VolkerWessels' margins through operational excellence

Operational excellence is about working better, smarter and/or more effectively for VolkerWessels' customers and encompasses two aspects: quality and efficiency. VolkerWessels considers that effective, efficient and disciplined management of projects, costs and risks to be crucial and VolkerWessels strives to ensure that its operational excellence programmes are a shared vision for each of its operating companies as a key part of limiting failure costs.

VolkerWessels believes that its operational excellence initiatives, including its focus on continually improving and optimising its risk management processes, will enable it to further improve

34 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2016 compared to the 2016 revenues in the Netherlands of large peers, as derived from their 2016 or latest available financial statements.

its market position, cash returns and its margins. These efficiency initiatives are centred around: (i) the further optimisation of procurement, such as the clarification and standardisation of processes, definitions, numbers, lead times, plans and service level agreements and the central coordination of procurement; (ii) the reduction of selling, general and administration (SG&A) expenses in proportion to VolkerWessels' projects and project size; and (iii) the use of innovative technologies and concepts by VolkerWessels' operating companies as part of its focus on risk management, process improvement and project efficiency, such as the acceleration of its Building Information Modelling (BIM), which enables the integrated information collection and analysis of all stakeholders in a project.

From the tendering phase to the delivery and operation of a project, sound risk and project management are crucial in order to avoid project delays and cost overruns. VolkerWessels therefore invests intensively in expertise as well as tools for improving the monitoring and analysis of margins, costs and profitability and improving the professionalism of its people through training programmes and sharing knowledge through various platforms.

Strategic bolt-on acquisitions

In addition to organic growth in its existing segments, VolkerWessels also seeks attractive market opportunities to further strengthen its position through bolt-on acquisitions. The principle for any acquisition is that they should be a good fit with the VolkerWessels philosophy and corporate culture, strengthen its local and regional capabilities and contribute towards its strategic priorities. To meet these principles, potential acquisitions must have a substantial local market share, growth opportunities, and a broad position in the value chain. Whilst business acquisitions are not a specific medium-term objective, VolkerWessels believes that its capital position provides it with the ability to engage in selected bolt-on acquisitions, under suitable market conditions, in order to realise additional growth.

When VolkerWessels reviews acquisition targets, VolkerWessels is conscious of the effect each acquisition may have on expanding its current client base and enhancing its offering to existing clients. VolkerWessels favours acquisitions that allow it to (i) strengthen VolkerWessels' current local and regional capabilities, enhancing the range of services that VolkerWessels provides to existing clients, and (ii) broaden the VolkerWessels' portfolio and capabilities with niche players and specialist services in its current market segments. VolkerWessels' model for acquisitions is generally to leave existing managers in place, introduce a new finance function that is aligned with the VolkerWessels operating model and incentivise them for future success through appropriate incentive schemes and/or earn-out arrangements. By focusing on acquiring local leaders in the markets in which VolkerWessels operates and adding to its existing capabilities, VolkerWessels' aim is to support long-term strategic positions.

In recent years, VolkerWessels has used its capital position to pursue business acquisitions, including the following recent key acquisitions (in reverse chronological order):

- On 21 March 2016, VolkerWessels acquired Lakes District Maintenance Ltd, headquartered in British Columbia, Canada. Lakes District Maintenance Ltd is a specialist construction and highways maintenance company that has been in operation for the past 27 years. The acquisition allows the North America business to further develop its roads infrastructure activities in Western Canada by adding a successful local company that holds several road maintenance contracts with the Province of British Columbia.

- On 23 November 2015, VolkerWessels increased its stake from 50% to 100% in Biesterbos B.V., which is active in the Amsterdam area as a real estate developer for residential housing projects.

- On 1 September 2015, VolkerWessels increased its stake in G&S Vastgoed B.V. from 30% to 70%, which is active in the development of office buildings, hotels and homes in and around Amsterdam.

- On 20 May 2015, VolkerWessels increased its stake in PGB Holding B.V. from 50% to 100%, which is the parent entity of Westo Prefab Betonsystemen B.V. ("**Westo**"). Westo sells and manufactures a wide range of precast concrete elements and supplies projects for VolkerWessels' operating companies in the Netherlands – Construction & Real Estate

Development and the Netherlands – Infrastructure segments. Westo is a key supplier for the MorgenWonen initiative that VolkerWessels operates in the Netherlands (see "*—The Netherlands—Construction & Real Estate Development—Recent projects*").

- On 1 July 2014, VolkerWessels acquired Mainline Construction Ltd, which operates mainly in the north-west of the province of Alberta, Canada. The company specialises in underground infrastructure and area development and is also active in the oil and gas industry, broadening VolkerWessels' capabilities in the region.

Medium-Term Objectives

The Company has set the following medium-term objectives, which it aims to achieve by executing its strategy as described in "*—Strategy*":

Revenue growth: leverage its leading position in the Netherlands[35] to capture growth opportunities in the Dutch construction market and to focus on its selected international niche positions to achieve profitable growth over market volume growth in each of VolkerWessels' respective markets, with a compound annual growth rate of 3% to 4% from a 2016 normalised revenue base (excluding a €79 million increase in revenue from the Netherlands – Construction & Real Estate Development segment as a result of an increased participation interest in the North-South subway line project in Amsterdam due to the consolidation of VolkerWessels' previous partner's interest in the project in 2016).

EBITDA and EBITDA margin: achieve growth of EBITDA in absolute terms and an annual EBITDA margin on average of 4.5%-5.5% in the medium term.

Capital expenditure: a sustainable capital expenditure level of approximately 1.3% of the Company's annual revenues'.

Working capital: develop its trade working capital position in line with revenue development, further improve efficiency on strategic working capital by approximately €100 million, focus its land bank on actionable development.

Tax: to have the losses carried forward of €40 million, as at year-end 2016, to be fully utilised in the medium term.

Capital allocation: focus on efficient use of employed capital and targeting a ROCE higher than 18.0%.

The Company has not defined, and does not intend to define, "medium term". These medium-term financial objectives should not be read as forecasts or projections for any particular year, but are merely objectives that result from the Company's pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of this Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, including but not limited to, those described in "*Important Information—Information Regarding Forward-Looking Statements*" and "*Risk Factors*". Investors are urged not to place undue reliance on any of the statements set out above.

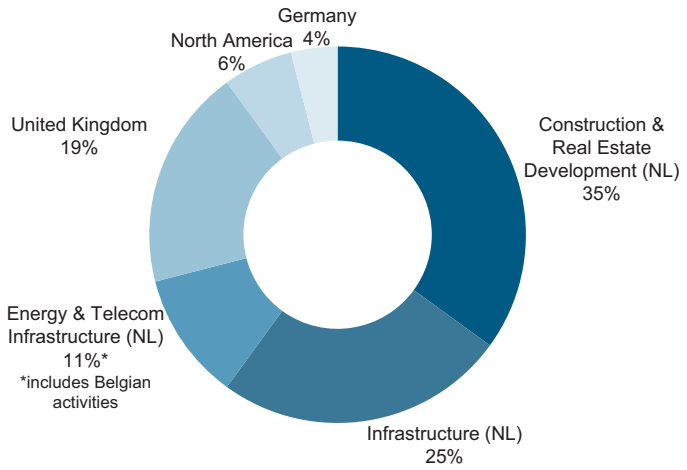
Operational segments

VolkerWessels' operations in the Netherlands are divided into three segments: the Netherlands – Construction & Real Estate Development; the Netherlands – Infrastructure; and the Netherlands – Energy & Telecom Infrastructure. VolkerWessels' international operations are divided into three regional segments: VolkerWessels UK; VolkerWessels North America (in Western Canada and the north-west of the United States); and VolkerWessels Germany.

35 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2016 compared to the 2016 revenues in the Netherlands of large peers, as derived from their 2016 or latest available financial statements.

The following diagram illustrates for each operational segment the contribution to the total revenue of VolkerWessels in 2016:

VolkerWessels Operational Segments



Note: Segmental split is based on VolkerWessels' total revenue in 2016 excluding revenue of Other, which accounted for 1.3% of the total revenue of VolkerWessels in 2016. "Other" includes non-segment activities such as facility management services of PCH, Matex rental income, Volcap insurance and holding company costs.

The order book[36] for VolkerWessels as of year-end 2016 amounted to €8,157 million, which was an increase of approximately 5.8% and 21.3% from the order book levels as of year-end 2015 and 2014, respectively (year-end 2015: €7,712 million; year-end 2014: €6,722 million). The order book for VolkerWessels has grown each year since 2011 on the back of additional volume and longer term contracts.[37] The solid growth of the order book in 2016 was a result of a number of factors including a better pipeline of work in the Netherlands – Construction & Real Estate Development segment and longer term contracts in the Netherlands – Energy & Telecom Infrastructure segment in 2015 and new rail contracts in the Netherlands – Infrastructure segment and the new orders of KWH in 2016[38].

The Netherlands – Construction & Real Estate Development

Overview of operations

VolkerWessels' the Netherlands – Construction & Real Estate Development segment is the market leader in the Dutch construction market in terms of revenue[39]. This segment consists of companies that are mainly active in residential and non-residential construction and renovation, the provision of technical installation services, real estate development (both for VolkerWessels' own risk and for third parties) and industrial construction supply. In addition to construction and development activities, VolkerWessels' operating companies provide maintenance, planning and specialist services to support projects carried out by third parties and by its own operating companies in the Netherlands – Construction & Real Estate Development segment.

36 Projects that are acquired are included in the order book, which is used as an important tool to monitor and report expected revenue for current and future years. The Company believes that accounting of the VolkerWessels order book is conservative – a project and its estimated revenue is only recognised in the order book if there is a signed contract and work is expected to start within one year, or for framework contracts, only the work packages that are agreed initially by the client.

37 The order book for VolkerWessels for 2011, 2012 and 2013 was approximately €5.5 billion, €5.6 billion and €6.5 billion, respectively. The CAGR for the order book for VolkerWessels over the period 2011 to 2016 and the period 2014 to 2016 was approximately 8.3% and was approximately 10%, respectively.

38 The order book has been positively impacted by organic growth and acquisitions in the periods 2014-2016 despite the negative impacts from exchange rates (particularly from the VolkerWessels UK segment) in 2016.

39 VolkerWessels analysis is based on a comparison of own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements.

The operations of the Netherlands – Construction & Real Estate Development segment can be divided into four units: (i) construction, (ii) real estate development, (iii) technical installation services, and (iv) industrial construction supply. Within the segment, a network of operating companies maintain a local presence, which allows for building and developing customer relationships from the start to the end of the construction and development process and increases the commercial effectiveness of each locally operating company.

VolkerWessels has 37 separate and local operating companies in the Netherlands – Construction & Real Estate Development segment. Geographically, the construction companies are grouped and managed in three regions: Netherlands West, Netherlands North-East and Netherlands South. These companies operate within the VolkerWessels' risk management framework of VolkerWessels and mainly within their region and undertake projects of varying size, type, form of contract and customer according to the specialisation of the particular company.

In the period from 2013 to 2015, the revenue of most of the local operating companies in the Netherlands – Construction & Real Estate Development segment was approximately €40 million to €60 million. Approximately 78% of projects by revenue were smaller and mostly residential projects with a contract size of less than €50 million, and larger projects involving a contract size in excess of €50 million generally included a higher proportion of non-residential real estate construction and development.

In 2016, the revenue for the Netherlands – Construction & Real Estate Development segment was €1,946 million, or 35% of the total revenue of VolkerWessels and the EBITDA was €79 million, or 31% of the total EBITDA of VolkerWessels in that year. For the Netherlands – Construction & Real Estate Development segment, the order book was €2,737 million as of 31 December 2016 (year-end 2015: €2,514 million; year-end 2014: €2,030 million) and is calculated as the estimated total revenue of signed contracts.

The Netherlands – Construction & Real Estate Development segment employed an average of 3,627 employees in 2016 based on a full-time contract (fte) (2015: 3,478 employees (fte); 2014: 3,221 employees (fte)).

Principal operating companies and activities

Construction

VolkerWessels' construction operations in the Netherlands focus on the construction, renovation and restoration of residential and non-residential buildings, such as homes, offices, commercial premises and shopping centres, but also on industrial construction, such as industrial sites and factories. The construction operating companies in the Netherlands – Construction & Real Estate Development segment are managed in three regions: Netherlands West, Netherlands North-East and Netherlands South. These local operating companies have specific expertise in which they excel and also draw upon the expertise of each other. An expert company is assigned for each of the relevant regions of the Netherlands, which provides support and coordination of specialist services from other operating companies for projects that are undertaken by an operating company where a project requires speciality construction expertise that the local company cannot provide or to manage risks and maximise results of a project.

The number of houses constructed and delivered by VolkerWessels' construction operating companies in the Netherlands in 2016 was 2,669 (2015: 2,436; 2014: 4,195). The number of houses for 2014 was positively influenced by the construction and delivery of approximately 1,350 student rooms. The number of houses sold from VolkerWessels' own development in the Netherlands in 2016 was 2,448 (2015: 2,373; 2014: 1,613). In general for VolkerWessels' own development projects, approximately 20-25% of the sales price of a house is related to land costs, 55-60% is related to construction costs, 10% is related to additional project costs and an average margin between 5-10%.

Real estate development

VolkerWessels' the Netherlands – Construction & Real Estate Development segment develops residential and non-residential real estate for sale. This includes large and complex development projects, such as high-rise building projects at the Zuidas in Amsterdam, inner-city developments as well as large urban expansion programmes. These development activities are undertaken either for VolkerWessels' own development risk or for the development risk of third party clients. Housing

construction projects in the Netherlands typically commence only if 70% of the homes for sale are sold and the buyers have secured the financing of these, which is VolkerWessels preferred approach to commencing its development projects. In addition, the construction phase is typically financed through external debt with a tenor of 2-3 years, paid upon completion or sale of the project. In 2014 and 2015, VolkerWessels typically paid floating interest rates of around EURIBOR plus an additional 2.5% to 3.0% per annum on such financings. Furthermore, based on VolkerWessels' analysis, land typically accounts for 20% to 25% of the start-up costs of a typical construction project.

VolkerWessels owns plots of land and the right to develop/build on plots of land in the Netherlands as part of its real estate development activities. This includes land that is owned by VolkerWessels or jointly with others as well as land for which VolkerWessels has an option to purchase and/or rights to develop. VolkerWessels may opportunistically acquire or sell land or developed real estate projects for future development. This whole portfolio or "land bank" (*grondbank*) consists of land positions throughout the Netherlands and construction and development rights at prime locations in Amsterdam, The Hague, Eindhoven and other locations in the Netherlands.

VolkerWessels is the owner of a number of high profile development rights across the Netherlands, which are currently not recognised on the balance sheet and are therefore not included in the calculation of the land bank's book value.[40] According to independent valuator Cushman & Wakefield these development rights had a market value of approximately €100 million as of 1 February 2017[41], including:

- NDSM Wharf, Amsterdam – a 445,000m^2 waterfront and media wharf development, combining district, residential, commercial and marina activities. VolkerWessels holds a 40% ownership[42] for the media wharf development and a 65% ownership for the waterfront development and is responsible for 100% of the construction work.
- Sonate, The Hague – a 65,000m^2 residential development to construct approximately 400 apartments and a luxury hotel with more than 200 rooms. VolkerWessels holds a 50% ownership for the development.
- Strijp-S, Eindhoven – a 435,000m^2 project to develop a former Philips industrial location into a residential, commercial, leisure and office development.

The decision-making process for the acquisition of land for future development and the assumption of property development risk is subject to strict internal procedures. Every land property acquisition requires the approval of the Netherlands – Construction & Real Estate Development board. For property development projects with a value above €25 million, the Management Board must approve the transaction, and for projects with a value above €50 million, the Supervisory Board must give its approval.

As at 31 December 2016, VolkerWessels owned a land bank (directly held and through joint ventures and associates) with a book value of €316 million, consisting of:

- €294 million of land positions in the Netherlands of which €208 million are directly held land positions and €86 million are held through joint ventures and associates; and
- €22 million of directly held land positions in North America.

Based on VolkerWessels' analysis, the timing till development of the land bank positions in the Netherlands (with a total book value of €294 million as at 31 December 2016, including the land positions directly held and held through joint ventures and associates) can be broken down as follows: approximately €133 million to be developed in the short-term (1-2 years), €129 million to be developed in the medium-term (2-5 years) and €32 million to be developed in the long-term (longer than 5 years). Subject to suitable market conditions, the Company intends to divest its land positions in North America in the medium-term.

The market value of VolkerWessels' land bank in the Netherlands as at 1 February 2017 appraised by the independent valuer Cushman & Wakefield, was higher than the book value recognised by VolkerWessels as at 31 December 2016. See "*Valuation Report*" prepared by Cushman & Wakefield in relation to the VolkerWessels portfolio of land positions.

40 Except for €10 million in work in progress.

41 Market valuation by Cushman & Wakefield as at 1 February 2017.

42 VolkerWessels is in late-stage negotiations to increase its share to approximately 70%.

Technical Installation Services

The technical installation services activities of the Netherlands – Construction & Real Estate Development segment covers the full range of design, building and maintenance of mechanical and technical installations. VolkerWessels' operating companies provide complete engineering services in connection with the installation project, including 3D installation drawings and project design. The technical installations also include energy systems, and increasingly sustainable or renewable energy supply systems. After the preparation and realisation of a renewable energy system, VolkerWessels' services include managing and monitoring the energy supply from these installations.

Almost all technical services operations for the Netherlands are performed through VolkerWessels' installation company, HOMIJ Technische Installaties B.V. This company is active in the realisation and maintenance of mechanical and technical installations, and designs, builds and maintains installations for a variety of buildings such as schools, hospitals and offices. It is one of the larger installations companies in the Netherlands and provides services to the VolkerWessels operating companies as well as third parties.

Industrial construction supply

The Netherlands – Construction & Real Estate Development activities benefit from a degree of independence from third party suppliers and contractors, as VolkerWessels' operating companies have access to concepts and solutions developed by the VolkerWessels' own in-house supplier. The VolkerWessels' in-house supplier supplies and leases cranes, scaffolding, formwork and other construction equipment. The majority of the services provided by VolkerWessels' in-house supplier are to other VolkerWessels operating companies although some services are provided to third parties. This gives VolkerWessels insight into the current market situation and provides it with a minimum capacity and a good benchmark for prevailing market prices, which assists it in developing competitive bids in tender processes.

VolkerWessels also operates as a subcontractor and supplier of, for example, pre-fabricated and tailor-made concrete elements, pre-fabricated wooden structures, like roofs and facades, joinery activities and pre-fabricated bathrooms, and custom doors and special doors (such as sliding doors and fire doors). These construction supply activities allow VolkerWessels to assemble houses via an industrial platform through cooperation between various VolkerWessels operating companies that specialise in building supplies.

Clients

VolkerWessels' the Netherlands – Construction & Real Estate Development segment services a range of clients in different sectors (residential or non-residential) and with different project sizes. In acquiring contracts, the companies of the Netherlands – Construction & Real Estate Development segment benefit from the financial capacity and reputation of VolkerWessels.

This segment's clients include the residential activities of municipalities, housing associations, local developers, owners and investors. The non-residential activities service public customers (such as municipalities and ministries), semi-public customers (such as healthcare institutions and school boards) and private customers (such as construction companies and real estate developers). In 2016, the Council of Amsterdam (*Gemeente Amsterdam*), in connection with the North-South subway line project, was the largest client for the Netherlands – Construction & Real Estate Development segment. Visser Smit Bouw started this project to do the finishing works (*afbouw*) of the underground metro stations together with its consortium partner, Royal Imtech N.V. As a result of the insolvency of Royal Imtech N.V. in 2015, VolkerWessels was required to increase its contractual commitments to the construction consortium for the construction and development of the project.

Generally speaking, most of VolkerWessels' the Netherlands – Construction & Real Estate Development operating companies have a large number of different clients, limiting client concentration. This results in a fairly limited client and project dependency. In 2016, 25% of the revenue of the Netherlands – Construction & Real Estate Development segment was generated from contracts with the top ten largest clients for that operational segment. A number of individual VolkerWessels companies generate a large part of their revenues for one or more large clients; for example, the ongoing construction works at Schiphol airport in Amsterdam (The Netherlands).

VolkerWessels has a diversified client base with a majority of its revenue from the Netherlands – Construction & Real Estate Development segment being acquired through the network of local companies. Accordingly, the Netherlands – Construction & Real Estate Development segment has a high share of direct commissions or referrals from other VolkerWessels companies and a lower dependency on projects commissioned through tenders. Also, VolkerWessels' operating companies are engaged in various recurring activities through service and maintenance contracts. On average, from 2013 until 2015, only 33% of all revenue generated by the Netherlands – Construction & Real Estate Development segment originated from projects awarded through tenders. The other 67% of revenue originated from projects that were contracted through VolkerWessels' extensive network of its local operating companies, including VolkerWessels affiliates and companies not affiliated to VolkerWessels.

The order book for the Netherlands – Construction & Real Estate Development segment as of year-end 2016 includes 2 of the top ten largest projects of the total order book for VolkerWessels as well as a mixture of third-party and own-development projects.

Recent projects

The following projects and services have been included to give an impression of the work carried out by the Netherlands – Construction & Real Estate Development segment, rather than for their size by revenue or profit contribution.

- As part of a joint venture between VolkerWessels' real estate development operating company, G&S Vastgoed B.V., and OVG Real Estate, the Company is undertaking the development and construction of the new ING headquarters and the redevelopment of the former ING headquarters into approximately 450 apartments and commercial retail property in Amsterdam. VolkerWessels acquired the former ING headquarters for the redevelopment project.

- The innovative MorgenWonen concept, involving far-reaching industrialisation of housing construction, has proven to be a driver for innovative developments. The concept involves the construction of a residential house in one day, so that it is habitable the next day. The project achieves to reduce realisation times through pre-fabrication of housing, continued development of sustainable and energy neutral housing and lower on-site dependency on construction workers. As of 2016, VolkerWessels is expanding this innovative concept to include a smaller version, developed especially for corporations wishing to replace old rented properties with affordable and sustainable new buildings to reduce energy costs.

- The city hall in Hardenberg, the Netherlands, opened in 2012. It is considered the most sustainable city hall in the Netherlands. Innovative solutions have made the building with a total floor surface area of 10,000 m^2 and five floors highly energy neutral. It has an innovative design which provides the city hall with a compact shape. The building has various sustainable elements: warm air of the computers is used to heat water, shutters reflect the sun in the summer so the inside temperature stays at reasonable levels, the roof collects water which is used to hydrate the deck of the two-floor parking garage. Five VolkerWessels companies were involved in the design and construction of the city hall.

- VolkerWessels designed and built a new accommodation for the International Criminal Court in The Hague. The construction commenced in April 2013 and has been in use since it was finalised in December 2015. It has six towers, three courtrooms, 511 parking spaces (spread over an attractively designed dune landscape) and a covered bicycle park with space for 425 bicycles. The tallest building, the Court Tower, is 42 metres high. The complex has various facilities, including a conference centre, restaurant, library with literature on international criminal law, waiting rooms for witnesses, a press centre, warehouse and storage area and houses 1,200 workplaces. The total surface area of the site is 72,000 m^2. The strictest security measures applied for the complex programme of requirements and the requirements for the accommodation. The contract was carried out under the NEC3 model, a contract form originating from the UK and not often used in the Netherlands, for which VolkerWessels drew on the support of employees of VolkerWessels UK as well as cooperation of multiple VolkerWessels operating companies. The primary principles of this contract form are transparency, cooperation, sharing opportunities and risks, and a joint drive for optimal value for money.

The Netherlands – Infrastructure

Overview of operations

The VolkerWessels' the Netherlands – Infrastructure segment is the market leader in the Netherlands infrastructure market in terms of revenue[43]. VolkerWessels' operations have a decentralised organisational structure with shared expertise and a centralised risk assessment and governance model. The segment's operations are implemented by seven key companies and a number of direct and indirect subsidiaries that operate independently under a subsidiary company. They undertake activities in the design and realisation, integrated project management and maintenance of infrastructure projects in connection with civil works, road construction (including asphalt production), concrete and hydraulic engineering, railway infrastructure construction, traffic management and traffic technology, and smart mobility.

VolkerWessels' operating companies carry out projects directly for clients or with other VolkerWessels specialist operating companies or as part of a consortium with other third parties that provide infrastructure services (typically through a general partnership structure). VolkerWessels is differentiated through its knowledge and expertise, its local management and presence throughout the Netherlands and its investment in centrally organised project management expertise and processes, maintenance capabilities, and inspection and monitoring activities to support existing businesses.

In 2016, the revenue for the Netherlands – Infrastructure segment was €1,371 million, or 25% of the total revenue of VolkerWessels in 2016 and the EBITDA for the segment was €73 million, or 29% of the total EBITDA of VolkerWessels. For the Netherlands – Infrastructure segment, the order book amounted to €1,562 million as of year-end 2016 (year-end 2015: €1,451 million; year-end 2014: €1,356 million) and is calculated as the estimated total revenue of the development projects in the next year.

The Netherlands – Infrastructure segment's average number of employees in the year 2016 based on a full-time contract was 4,900 (fte) (2015: 4,890 employees (fte); 2014: 5,064 employees (fte)).

Principal operating companies and activities

Road construction

VolkerWessels is the market leader in the Netherlands in terms of revenue in the construction, inspection and maintenance of roads and the production of asphalt. The activities are conducted through KWS Infra B.V.

The key activities of KWS Infra B.V. consist mainly of the construction, reconstruction and maintenance of roads and drainage, hardenings and sewers, earthwork, digging and asphalt production. It is also active in the design, realisation, management and maintenance of road systems. KWS Infra B.V. has direct and indirect participations in companies that supply raw and auxiliary materials needed for road construction (such as the extraction of sand and gravel) as well as participations in various companies which are supplemental to its activities, such as traffic diversion services (i.e. road barriers), road markings and coatings for road structures. It also owns a number of asphalt production sites, of which six sites are wholly owned (Staphorst, Doetinchem, Eindhoven, Roosendaal, Hoog Blokland and Harderwijk) and five sites are partially owned (Westerbroek (42%), Stegeren/Bovenveld (50%), Rotterdam (65%), Utrecht (62.5%) and Amsterdam (50%)).

KWS Infra B.V. is active in the construction of large, complex and multi-disciplinary projects and medium- and small-sized projects for local governments and privately held companies. VolkerWessels' other local group companies include specialists in the field of noise barriers (providing design, construction and maintenance services for all conceivable types of noise barriers), the development of road materials for the roads constructed of 100% recycled material as an ideal sustainable alternative to conventional road structures, and other operating companies that are active in the construction and maintenance of roads, car parks, industrial estates, urban reconstructions, site preparation of land properties, drainage works and basins.

43 VolkerWessels analysis is based on a comparison of own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements.

Railway construction and technology

The Netherlands – Infrastructure segment is active in the construction, management, inspection and maintenance of rail roads. Traditionally, VolkerWessels was primarily active as a rail contractor. The rail infrastructure business now includes activities related to tramways, metro lines, rail and light rail, industrial rail, crane rails, locks, tunnels, bridges, drains and dams. Besides the construction of new tracks, VolkerWessels' services also include inspection and maintenance activities for existing tracks.

VolkerRail Nederland B.V. is the main VolkerWessels operating company responsible for railway construction in the Netherlands. It has a large maintenance department, focused on rail infrastructure-related inspection and maintenance services, as well as the maintenance of other types of steel structures such as bridges.

VolkerWessels provides the necessary equipment (such as small machine tools, hose reel carts, excavator or mounting units and, tamping machines) required for implementation of the various railway construction and maintenance projects. This includes holding a transport licence, which allows VolkerRail to operate as a carrier on the national network. VolkerWessels' operating companies also provide specialist services in consulting and engineering management, maintenance, inspection and monitoring of infrastructure, as well as telecommunications, data infrastructure and IT relating to rail infrastructure.

Civil engineering activities

VolkerWessels' civil engineering activities in the Netherlands include the design, building and maintenance of various kinds of civil structures, including bridges, viaducts, flyovers, tunnels, underpasses, underground stations, basements and foundations. Part of the civil engineering projects are realised in or near water, such as harbour structures (quays, piers and slackening structures) and protection and regulation works (dams, drains, water pumping stations, sewer purification facilities and dike reinforcements) to address rising sea levels and renovation programmes for existing infrastructure. VolkerWessels also provides specialist materials to assemble foundations and hydraulic steel structures on water sites.

Van Hattum en Blankevoort B.V. is the main VolkerWessels operating company that is responsible for the civil engineering activities in the Netherlands. The company has a long history dating back to 1831.

Management of multi-disciplinary projects

As part of its infrastructure activities in the Netherlands, VolkerWessels has a dedicated operating company that provides specialist project management and asset management services. This specialist company ("VolkerInfra") provides knowledge and expertise to other VolkerWessels operating companies and clients in the fields of management, design and engineering for large, multi-disciplinary tenders, projects and maintenance contracts, as well as support for project and contract management, process management (such as quality assurance, systems engineering, risk management, integrated security and planning), environmental impact monitoring and communications, traffic management, finance and control of the project and the entire management of the design and construction operations.

Traffic management systems

VolkerWessels' the Netherlands – Infrastructure segment includes the activities undertaken by Vialis, which specialises in designing, building and maintaining traffic systems, managing traffic flow and smart mobility, providing a wide range of intelligent services and solutions including Dynamic Traffic Management (DTM), traffic-related services, traffic engineering advice and traffic control installations, tunnel systems, electrical installations for bridges, locks, dams, pumping stations, water treatment plants and public lighting. Vialis also provides specialist services such as design and engineering for complex, multi-disciplinary projects that are undertaken by the Netherlands – Infrastructure segment and is involved in Dutch public initiatives concerning smart roads, self-driving cars/buses and smart mobility.

Other activities

The Netherlands – Infrastructure segment also includes specialised activities in relation to mechanical systems for road, civil engineering, water and rail ways, traffic and parking management activities, engineering and advice, and the management, maintenance, distribution and lease of materials to other VolkerWessels entities. In addition, the segment also has an in-house engineering firm that specialises in providing research and advice services for planning and development, buildings, mobility and infrastructure, energy and sustainability and water and industry to both VolkerWessels companies and third parties, as well as a specialist operating company that provides services in relation to facility management and on-street parking or a garage parking facility services, including monitoring, cleaning and maintenance, security, winter maintenance and traffic regulation.

Clients

Local, regional and national governments, semi-governmental organisations and industrial companies are responsible for the majority of projects in the Netherlands – Infrastructure segment, with approximately 15% of revenue from the segment being derived from the Dutch Directorate-General for Public Works and Water Management (*Rijkswaterstaat*), approximately 45% from local and regional governments and approximately 40% from state-owned and private enterprises[44].

In 2016, 58% of the revenue of the Netherlands – Infrastructure segment was generated from contracts with the segment's top ten largest clients. The largest client of VolkerWessels' infrastructure segment by revenue is the Dutch Directorate-General for Public Works and Water Management (*Rijkswaterstaat*). Other clients include almost all Dutch municipalities, port authorities and provinces as well as Schiphol airport and the Dutch rail network provider ProRail. The segment is largely dependent on publicly commissioned projects that are won through tenders.

Although the Netherlands – Infrastructure segment works on some of the largest projects in the Netherlands, only approximately 15% of the revenues originates from projects with a contract size of over €50 million for the year ended 2015 and 54% of the revenue of the infrastructure segment for the year ended 2015 originates from projects that have an individual contract size of less than €5 million. This focus on regular regional and local projects provides stability and results in a low dependency on individual projects, which enables VolkerWessels to bid selectively on large and complex projects.

The order book for the Netherlands – Infrastructure segment as of year-end 2016 includes 3 of the top ten largest projects of the total order book for VolkerWessels and also is comprised of mostly larger multi-disciplinary projects. Smaller projects for the segment are acquired throughout the year and not fully captured by the order book.

Recent projects

The following projects and services have been included to give an impression of the work carried out by the Netherlands – Infrastructure segment, rather than for their size by revenue or profit contribution.

- The widening of the Schiphol – Amsterdam – Almere (SAA) motorway counts as the Netherlands' biggest road building project at this moment. The new motorway will facilitate traffic flows and improve access to the northern part of the Amsterdam metropolitan region. In this road programme, the SAAone consortium, in which VolkerWessels has joined forces with external partners, is responsible for the design, building, financing and 30 years of maintenance of the widening of a 20-kilometre stretch of the A1 and A6 motorways between Diemen and Almere Havendreef. The widened section between Diemen and the Hollandse Brug bridge now has 2 x 5 lanes, and continues from there with 4 x 2 lanes to the Hogering at Almere. 2015 brought the opening of the Hollandse Brug, which, together with another bridge, connects North Holland province to Flevoland province. Other striking elements are the new railway bridge at Muiderberg, which was placed within one weekend, Europe's widest aquaduct below the Vecht at Muiden and the new bridge over the Amsterdam Rijn Canal with the new connecting road between the A1 and A9 at the Diemen junction.

44 VolkerWessels analysis based on revenues per client over the period 2010 to 2015.

- OVSAAL is the project name of the works on the rail road connecting Schiphol airport, Amsterdam, Almere and Lelystad. Because of increasing mobility in these areas, ProRail wanted to expand its rail capacity on the south side of Amsterdam. Between the Schiphol and Duivendrecht stations eight kilometres of new rail tracks were built. Sixteen viaducts were demolished, replaced, moved or expanded and two additional bridges were built. Three VolkerWessels companies have been working on this project, which was completed in 2016.
- In Utrecht, the Netherlands, the Jaarbeursplein is being renewed. Below this square in the city centre, VolkerWessels participates in constructing an underground car park. This will offer up to 800 parking spaces over three floors for cars of travellers, shop and hotel visitors, and office employees. The municipality is developing the car park and two VolkerWessels companies are involved. The tender has been awarded on the basis of various criteria, including environment, phasing, soil and sustainability, management, maintenance, operation, organisation and cost control. The construction works started in 2015 and are expected to be completed in 2018.

The Netherlands – Energy & Telecom Infrastructure

Overview of operations

In the Netherlands, VolkerWessels is the largest player in the Dutch market in terms of revenue for the design, construction and maintenance of energy and telecom infrastructure[45]. The energy infrastructure business comprises companies that are active in the design, building and maintenance of pipelines, cables and boreholes for the transport of heat, steam, gas, oil, water, and electricity. The telecom infrastructure business is mainly active in the design, build, management and maintenance of underground and above ground network solutions.

VolkerWessels' activities in the Netherlands – Energy & Telecom Infrastructure segment also include the construction of fixed and mobile networks, data centres, cooling and air conditioning installations, electrical charging points, CCTV and access control systems in Belgium.

In 2016, the revenue for the Netherlands – Energy & Telecom Infrastructure segment was €649 million, or 11% of the total revenue of VolkerWessels in 2016 and the EBITDA for the segment was €31 million, or 12% of the total EBITDA of VolkerWessels in that year. For VolkerWessels' Energy & Telecom Infrastructure segment, the order book amounts to €1,151 million as of year-end 2016 (year-end 2015: €1,378 million; year-end 2014: €876 million).

The Netherlands – Energy & Telecom Infrastructure segment employed an average number of employees over the year 2016 based on a full-time contract of 2,819 (fte) (2015: 2,955 employees (fte); 2014: 3,099 employees (fte)).

Principal operating companies and activities

Energy infrastructure

VolkerWessels' energy infrastructure division of the Netherlands – Energy & Telecom Infrastructure segment operates through Visser & Smit Hanab B.V. and an extensive network of direct and indirect subsidiaries, participations and joint ventures in which it participates, mostly in the Netherlands, but also in Belgium and some other jurisdictions. Visser & Smit Hanab B.V. specialises in both underground and above ground wiring, piping and cable infrastructure. There is an increasing demand for integrated, total solutions, requiring in-depth knowledge and engineering capability. VolkerWessels' business aims to differentiate from its competitors by servicing the entire value chain and being active in the development, engineering, design, construction and maintenance of connections, networks and installations for energy, water and (petro)chemistry.

The business of the Visser & Smit Hanab B.V. group is divided in five business units, which include construction of underground transport connections for longer cables, pipes and wires, specialists in drilling (such as horizontally directed drillings (or HDD) microtunneling and rocket drillings), distribution networks and residential home connections and related installations, works

45 VolkerWessels analysis is based on a comparison of own revenues in the Netherlands for the financial year ended 31 December 2014 compared to the 2014 revenues in the Netherlands of large peers, as derived from their 2014 or latest available financial statements. Revenue of competitors may not be calculated on a fully comparable basis to VolkerWessels.

related to underground and above ground wires and pipes, and water and distribution networks and industrial cabling in Belgium.

Besides its activities in the Netherlands and Belgium, the Visser & Smit Hanab B.V. group is active in other jurisdictions (such as the United Kingdom and Norway), in which it mainly is involved in HDD activities, the landing of offshore cables pipes for gases, liquids and energy, as well as cover pipes for data cables.

Telecom infrastructure

The telecom infrastructure division of the Netherlands – Energy & Telecom Infrastructure segment operates through Volker Wessels Telecom B.V. Volker Wessels Telecom B.V. offers a complete portfolio of passive infrastructure: copper, glassfibre and mobile with 24/7 services.

The business of Volker Wessels Telecom B.V. is divided into three main business units:

- Infratechniek business unit: geographically divided in different regions in the Netherlands: (i) north-east, (ii) north-west, (iii) south-east, (iv) south-west, and (v) nationwide projects. This business unit is active in the design, build and management of different kinds of permanent networks. This regards both fibre as copper networks for multiple users.
- Services business unit: specialises in corrective and preventive maintenance of underground and above ground telecom infrastructures.
- Network solutions business unit: builds, maintains and provides mobile and indoor communication networks.

The operations of Volker Wessels Telecom B.V. in Belgium (operated independently through its subsidiary VolkerWessels Telecom Belgium N.V.) includes the supply of telecom technology to the Belgian market. VolkerWessels is currently in the process of merging its energy infrastructure activities and the telecom infrastructure activities in Belgium.

Clients

In 2016, approximately 65% of the revenue of the Netherlands – Energy & Telecom Infrastructure segment was generated from contracts with the segment's top ten largest clients.

Energy infrastructure

The energy infrastructure clients mainly consist of large energy companies, network managers, water companies, large industrial companies, governments or other organisations in the Netherlands. Visser & Smit Hanab B.V. also services customers in Northern Europe, in relation to HDD activities only.

Telecom infrastructure

The telecom infrastructure market demands a comprehensive approach of the entire chain, from design to construction to management to services. Volker Wessels Telecom B.V. provides end-to-end solutions for major telecom infrastructure companies. The Dutch incumbent operator KPN is the largest client of Volker Wessels Telecom B.V. A five-year contract with KPN was extended in December 2015 for a further five years with an option for KPN to extend for an additional three years. In addition, large telecom providers such as Vodafone-Ziggo and Tele2 are among the clients of Volker Wessels Telecom B.V. Volker Wessels Telecom B.V. furthermore carries out works for the public sector operators and other business-to-business companies, such as Eurofiber. Approximately 95% of the 2016 sales of the Volker Wessels Telecom B.V. operations were in the Netherlands, with the remainder in Belgium.

The order book for the Netherlands – Energy & Telecom Infrastructure segment as of year-end 2016 includes the long-term framework contract with KPN, which is the largest project in the total order book for VolkerWessels.

Recent projects

The following projects and services have been included to give an impression of the work carried out by the Netherlands – Energy & Telecom Infrastructure segment, rather than for their size by revenue or profit contribution.

Recent energy infrastructure projects

- Visser & Smit Hanab N.V. constructed a unique heating network which will reuse the residual heat from the Rotterdam harbour to heat 50,000 households in the south of Rotterdam. The pipeline network is fully underground and 26 kilometres long. Visser & Smit Hanab B.V. will also be responsible for the maintenance of the network. The network is designed to enable other companies to use the network and it can also be linked to other sustainable energy resources resulting in a large CO_2 reduction.

- The Shell TGU (thermal gasoil unit) project consists of a complete renovation of two large furnaces in the thermal gasoil unit. The work included the construction engineering, the work preparations, the partial demolition of the existing TGU plant, the installation of new furnaces, reparation of the parts still in use and reinstallation of gas channels. Given the small project area, comprehensive planning was applied to let the works proceed without delays for other parties at work on the site. As a result, the project was completed within 28 days after starting the work.

Recent telecom infrastructure projects

- Over the course of two years, VolkerWessels has built 67 new antennas for the C2000 network, which is the communication network for the ambulance services, fire brigade, military and police forces in the Netherlands. Before initiating this project, the network experienced coverage problems. The program ensures optimal reach and was completed in 2013.

- Volker Wessels Telecom B.V. is one of the parties that supported KPN from 2012 to 2014 with the nationwide rollout of its 4G network. Volker Wessels Telecom B.V. was engaged as one of the contractors to replace the existing 800 antennas by high-speed wireless LTE-antennas on the installation points of KPN. For sites where reconstruction of the existing infrastructure was needed, Volker Wessels Telecom B.V. executed the design and construction of the new infrastructure. Volker Wessels Telecom B.V. targets reducing the total cost of ownership and improving the quality and net promoter score for KPN.

VolkerWessels UK

Overview of operations

The VolkerWessels UK segment is active, through its UK operating companies, in the construction and infrastructure market. VolkerWessels' main activities in the United Kingdom are the delivery of multi-disciplinary civil engineering projects, specialist rail services, specialist marine, water and environmental engineering projects, highways maintenance and renewal projects, and industrial and commercial building. VolkerWessels UK's activities are principally focused in the geographic regions of the United Kingdom that are densely populated, including London and the south-east of the United Kingdom, and the M60 corridor.

The operating companies of VolkerWessels UK undertake various activities across the UK infrastructure market and work together to provide integrated construction project solutions to clients. These operations are supported by a shared service centre covering the majority of back office support such as finance, HR, IT, vehicle fleet management and other administrative services.

VolkerWessels' key activities in the United Kingdom include:

- Rail infrastructure – construction of renewals and enhancements of rail systems such as track, signalling and power, rail depots, stations and core infrastructure for heavy and light rail, as well as provision of operated plant to the mainline railway;

- Water and energy infrastructure – extensions to ports and harbours, marine piling, outfalls, flood alleviation and coastal protection, water utilities infrastructure, horizontal directional drilling and high voltage cable laying;

- Highways and airport infrastructure – provision of highways maintenance and renewals activities, airport infrastructure and paving construction; and

- Industrial and commercial construction – construction of industrial and commercial buildings and related civil engineering infrastructure such as distribution centres, office and industrial buildings and multimodal facilities.

In 2016, the revenue for the VolkerWessels UK segment was €1,071 million, or 19% of the total revenue of VolkerWessels in 2016 and the EBITDA for the segment was €34 million or 13% of the total EBITDA of VolkerWessels in that year. For VolkerWessels UK, the order book amounts to €1,176 million as of year-end 2016 (year-end 2015: €1,222 million; year-end 2014: €1,252 million) and is calculated as the estimated total revenue of signed contracts.

The VolkerWessels UK segment's average number of employees in 2016 based on a full-time contract was 2,590 (fte) (2015: 2,440 employees (fte); 2014: 2,219 employees (fte)).

Principal operating companies and activities

Construction – Industrial construction and civil engineering

VolkerWessels UK provides core civil engineering and infrastructure build programmes across a diverse range of capital projects:

- Infrastructure projects including renewals of airport infrastructure and resurfacing of runways, highways renewals, ports (on-shore) and infrastructure for significant distribution hubs and multimodal facilities, as well as the infrastructure and enabling works for on-shore wind farms and waste-to-energy facilities.
- Construction of industrial and commercial buildings, including manufacturing facilities, higher education facilities, offices and distribution centres, with a specialist capability in inner London redevelopment of heritage buildings.

Rail infrastructure

The Company believes that it holds a leading position in the rail infrastructure market in the UK[46] and the sector is a major part of the VolkerWessels UK operations, with VolkerWessels' companies involved in a large number of multi-year contracts across the country.

VolkerRail UK provides specialist rail services in the UK for both heavy rail (Network Rail) and light rail (such as DLR, Manchester Metrolink, Sheffield Supertram) and has over 70 years of operational experience in these sectors. VolkerRail UK often works in joint ventures with civil engineering and technology operations and design partners to provide an integrated service to clients where the specialist skills required for a project are held among the joint venture partners, resulting in limited use of subcontractors. VolkerRail UK is one of the few contractors that has been granted the required rail safety certificates to be able to work on the mainline UK railway. In addition, the VolkerWessels UK business undertakes rail civil engineering and construction programmes for infrastructure renewals and enhancements such as bridges and structures, as well as new or enhanced stations for Network Rail and delivery of new rail depots for Network Rail, Hitachi (Intercity Express Programme), Siemens (Thameslink) and Crossrail.

VolkerRail UK operates through two divisions: VolkerRail UK (major projects) and VolkerRail UK Specialist Business.

- The VolkerRail UK (major projects) business unit delivers complex rail enhancement programmes with a core focus on its specialist capabilities in track, signalling and electrification. It has been awarded a number of framework contracts to deliver multi-year packages of work such as electrification in the north-west of England for Network Rail. Notable projects include Manchester Metrolink, which is delivered through a joint venture with Laing O'Rourke in consortium with Thales and has delivered consecutive extensions to the Manchester tramway, providing 55 new stops and more than 60 kilometres of new track, and the Stafford Area Improvement Programme working in one of the first Network Rail Alliance programmes in partnership with Network Rail, Laing O'Rourke and Atkins delivering enhancements on the West Coast mainline to improve line speed, capacity and reliability.

46 Market positions in the UK are based on VolkerWessels estimates.

- The VolkerRail UK Specialist Business division has specialist railway skills and expertise, and delivers work packages for major enhancements, maintenance and renewals through its skilled workforce providing: (i) signalling and overhead line electrification, (ii) plant and welding, including delivery of the National Tamping Contract to Network Rail through its fleet of tamping machines, (iii) specialist metro construction and maintenance of track, and (iv) power engineering – the provision of specialist high voltage installations and electrification work packages.

Construction – Marine and environmental civil engineering

VolkerWessels UK carries out extensive and varied work across the marine, energy, water and environmental infrastructure sectors. The Company believes that it holds a leading position in the marine infrastructure market in the UK[47] and the VolkerWessels UK operating companies that are active in this business unit specialise in the provision of marine infrastructure and are leading providers of engineering solutions in flood risk management and water infrastructure[48]. This business unit also provides specialist piling for marine and other infrastructure, waste outfalls and land-based cabling for offshore wind infrastructure. It has a dedicated plant division to service its multi-year framework contracts, which include the Environment Agency (Water and Environment Management Framework) and the water and waste-water infrastructure enhancement frameworks for United Utilities.

Highway and airport infrastructure

VolkerHighways provides highway term maintenance contracts in London and the Home Counties covering a wide range of services including highways and footway repairs, general maintenance, lighting and surfacing. Through its joint venture between VolkerHighways, Colas and AECOM, it provides all of the maintenance for central London's main arteries for its client, Transport for London, and has recently completed the delivery of a number of new cycle superhighways. VolkerHighways also delivers surfacing, traffic management, urban realm enhancements and street lighting specialisms to support the term maintenance contract delivery as well as providing specialist support to other VolkerWessels UK businesses.

Other activities

The VolkerWessels UK operations also include specialist operating companies that provide services including waterproofing, strengthening and repair to bridges, tunnels, buildings, car parks, as well as railway, highways and marine infrastructure. VolkerLaser provides a wide range of specialist services and capabilities to clients across the built environment including concrete repair, bridge and podium deck waterproofing, crack injection, polyuria spraying, stitching and repair of brickwork and masonry, concrete structural repair, hydro demolition, liquid applied roofing, basement tanking, carbon fibre wrap, external wall insulation, bridge joints and bearing strengthening and cathodic protection.

Clients

VolkerWessels UK typically works as the main contractor for clients, and provides services for a number of public sector and regulated clients that include the Environment Agency, Defence Infrastructure Organisation, Network Rail Crossrail, United Utilities, Siemens and Hitachi. VolkerWessels UK is focused on acquiring long-term framework agreements with its clients, such as the agreement until 2021 with Transport for London for road maintenance and design and construction activities for central London road network.

In 2016, approximately 57% of the revenues generated by the VolkerWessels UK segment were generated from contracts with its top ten largest clients.

The order book for the VolkerWessels UK segment as of year-end 2016 includes 3 of the top ten largest projects of the total order book for VolkerWessels. The order book for the VolkerWessels UK segment does not typically include framework agreements unless contract volumes have been secured.

47 Market positions in the UK are based on VolkerWessels estimates.
48 Market positions in the UK are based on VolkerWessels estimates.

Recent projects

The following projects and services have been included to give some examples of typical projects carried out by VolkerWessels UK:

- Siemens (Thameslink) – VolkerFitzpatrick Limited was appointed by Siemens to design, build and commission two train care depots in Hornsey, north London and Three Bridges near Crawley, West Sussex. These depots will service and maintain the new Siemens Thameslink rolling stock and were built simultaneously by two VolkerWessels in-house specialist project teams. The project commenced in 2012 and was completed in 2016 with a project value of GBP220 million.
- AMP6 water framework – United Utilities appointed C2V+, a VolkerStevin and CH2M joint venture, as one of four Construction Delivery Partners (CDP). The AMP6 contract is a design and construct framework for the regulated investment period running from 2015 to 2020 and covers the full spectrum of works for both water and waste water across the north-west England geographic area for which United Utilities is responsible. The contract could be further extended to 2026.
- Thames Tideway Tunnel enabling works and Vessel Relocation – VolkerStevin is carrying out a number of packages of enabling works for main contractors to Thames Water, in advance of the construction of the Thames Tideway Tunnel, which will tackle pollution in the Thames. Key activities on the project are; tubular piling, sheet piling, general works, pier pontoon installations, Blackfriars lift and stairs, dredging and scour protection.
- Manchester Metrolink – Since 2007 MPT, a joint venture of VolkerRail and Laing O'Rourke in consortium with Thales, has been working with Transport for Greater Manchester (TfGM) to develop the UK's largest light rail scheme: Manchester Metrolink.

VolkerWessels North America

Overview of operations

VolkerWessels is active in North America in the infrastructure (construction and maintenance) segments in specific markets in the regions of Alberta and British Columbia in Canada and the greater Seattle area in Washington State in the United States.

In Canada, the VolkerWessels North America segment mainly focuses on the construction and maintenance of road and highways infrastructure (including its in-house supply of the production of asphalts and aggregates) and the construction and installation of underground (sewage, water, etc.) civil works and utilities. In the United States, the VolkerWessels North America segment is active in road construction, rehabilitation, foundation excavation, decorative and concrete flatworks, and civil engineering and underground utilities projects.

The VolkerWessels North America segment operations also undertake some real estate development activity as well as specialised construction activities.

In the geographic region in which VolkerWessels' Canadian operations are active, extreme weather conditions have an important impact on construction and maintenance activities, particularly in respect of road and highways maintenance. Infrastructure that is constructed in the spring and summer months (when the temperature can exceed 30 degrees centigrade) are subject to wear and tear after being exposed to the winter conditions of snow and ice, and temperatures that can drop to minus 30 degrees centigrade. As such, VolkerWessels' operating companies are involved in the management, construction and maintenance of road and utilities infrastructure under long-term or recurring contracts.

In 2016, the revenue for the VolkerWessels North America segment was €317 million which was 6% of the total revenue of VolkerWessels and the EBITDA for the segment was €46 million or 18% of the total EBITDA for VolkerWessels in that year. The majority of projects for the segment are smaller projects with a contract size of less than €10 million, and the average project size is generally larger in the US than in Canada. Approximately 22% of total revenue in 2016 for the VolkerWessels North America segment was related to maintenance activities. For VolkerWessels North America, the order book amounts to €886 million as of year-end 2016 (year-end 2015: €796 million; year-end 2014:

€891 million) and is calculated as the estimated total revenue of signed contracts and projects where VolkerWessels North America has an equity or debt investment.

The average number of employees for the VolkerWessels North America operations in 2016 based on a full-time contract was 1,223 (fte) (2015: 1,082 employees (fte); 2014: 1,124 employees (fte)).

Principal operating companies and activities

Roads and highways maintenance

The Company believes that its Canadian operations are market-leading in the road maintenance and the road construction industry in Alberta and British Columbia[49]. Its activities include projects for subdivisions, municipal roadways, major highways, parking lots, airports and bridge decks. In particular areas of the geographic region in which VolkerWessels operates in Canada, the oil and gas mining and forestry industries are a key focus for the Canadian national and regional governments. An integral part of the oil and gas mining and forestry industries infrastructure includes road access, which for public roads must be maintained on a year-round basis by the provincial governments. VolkerWessels' Canadian operating companies are well positioned to perform these construction and maintenance projects as part of the government infrastructure programmes.

The Canadian operating companies also undertake highways maintenance projects in connection with the network of highways in southern Alberta and are one of the largest business partners of the Government of Alberta. VolkerWessels through its operating company, Volker Stevin Highway Limited, is responsible for seven adjoining maintenance areas under two contracts, with a total of 8,000 2-lane kilometres of highways or 25% of provincial roadways. The contracts include the network west of Calgary to Banff National Park stretching down to Waterton National Park, east to the Saskatchewan border and south to the United States border, and involve responsibility for all preventative and corrective treatments including all surface, right-of-way and roadside structures, bridges, traffic control and emergency response measures on all highways within VolkerWessels' contract areas. These activities are supported by VolkerWessels strategic investment in the supply chain through its ownership of asphalt and aggregate production plants in Canada.

VolkerWessels' United States operations are active in roadwork construction and maintenance activities in the Seattle, Washington State area including the building and rehabilitation of roads, interchanges, intersections and the production of grading/paving materials. VolkerWessels believes that it is a leading infrastructure company in the Greater Seattle area[50].

Underground Utilities

The VolkerWessels North American operating company, Volker Stevin Contracting Limited, is one of the largest underground utility contractors in Western Canada, active in all aspects of sewer and water construction including large concrete box sewer installation, sewage lift stations, water reservoirs and storm retention ponds.

VolkerWessels' operating companies in the United States are mainly active in civil engineering projects building bridges, retaining walls and outfalls as well as underground utilities projects for the construction of storm and water drains, sanitary sewer, trenchless methods and electric utilities.

VolkerWessels' North America operations also include several operating companies that specialise in the following activities;

- the management of multi-faceted infrastructure projects, building new land developments, underground utility servicing and surface infrastructure (including deep trunk sewers and water feeder-mains, sewage lift stations, water reservoirs, storm retention ponds and outfalls);
- paving, sewer and water installations, excavation, site grading, sand and gravel supply, concrete works, highways maintenance and snow clearing services; and
- a special projects division, which is a group of professional engineers and project managers with vast experience in every facet of construction and project management.

49 Market positions in North America are based on VolkerWessels estimates.
50 Market positions in North America are based on VolkerWessels estimates.

Clients

Typically, customers of the VolkerWessels North American segment include local municipal governments, leading Fortune 500 companies (such as Boeing, Google and Microsoft (in the United States only)) and utility owners and provincial transportation ministries. In 2016, approximately 48% of the revenue of the VolkerWessels North America segment was generated from contracts with provincial or local municipal governments, which make up the segment's top ten largest clients.

The order book for the VolkerWessels North America segment as of year-end 2016 includes 1 of the top ten largest projects for the total order book for VolkerWessels, as well as a number of long-term maintenance contracts.

Recent projects

The following projects and services have been included to give an impression of the work carried out by the VolkerWessels North America segment, rather than for their size by revenue or profit contribution.

- Northeast Anthony Henday Drive – Volker Stevin Highways operates and maintains the Northeast Anthony Henday Drive for a 30-year period starting in 2016 when the highways becomes operational for traffic. This project includes 27 kilometres of six- and eight-lane divided roadway, nine interchanges, two road flyovers, eight rail crossings (flyovers), and two bridges across the North Saskatchewan River, for a total of 46 bridge structures. Partnership comprised Meridiam Infrastructure, ACS and HOCHTIEF.
- Boeing Composite Wing Center – Construction of the Boeing Composite Wing Center (including underground infrastructure and all roads), which will support the wing fabrication for the 777X program. The building can accommodate 25 football fields with its 1.3 million square-feet.
- Elliot Bay Seawall Replacement – Originally built between 1916 and 1934, replacement of the deteriorated seawall is necessary to provide an earthquake-resistant wall system capable of supporting extensive underground utility and right-of-way improvements along the Seattle waterfront. Specific elements of work performed by VolkerWessels' operating company, MidMountain Contractors Inc., include demolition of the existing seawall, excavation and grading, removal of contaminated soils, extensive buried-utility replacement, and roadway improvements.

VolkerWessels Germany

Overview of operations

The VolkerWessels Germany segment is active in the development and construction of real estate in selected prime cities and regions in Berlin, North Rhine-Westphalia, greater Frankfurt am Main and Munich. VolkerWessels is focused on the development and construction of high-quality residential property and low-cost subsidised housing located in prime cities. VolkerWessels Germany is also focused on project development of specialised elderly housing with developments catering for assisted care services and healthcare needs.

In recent years, the German housing market has seen substantial growth in the metropolitan areas of Berlin, Frankfurt, Hamburg, Munich and Cologne, with continued urbanisation and migration within and outside Germany leading to growing residential demand in large cities to match the population growth. For these metropolitan regions, a surplus demand in residential properties is expected. In addition, Germany is experiencing an ageing population that is driving demand for new housing types such as assisted living. VolkerWessels is well-positioned through its VolkerWessels Germany activities to benefit from strong market growth in the fast-growing regions.

In 2016, the revenue for the VolkerWessels Germany segment was €207 million, or 4% of the total revenue of VolkerWessels and the EBITDA for that segment was €12 million, or 5% of the total EBITDA of VolkerWessels for that year. For VolkerWessels Germany, the order book amounts to €667 million at year-end 2016 (year-end 2015: €351 million; year-end 2014: €402 million) and is calculated as the estimated total revenue of signed contracts.

The average number of employees for the VolkerWessels Germany operations over the year 2016 based on a full-time contract was 334 (fte) (2015: 333 employees (fte); 2014: 335 employees (fte)).

Principal operating companies and activities

The German business is conducted through Kondor Wessels Holding GmbH. It operates two business units: real estate development and real estate construction. They provide both residential and commercial property construction and development activities for VolkerWessels Germany's own account or for third-party land owned by clients.

Real estate development

Kondor Wessels Invest GmbH holds interests in special purpose entities that are formed to carry out property development activities for the risk and account of Kondor Wessels Holding GmbH.

As a property developer, VolkerWessels Germany acquires the ownership of land plots to build residential property, acting for its own financial risk. The developed projects are sold separately as condominiums or as a package to housing associations or investors and include development of single-family and multi-family houses and properties catering for assisted care services and healthcare needs. VolkerWessels Germany has its own planning company with know-how in architectural design and technical engineering to cope with the diversity of regulations in the German construction industry.

Real estate construction

As a general contractor, VolkerWessels is responsible for the day-to-day oversight of a construction site, including the management of subcontractors and the communication of information to all parties involved in a construction project. VolkerWessels' construction operating companies provide technical support to the project development operating companies in cost optimising. VolkerWessels' real estate construction operations in Germany also include a specialised company for waterproofing of roofs, balconies and basements as these activities are seen as crucial to avoid costly defects.

The number of houses constructed and delivered by VolkerWessels' construction operating companies in Germany in 2016 was 683 (2015: 1,813; 2014: 719). The number of houses for 2015 was positively influenced by a high number of apartments being constructed and delivered. The number of houses sold from VolkerWessels' own development in Germany in 2016 was 120 (2015: 280; 2014: 245).

Clients

The key customers for VolkerWessels Germany include: Reggeborgh Vastgoed B.V. and Groth Gruppe in Berlin, and financial investors, as well as project developments undertaken by the VolkerWessels Germany segment.

The Company has a strong order book as of year-end 2016, with a number of large opportunities.

Recent projects

The following projects have been included to give an impression of the work carried out by the VolkerWessels Germany segment, rather than for their size by revenue or profit contribution.

- The Grand, Munich – Located in Munich's Bogenhausen, approximately 290 condominiums have been developed to provide around 25,800 m^2 floor area. The project for The Grand in Prinzregenten / corner Vogelweidestrasse is built to the KfW Efficiency House 70 standard. Each apartment will have a loggia, terrace or roof terrace. The three-story underground car park with around 370 spaces creates ample parking. Kondor Wessels is the general contractor for the turnkey creation.

- Lehrter Strasse, Berlin – Centrally located in the Lehrter Strasse, a new district was created with around 1,000 residential units: 255 condominiums, 344 privately financed apartments, 158 subsidised rental apartments, 295 micro apartments and a day-care centre with 80 places. Kondor Wessels implemented the first phase as a general contractor for the Groth Gruppe from Berlin.
- Eastgate Living, Frankfurt am Main – The construction project Eastgate Living comprises 90 condominiums and an underground garage located in the Ferdinand-Happ-Straße in Frankfurt's Ostend, in the immediate vicinity of the European Central Bank. The two passive houses are built according to KfW criteria Effizienzhaus 40 and offer one to five rooms with plenty of housing options. Kondor Wessels is mandated as general contractor for the turnkey construction.

Other activities

VolkerWessels, through its operating companies Matex Vastgoed I B.V. and Matex Vastgoed III B.V., lets out property of which approximately 90% is let internally to VolkerWessels operating companies. Other activities are also performed by PCH in the area of facility management services.

Risk management and internal control

VolkerWessels is characterised by a decentralised operating model where entrepreneurship, personal involvement and responsibility are key principles, which are at the core of VolkerWessels' management and control objectives. These objectives are: the provision of reliable and timely information, efficiency and effectiveness of the operating activities, compliance with internal procedures, laws and regulations and the safeguarding of assets and information.

VolkerWessels' risk management and internal control process is essential for its operating model and is implemented at four levels throughout the organisation: (i) the management of results and risk at project level, (ii) the management of the portfolio of projects and selling, general and administrative expenses at operating company level, (iii) the management of the portfolio of operating companies at segment level, and (iv) the management of the segments and corporate risks at holding level.

VolkerWessels' risk management and control framework consists of both formal (hard) and informal (soft) elements which collectively provide checks and balances to efficiently control its operations. The formal elements include internal policies and procedures, reporting cycles, "in control statements", an authorisation schedule and monitoring. The informal elements include the personal involvement of VolkerWessels' employees, management and the finance function acting in accordance with the VolkerWessels' core values.

Control framework and risk analysis

Control framework

This subsection offers a general overview of the control framework and risk analysis processes, which form the basis of VolkerWessels' risk management and internal control.

Responsibility and employee engagement with the business are key elements of VolkerWessels' culture. The culture of VolkerWessels, but also the culture of the individual operating companies, is fostered through general standards of conducting business, the mission and strategy of VolkerWessels, its core values, the code of conduct and its whistleblowing scheme, and are applicable to all VolkerWessels employees. The control framework for the management boards of the operating companies is laid down in the regulations for the statutory management boards, which describes the position of those management boards within VolkerWessels.

Risk analysis

VolkerWessels has identified certain general risks for its business, ranging from market risks to liability and fraud risks. The relevant strategic and operational risks are identified every year both from a management perspective as well as from a projects perspective. Through this process general risks are identified, which include risks relating to economic cycles, interest rate developments, overcapacity and price constraints on the infrastructure market, a lack of capacity and pricing

constraints for suppliers at the construction and real estate market, contract risks, liability risks, financial risks related to liquidity, interest rates and foreign exchange rates and fraud risks.

VolkerWessels performs an annual fraud risk analysis. The main risks which are reflected in this analysis are related to unfair competition, bribery and corruption, theft of company properties, conflicts of interest and reporting fraud. Also, VolkerWessels pays special attention to the specific risks that are connected with contract risks, including tendering, contracting, procurement, monitoring and controlling of projects. During the tender procedure, the risks of the relevant project are analysed on a multi- disciplinary basis, with close involvement of the management board of the operating companies involved in the tenders and projects as well as divisional and segment management depending on the size and complexity of the project.

Rather than only relying on mechanical and standardised processes, VolkerWessels is also focused on personal involvement of the Managing Directors and statutory directors of the operating companies, to best utilise the available knowledge and experience as circumstances and conditions in a project can be unpredictable and subject to fast changes.

Formal control framework

VolkerWessels has proceedings and regulations in place, as part of its control framework, which aim to maintain its core values, being safety, integrity and sustainability. In 2015, VolkerWessels' risk management processes were further embedded in the regular planning and control cycle that is applied by all of its operating companies, with the local and divisional management teams devoting extra attention to these processes and to risk awareness. The risk management system provides a platform in which best practices, knowledge and skills are shared between the operating companies in a structured manner.

Internal regulations

The Management Board has adopted regulations that set out centralised standards for the management boards and employees of VolkerWessels' operating companies. These regulations provide various internal platforms and policies, including the following:

- A central safety platform, which coordinates awareness and implementation of the safety values and rules and the sharing of know-how and experience across VolkerWessels.
- An integrity commission composed of two Managing Directors and various employees of VolkerWessels, which has the purpose of defining the integrity policy of VolkerWessels, together with VolkerWessels' compliance department.
- A corporate social responsibility platform, which identifies the most important topics in that area influencing the VolkerWessels businesses.

Management reporting cycle and financial management

The progress and development of the operating results, the liquidity and the financial position of each operating company, as well as the operational and financial risks, are recorded in regular management reports. Detailed reports are prepared by the management boards of the operating companies and discussed at the Management Board level during the quarterly meetings with the management boards of the operating companies and/or the management boards of the divisions and regions for the VolkerWessels segments. Certain key financial figures and a short summary of key events for the operating companies are reported to the Management Board on a monthly basis. All reporting is based on the VolkerWessels accounting manual, which sets out the format and standards for the provision and consolidation of information.

In addition, VolkerWessels' treasury management system provides weekly updates on the liquidity position (on operating company as well as segment level) and quarterly working capital reports to the Management Board. The executive directors and financial directors of the operating companies and the management boards of the divisions and segments report in a direct line control framework to the Management Board.

Cash management in the Netherlands is controlled centrally by the cash management department at the holding level. The international segments update the cash management department on the position of their bank accounts every week. The cash management department controls funds requests and monitors the internal limits for the operating companies. It reports on liquidity on a

company and divisional level every week to the Management Board. All financial (bank or parent company) guarantees are prepared and monitored by the guarantee department and are based on a standard format, with a maximum amount and a termination date. Deviation from standard formats is subject to approval by the legal department and the Management Board. The guarantee department provides monthly reports on the outstanding guarantees to the Management Board.

In control statements

The local management boards and the financial controller account to the Management Board each year via an "in control statement" for their risk management policies and those of each of the individual operating companies, joint ventures and large projects that are under their control. The relevant management board signs off on the completed "in control statements", which are then analysed by the centralised risk management department and discussed between the Management Board and the local management boards. The central risk management team regularly visits the operating companies to discuss internal control related matters and to review key action points from the "in control statements".

The "in control statements" include key matters for the operating companies and ultimately for the Company relating to safety, integrity, general policies, project control, project development, insurances, supply, financial reporting, treasury, human resources, legal and tax and information and communications technology. This provides insight in the management of the business operations, facilitates the exchange of know-how and best practices, creates awareness in respect of operational risks, and allows the management teams at each level (operating, divisional, segment and the Company) to analyse current and future risks in order to be able to mitigate these risks, and to improve informed decision-making and reduce failure costs.

Authorisation schedule

As part of the risk management for the projects and activities that VolkerWessels undertakes, VolkerWessels has an authorisation schedule in place that sets out the internal approvals required for VolkerWessels operating companies to enter into legal and financial obligations. In addition to the formal internal approval process, VolkerWessels applies the "four eyes principle" for most decisions, which means that decisions must be made by two directors acting jointly.

The approvals required under the authorisation schedule can be classified into different categories that apply to certain decisions or transactions. For example, the management board of the local operating companies are authorised to enter into regular project contracts for a value of €10 million or lower. Real estate development projects with a value of less than €5 million require the prior approval of the Managing Director responsible for the division. In addition, for larger contracts, project development and real estate transactions, the following approvals are required.

Project Value		Approval requirement
Regular project		
> €10 million and ⩽ €50 million	→	Managing Director responsible for division
> €50 million and < €200 million	→	Two Managing Directors
VolkerWessels' share ⩾ €200 million	→	The entire Management Board and the Supervisory Board
Increased risk projects*		
< €10 million	→	Managing Director responsible for division
⩾ €10 million and ⩽ €50 million	→	Two Managing Directors
> €50 million	→	The entire Management Board and the Supervisory Board
All projects (development at own risk and expense)		
⩽ €5 million	→	Managing Director responsible for division
> €5 million and ⩽ €25 million	→	Two Managing Directors
> €25 million and ⩽ €50 million	→	The entire Management Board
> €50 million	→	The entire Management Board and the Supervisory Board

Project Value		Approval requirement
Real estate projects		
⩽ €5 million	→	Managing Director responsible for division
> €5 million and ⩽ €25 million	→	Two Managing Directors
> €25 million and ⩽ €50 million	→	The entire Management Board
> €50 million	→	The entire Management Board and the Supervisory Board

* *Projects with increased risks are (in accordance with the definition in the "Tender Information Sheet" procedure described below) those projects which involve several legal systems, several types of contract, non-standards contracts or provisions, offshore activities or a financing component.*

For the purpose of applying the approval thresholds, the total amount of the project contract is taken into account, not merely VolkerWessels' share in the project. The authorisation schedule applies to all segments of VolkerWessels. Specific thresholds apply for other type of commitments, such as providing guarantees and capital expenditures. VolkerWessels' business consists predominantly of smaller projects in the various segments, as well as some large (>€50 million) projects. VolkerWessels typically executes projects with a total construction volume above €100 million in cooperation with other contractors. VolkerWessels undertakes only a few very large projects (>€200 million). Current projects include the SAAone project, the Hoevelaken road intersection, the new sea lock in IJmuiden, the Rotterdamse Baan traffic link, the Amsterdam North-South subway line and the Markermeerdijken flood protection project.

Depending on the type or value of the commitment, approvals may be required by the directors of the relevant operating company, the directors of the (divisional) sub-holding companies, or the Managing Director who is responsible for the specific matter, either alone or (if required by the schedule) acting jointly with the chairman or the chief financial officer of the Management Board. For certain commitments of major importance, approvals are required from the entire Management Board and the Supervisory Board.

Other matters which are covered by the internal regulations include investments, external investigations, legal proceedings, treasury and financing, debt financing, internal cash pooling, guarantees, hedging, tax policies and accounting, subcontracting, subsidies, finance and control, accounting, insurances, pensions, damages, risk management, human resources, communications, acquisitions and disposals, supply and security.

Monitoring and audits

Compliance with VolkerWessels' control framework is monitored by self-assessments, management information and reporting and other monitoring activities, such as company visits, project visits and financial reviews. In addition to the internal monitoring and audit processes of VolkerWessels, Deloitte undertakes an external audit in relation to VolkerWessels, except for the US activities of VolkerWessels North America, where the companies are externally audited by a regional audit firm, with involvement of Deloitte.

Informal control through a culture of engagement and ownership

VolkerWessels believes that the informal element of its control framework is a key differentiator. The soft control through the actions of VolkerWessels employees and management teams ensures that its core values, being safety, integrity and sustainability, are pursued at all times even where project circumstances are changing or unexpected events occur. The informal controls are closely connected to VolkerWessels' decentralised organisation model and are based on entrepreneurship, personal involvement and responsibility. VolkerWessels supports an open culture of transparency and trust and through its decentralised organisational structure it fosters a sense of pride and ownership for its operating companies, which ultimately drives a performance focused leadership at the local level. Key elements of how the VolkerWessels culture impacts the way it operates its business are set out below.

Code of conduct and employee development

The VolkerWessels code of conduct provides practical guidelines that clarify the importance of acting with integrity. These guidelines consider, among other things, the contact between employees in VolkerWessels, dealings with subcontractors and suppliers and other contractors, bribery and corruption, fraud and theft, conflicts of interest and fostering fair competition. It was recently

updated to include a social media policy. Sanctions can be imposed if the code of conduct is breached.

The code of conduct applies to all operating companies in the Netherlands; the VolkerWessels operations in the United Kingdom and Germany have their own code of conduct that is based on the Dutch code of conduct and tailored to the specific country requirements. The VolkerWessels North America operations are in the process of implementing a code of conduct that will formalise existing internal procedures and regulations and currently follows existing procedures that cover substantially the same policies.

The professional development of VolkerWessels employees is also a key element to risk management. Through the VolkerWessels Academy and other development processes the management teams of the operating companies are able to provide training programmes for employees with a strong focus on project management and general management aspects and skills. VolkerWessels aims to ensure that its employees are prepared for increasingly complex and knowledge-intensive projects and that the key risk management processes of VolkerWessels become shared knowledge. VolkerWessels actively promotes a culture of individual responsibility, openness and transparency for its employees.

Management involvement

Within VolkerWessels, the informal side of risk management is primarily driven by the direct involvement of the Management Board and the management boards of the operating companies. VolkerWessels believes that this is crucial, because circumstances that apply to projects can be unpredictable, and relying only on formalised procedures can be insufficient. Therefore, VolkerWessels believes that it is important to involve individuals with sufficient knowledge and experience. As such, project and tender managers regularly discuss projects and processes with the management boards of VolkerWessels' operating companies, also outside of the formal reporting framework.

Finance function

As part of the control framework, VolkerWessels has adopted a controllers instruction which aims at safeguarding the independent position of the financial officers of VolkerWessels' operating companies. This instruction applies to all companies across VolkerWessels and sets out the exceptional position of the financial controllers in reporting on issues, risks and other exceptional items. A key element for the VolkerWessels business is to ensure that the finance director (who is also required to be a statutory director) and the controllers of the operating companies have direct informal reporting lines to both the chief financial officer at the divisional level and the chief financial officer of VolkerWessels, in addition to the periodic formal reporting to the management board of the relevant operating company.

Operating model of VolkerWessels

VolkerWessels' operating companies are responsible for the execution of thousands of projects every year. While some of these are landmark projects (due to the project size and technical complexity or location), the majority of VolkerWessels' activities are more regular, often smaller, construction projects. VolkerWessels believes that the successful implementation of the range of projects that it undertakes derives from the disciplined implementation of the VolkerWessels operating model, which, in addition to the risk management process described above, comprises the following key elements: project acquisition, contract management and project execution. In addition, VolkerWessels' risk management procedures act as an oversight and control framework at each step of the operational model, ensuring that the control and divisional teams have sufficient oversight information from, and supported by, the local operating company management teams. See "*—Risk management and internal control*".

Project acquisition

VolkerWessels acquires projects either through its local operating companies, as a member of a construction team assembled by the client or through tender procedures. VolkerWessels' local operating companies regularly review their markets for upcoming project opportunities, with the support of senior management for larger projects.

VolkerWessels' strong local client relationship model in combination with its robust financial position enables it to secure direct contract award projects that are normally performed by one or more of its operating companies (with or without the use of one or more subcontractors). In the Netherlands, approximately 67% of VolkerWessels' revenue from the Netherlands – Construction & Real Estate Development operations for the period 2013 until 2015 comes from projects that are acquired through the connections and positive reputation of VolkerWessels' local operating companies with the remainder through tenders. VolkerWessels' own commercial network also allows for a close cooperation in construction projects teams composed of representatives from both the client and VolkerWessels, which results in long-standing relationships.

Projects in which VolkerWessels is part of an assembled construction team are typically awarded by clients with specific preferences regarding the participating (construction) companies. Projects that result from tender procedures are often large and complex projects, or for clients that are obliged to use a tender procedure based on (inter)national laws and regulations such as (local) governments.

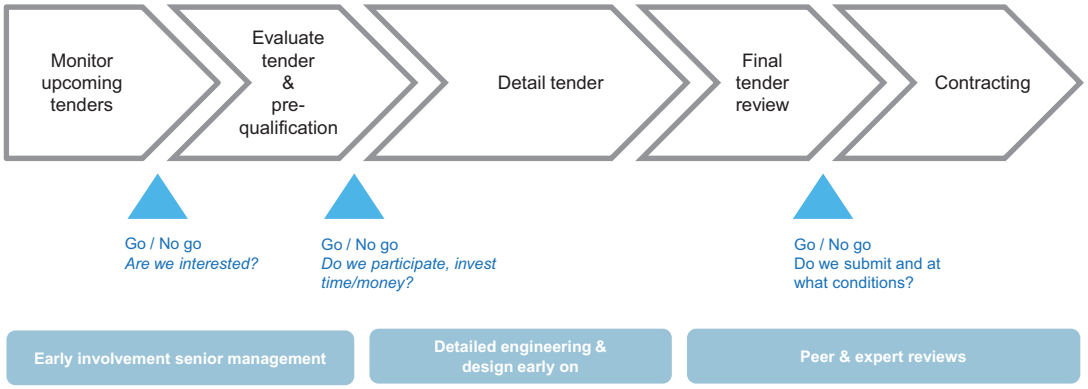
A substantial number of projects in the construction industry, especially in the infrastructure sector, are acquired through tender procedures, a process that VolkerWessels considers requires significant management attention. VolkerWessels' senior management is involved from the start of the process. This is to ensure that the tender process, project planning and execution of the project are done under senior responsibility.

VolkerWessels adopts a tailored process depending on the size and complexity of the project and have an extensive tender procedure to ensure proper decisions are taken on selecting projects and risk management. Projects that are awarded through a tender procedure and which have a total value of over €10 million or which involve increased risk projects are subject to VolkerWessels' "Tender Information Sheet" ("**TIS**") procedure. For each such project a standardised information and risk assessment form is completed, which describes the details of the project, tender costs, design features, contract price and other terms. This is sent to the divisional directors, an internal legal specialist and the Managing Director who is responsible for the type of project. If the relevant management team decides to proceed with the tender, additional details are recorded in the TIS form, which provides an in-depth risk/reward analysis including an analysis of the competition and terms relating to guarantees, insurance, financing and taxation. The project tender then enters the VolkerWessels authorisation approval process for projects as described above in "*—Risk management and internal control*".

VolkerWessels' focus is on detailed design and engineering early in the tender process, with the key involvement of its large internal engineering department and VolkerWessels' range of functions and competences to build a tender team that matches the project requirements. VolkerWessels' operational and senior management are involved in extensive reviews through a clear authorisation process. As part of the internal approval of VolkerWessels' tender bids for projects or projects that involve specialist elements, a peer and expert review process is undertaken whereby the tender is reviewed by a separate management team and/or internal or external experts that have not been involved in the tender process. This process ensures that the VolkerWessels operating companies submit a tender that has been scrutinised and is considered to be in the best interests of VolkerWessels.

The key elements of VolkerWessels' tender process are set out in the diagram below, which provides an overview of how VolkerWessels approaches the tender process.

Thorough tender procedure to select the most attractive projects



Contract management

For every construction project – whether it concerns construction and real estate development, infrastructure or energy and telecom infrastructure – a key element is the approach to contract management. This is an essential part of VolkerWessels' business model as its operating companies enter into numerous contracts with clients, joint venture parties and subcontractors.

A wide variety of contract forms are used within the sectors in which the operating companies of VolkerWessels operate, which often involve a pre-agreed price that is more or less fixed. VolkerWessels' operating companies are involved in general small-scale construction projects as well as large-scale and complex projects that can involve construction, financing, maintenance and management activities becoming the responsibility of a single provider. VolkerWessels also participates in joint ventures, which are often structured as partnerships where the partners to a joint venture, as is common in the industry, are jointly and severally liable. With subcontractors, VolkerWessels' operating companies either enter into fixed-price contracts or into contracts on an hourly basis.

VolkerWessels' approach to contract management involves applying standardised processes in connection with contract negotiation as well as discussions on the financial settlement of projects (revised scope of work, penalties, claims, delivery times, the quality level of the work, etc.). Before a project is accepted, the risks are assessed in both quantitative and qualitative terms. Clear project specifications, properly recorded agreements, (technical) project reviews and complete cost budgets, as well as legal assessment of contracts, are required to be undertaken as part of the project acquisition phase. In the tendering phase for larger and more complex tenders, specialised contract managers are added to the tender team and specialised lawyers are also involved in the tendering phase. VolkerWessels' central legal and tax department are closely involved in the design and assessment of partnership arrangements and attention is devoted to VolkerWessels' partners (both consortium members and the main suppliers) in the tendering phase. Any identified risks are then addressed in the tender documents, which are submitted to the Management Board for approval.

Although VolkerWessels strives for standardisation by using model contracts, many contracts need to be tailored to the specific aspects of the project or, depending on the outcome of negotiations, the requests and needs of counterparties. As such, VolkerWessels trains its employees in the field of contract and risk management to contractually control the risks of projects and its operating companies' activities more effectively and efficiently.

As part of VolkerWessels' risk management process, VolkerWessels considers which contracts do not provide the risk and return features that are acceptable to VolkerWessels' operating model as they can lead to unfavourable contract terms that include substantial risks. This approach to contract management was a factor in VolkerWessels' decision to withdraw from the practice of entering into large EPC (i.e. engineering, procurement and construction) contracts in the energy infrastructure segment. This resulted in a lower risk for the energy infrastructure business.

Project execution

VolkerWessels consists of a large number of small-and medium-sized businesses that undertake various sized projects in different regions in the Netherlands and in other selected geographic locations.

During the project execution phase, VolkerWessels' operating companies utilise project teams that assess the risks and opportunities of the project as well as managing the construction activities. The project team focuses in particular on the quality of the project to be delivered, the reduction of failure costs, steering for efficiency and timely delivery. In large projects, specialised contract managers are also added to the project team in the execution phase. In addition, specialised contract managers are included in the operational segments and divisions who are centrally located and are engaged on contract management.

The local management teams are controlled through periodic reporting and internal approval requirements. During the execution period, adequate interim project management measures are set up, such as monthly project monitoring (identifying any project risks and losses) and the Management Board is updated quarterly on the status and development of operational results, liquidity, the financial condition of the operating companies, including any operational and financial risks. In addition, "Monte Carlo" analyses are undertaken in respect of complex projects and the findings are discussed in monthly meetings by the divisional management teams and steering committees to better understand the impact of risk and uncertainty on projects. The operating companies and management teams also include senior and experienced finance staff that have direct functional reporting to the chief financial officer at both the divisional level and of the Company.

Whilst VolkerWessels' operating companies are either the main contracting party for a project or act as a subcontractor for other companies, a large number of VolkerWessels' projects are carried out with the assistance of subcontractors. The use of subcontractors is particularly prevalent in the construction and real estate development and infrastructure segments. Subcontractors not only have to be and remain financially sound to complete their share of the work, but they must also possess the skills and sophistication to perform their work efficiently and free of defects. VolkerWessels' own in-house production and supply helps to manage reliance on subcontractors by providing capacity especially in times of shortage, as well as providing insight as to the actual costs in the market. VolkerWessels believes that its operating model – local operating companies and a centralised risk management – effectively allows it to develop and maintain long-term relationships with qualified subcontractors for its projects. In addition, for projects that are exposed to substantial raw material prices (such as the steel train bridge for the SAAone project), VolkerWessels aims to fix or index prices during the tender stage.

Where projects with issues do occur, VolkerWessels relies on its risk management processes (see "*Business—Risk management and internal control*") to respond to problems and use the lessons learned to improve its management and sustain the client relationship. Client engagement by VolkerWessels' management teams is a key element of VolkerWessels' risk management for projects that are facing difficulties. For example, in the Netherlands – Construction & Real Estate Development segment, VolkerWessels will typically have constant client consultation to jointly solve issues when they arise in projects. For VolkerWessels' infrastructure segment in the Netherlands, VolkerWessels also ensures continuous client engagement on modifications including amendments, problem analyses and contract execution discussions.

Governmental regulation

VolkerWessels operating companies and their subcontractors are engaged in the design, engineering, construction, construction management, and maintenance at sites throughout the world and are affected by various statutes, regulations and laws in the countries and markets in which they operate. VolkerWessels is subject to various national, state and local laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, density and development requirements, zoning, the environment, occupational health and safety, product safety, quality and liability, transportation, labour and employment practices (including pensions), competition and other matters. In addition, building and construction codes may affect the products that VolkerWessels is permitted to use. These laws are administered by various regulatory bodies in the Netherlands and in the other countries in which VolkerWessels operates.

The Company's business and production facilities (including in the Netherlands and Canada) are subject to environmental regulations and failure to comply with such regulations, or any changes in such regulations, could result in interruptions in operations and increased costs. The Company's land bank is also subject to environmental regulations and failure to comply with such regulations, or any changes in such regulations, could impact the valuation of the land bank. The Company is not aware of any environmental issues or a failure to comply with any environmental laws or regulations.

Property, plant and equipment

A number of operating companies of VolkerWessels own the property that they use in their ordinary course of business.

Through the Matex Vastgoed operating companies, VolkerWessels lets out property with a total book value of €127 million as at 31 December 2016. Approximately 90% is let internally to VolkerWessels operating companies. In 2016, the total rent received from VolkerWessels companies amounted to €14.2 million and €1.4 million was received from external third parties that rented from the Matex operating companies.

The majority of the machinery and equipment employed to operate the business is owned by VolkerWessels. The total book value of machinery and equipment owned by VolkerWessels (including equipment acquired through financial lease) amounted to €184 million as at 31 December 2016 (as at 31 December 2015: €253 million).

None of the property, plant and equipment (not leased under financial lease) is pledged as security for borrowings.

A number of operating companies have entered into car lease contracts for their employees.

Material contracts

In addition to the agreements referred to in "*Operating and Financial Review—Liquidity and Capital Resources*" and "*Selling Shareholder and Related Party Transactions—Related Party Transactions—Relationship Agreement*", the following are agreements (other than the Underwriting Agreement described under "*Plan of Distribution*" or agreements entered into in the ordinary course of business), that have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus, which are material or which have been entered into by the Company or any of its subsidiaries at any other time and which contain provisions under which the Company or any of its subsidiaries has an obligation or entitlement that is material to VolkerWessels as of the date of this Prospectus.

Sale of offshore infrastructure activities

On 17 May 2016, Koninklijke Volker Wessels Stevin N.V. and its indirect 100% subsidiary VWS Civil and Offshore Constructions B.V. agreed to sell three Dutch companies and their subsidiaries engaged in the business of offshore energy infrastructure construction and services to its joint venture partner, Boskalis Offshore Contracting B.V. for €180 million (including cash balances of approximately €47 million). The sale was effected by the transfer by VWS Civil and Offshore Constructions B.V. of all its shares in Stemat Holding B.V., Volker Stevin International Holding B.V. and VBMS Holding B.V. on 1 July 2016. The transaction affected the Company's strategy to wind down its offshore energy infrastructure activities.

Acquisition of VolkerWessels Germany

On 28 December 2016, VWS International B.V. acquired 94.88% of the shares in the German company Kondor Wessels Holding GmbH from a company related to the Selling Shareholder for €109 million. Kondor Wessels Holding GmbH and its subsidiaries are active in the field of residential and non-residential construction and real estate, project and area development in Germany. The remaining 5.12% of the shares in Kondor Wessels Holding GmbH are held by another company related to the Selling Shareholder.

Information technology

VolkerWessels' IT function is organised to support the business activities of the group. Management of IT matters at the segment level includes decisions regarding software development, the use of specific applications, hardware, IT service providers, and the implementation of IT security. In addition to this, VolkerWessels tries to leverage its purchasing power on a group level when entering into IT agreements with suppliers that provide more generic services (which are used throughout the group).

The enterprise resource planning (ERP) systems used within VolkerWessels differ between the segments; however it is envisaged that VolkerWessels will migrate to a limited number of different ERP systems over the next years. Off-the-shelf standardised software solutions are predominantly used however on a segment basis, while custom developed software solutions are in use as well.

Throughout the various operating companies, IT resources are increasingly being used in recent years. For example, Building Information Modelling (BIM) is becoming an integral part of managing the supply chain and an innovative aid within projects, which can mitigate failure risk through detailed modelling and early recognition of potential risk factors. Such IT programmes and platforms support the information platform between the VolkerWessels operating companies and stakeholders (such as partners, architects, subcontractors and suppliers), providing insights into costs and logistics and making projects more effective and may reduce failure costs. The BIM system is currently used in the majority of complex projects undertaken by the Netherlands – Infrastructure segment, and training programs have been undertaken by the management teams in the operating companies in the Netherlands – Construction & Real Estate Development segment as BIM technologies are being increasingly used for projects in that segment as well.

No material IT security incidents have occurred in VolkerWessels in the three years immediately preceding the date of this Prospectus. An IT security policy is in place at the group level, the application of which takes place per each VolkerWessels segment.

Intellectual property

VolkerWessels owns registrations and applications for various trademarks, patents and domain names. One of the most important trademarks is the name VolkerWessels, as this name is currently used for many operating companies. This trademark is protected in the European Union and applications for trademark protection have been filed in the United States and Canada. Various trademarks with the prefix Volker have been registered for the European Union and Benelux, and an application for trademark protection has been filed in Canada. The Volker logo has been registered for the Benelux and Germany.

Corporate social responsibility

Safety

The construction industry is, by its nature, a potentially hazardous environment for human health and safety. In order to prevent accidents, occupational illness and injuries within its business as much as possible, VolkerWessels has implemented safety management systems for each of the geographic locations in which VolkerWessels has its operations.

The senior management of VolkerWessels' segments are committed to reviewing and improving the overall health and safety performance of the operating companies in each of the countries and regions in which VolkerWessels' companies are active.

In the Netherlands, VolkerWessels aims to have all persons working on its projects to be constantly aware of safety risks and to work safely at all times. In order to maintain awareness at a high level, the safety rules are circulated, *inter alia*, by leaflets and posters throughout all workplaces, using clear and consistent warning icons. Compliance with these rules is constantly and strictly monitored, while safety is reported on by the safety manager and the boards of the companies on a quarterly basis.

Also, in relation to external collaboration and evaluation on health and safety, in January 2014 the 'Safety in the Construction Industry' Governance Code was signed by participating clients and contractors, including VolkerWessels.

In relation to the operations in the United Kingdom, there are strict health and safety procedures in place. VolkerWessels UK treats the need to prevent accidents, injuries and ill health to employees and others affected by work as a top priority. In doing so, it ensures that priority is given to risk assessment, health and safety planning, and that proper information, instruction, training and supervision in accordance with the relevant statutory and industry best practice is being provided. All relevant managers for sites, offices and operational locations, with the assistance of the health and safety manager are responsible for the risk assessment. This assessment has been standardised and is conducted on the basis of various prevention principles, which, include: avoiding risks, evaluating risks which cannot be avoided, combating the risks at source, adapting to technological progress, replacing the dangerous by the non-dangerous or less dangerous, developing a coherent overall prevention policy, giving collective protective measures priority, and giving appropriate instruction to employees. The risk assessment is completed and reviewed at a health and safety planning meeting, which is arranged prior to the commencement of site activities.

Health and safety procedures also apply in relation to the operations in the United States and Canada. Each divisional manager is required to ensure that his division adopts accident prevention procedures and controls the equipment and operations of his department. These procedures are at least equal to, but often exceed, the governmental occupational health and safety regulations and industry standards. All employees are required to know and observe the safety rules and procedures. Compliance is monitored through regular operational site inspections and day-to-day management. The larger sites have specialist health and safety managers permanently on site.

In 2016, VolkerWessels recorded 150 accidents involving absence from work (155 in 2015) and an injury frequency rate of 5.0% (5.3% in 2015). Over the past three years, two fatal accidents involving a VolkerWessels employee have occurred.

Integrity

VolkerWessels believes that acting with integrity is of crucial importance to maintaining the trust of its clients, subcontractors, suppliers, credit providers and employees. VolkerWessels has an integrity platform in which two Managing Directors and different employees of VolkerWessels participate. The integrity platform formulates, determines and specifies the integrity policy of VolkerWessels and propagates such policy as well through e-learning programmes.

Sustainability policy

In 2015, VolkerWessels developed a strategy for monitoring social return in the short-medium- and long-term. In the long term, for example, VolkerWessels does this by conducting continuous research into the quality of life. It tracks trends such as climate change, the increasing scarcity of resources and the retreating government and translates these trends into its objectives. In the medium-term, VolkerWessels monitors by formulating hard, comprehensive targets for 2020. For example, carbon dioxide reductions, increased use of circular resources, employing more people who are disadvantaged on the labour market and a safer working environment. In the short-term, VolkerWessels pursues targets for 2020 by discussing the progress of the four mentioned issues every three months with the managements of its more than 120 operating companies.

VolkerWessels' focus on sustainability is furthermore specifically expressed by, among others, its participation in 'De Groene Zaak', a network for sustainable companies in the Netherlands. Furthermore, VolkerWessels joins the Sustainability Challenge every year. In addition, in 2015 VolkerWessels ended first in the Forest 50, the league table of FSC Netherlands ranking Dutch construction companies in relation to their use of sustainable wood. Finally, the sustainable asphalt VolkerWessels produces, recycled ZOAB (very porous asphalt concrete), has been certified by the Dutch Directorate-General for Public Works and Water Management (*Rijkswaterstaat*).

Insurance

VolkerWessels maintains insurance cover that is customary for the construction industry and which is mostly negotiated on a national level. VolkerWessels' insurances in the Netherlands provide cover for claims by third parties for damages as a result of, for example, general civil liability, product liability and professional liability. The insurances also provide cover for damages incurred by VolkerWessels, such as property damage (buildings, equipment, inventory/goods), business interruption and business loss. Similar insurances are in place for the operations in Canada, the United States, the UK and Germany.

VolkerWessels has not made any material claims under any of its insurance policies.

VolkerWessels believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are appropriate and standard for VolkerWessels' industry. VolkerWessels cannot, however, guarantee that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

VolkerWessels also owns two insurance companies, Volcap S.A. based in Switzerland, and Batavia Insurance Limited, based in Guernsey. See "*Description of Share Capital and Corporate Structure—Notification and approval requirements for acquiring and divesting direct or indirect shareholdings in insurance companies*".

Legal and arbitration proceedings

At any given time, the Company may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. VolkerWessels is currently involved in a number of proceedings and settlement negotiations, all of which are in the ordinary course of business and all of which are expected to be covered by insurance (except regular deductibles and contractual exclusions) or are properly provided for in VolkerWessels' financial accounts and are not considered material in the context of VolkerWessels' business, financial condition or results of operations.

Neither the Company nor any of its group companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on VolkerWessels' business financial condition or results of operations.

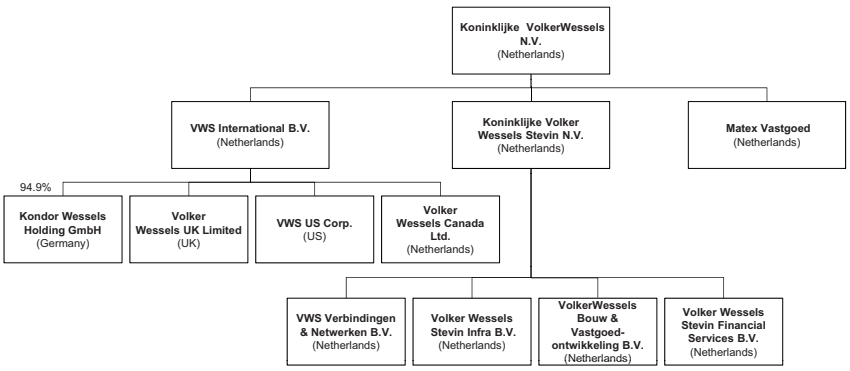
Group Structure

VolkerWessels is a holding company with no material, direct business operations. The principal assets of VolkerWessels are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, VolkerWessels is dependent on dividends and other payments from its subsidiaries (which may be subject to withholding tax) to generate the funds necessary to meet its financial obligations, including the payment of dividends. See "*Dividends and Dividend Policy*".

Legal structure

The legal structure of VolkerWessels consists of a large number of legal entities. The simplified legal structure chart included below does not present all interests in subsidiaries and associates, but presents the structure of holdings in the major legal entities constituting VolkerWessels' operating companies. Interests in the numerous joint ventures, project companies and partnerships are held either directly by the legal entities referred to in the table or indirectly by subsidiaries of these legal entities. The chart provides an overview as at the date of this Prospectus.

Simplified legal structure chart as per 28 April 2017
All legal entities shown are 100% owned by their shareholder unless stated otherwise



The following tables provide an overview of the material subsidiaries of VolkerWessels as at the date of this Prospectus. All of these are 100% owned except for the VolkerWessels Germany companies, which are 94.88% owned, and Lakes District Maintenance Ltd, which is 80% owned.

Segment	Principal subsidiaries
Holding companies	Koninklijke VolkerWessels Stevin N.V. (The Netherlands) VWS International B.V. (The Netherlands) VolkerWessels Participaties B.V. (The Netherlands) Victor Holdings B.V. (The Netherlands) Matex Vastgoed I B.V. (The Netherlands) Volker Wessels Stevin Financial Services B.V. (The Netherlands)
The Netherlands – Construction & Real Estate Development	VolkerWessels Bouw & Vastgoedontwikkeling Nederland B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Midden B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Nederland B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Noord B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Oost B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Participaties B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling West B.V. (The Netherlands) VolkerWessels Bouw & Vastgoedontwikkeling Zuid B.V. (The Netherlands) VolkerWessels Industriële Bouw en Technische Dienstverlening B.V. (The Netherlands)
The Netherlands – Infrastructure	Volker Wessels Stevin Infra B.V. (The Netherlands) VWS Railinfra en Civiele Bouw B.V. (The Netherlands) VolkerRail B.V. (The Netherlands) VolkerRail Nederland B.V. (The Netherlands) VWS Verkeer- en Infratechniek B.V. (The Netherlands) Vialis B.V. (The Netherlands) Volker Wessels Wegenbouw B.V. (The Netherlands) KWS B.V. (The Netherlands) KWS Infra B.V. (The Netherlands)
The Netherlands – Energy &Telecom Infrastructure	VWS Verbindingen & Netwerken B.V. (The Netherlands) Volker Stevin Netwerken B.V. (The Netherlands) Visser & Smit Hanab B.V. (The Netherlands) Visser & Smit Hanab N.V. (Belgium) Volker Wessels Telecom B.V. (The Netherlands)
VolkerWessels UK	VolkerWessels UK Limited (UK) VolkerFitzpatrick Limited (UK) VolkerRail Group Limited (UK) VolkerHighways Limited (UK) VolkerStevin Limited (UK) VolkerLaser Holdings (UK) Limited (UK) VolkerInfra Limited (UK)
VolkerWessels North America	VolkerWessels Canada Ltd. (Canada) H. Wilson Industries Limited (Canada) McNally Contractors Limited (Canada) Volker Stevin Contracting Limited (Canada) Volker Stevin Highways Limited (Canada) Mainline Construction Limited (Canada) Lakes District Maintenance Ltd (Canada) VWS US Corp. (US) Mid-Mountain Contractors Inc. (US) Yarrowbay Group Llc. (US)
VolkerWessels Germany	Kondor Wessels Holding GmbH (Germany) Kondor Wessels Invest GmbH (Germany) Kondor Wessels Wohnen Berlin GmbH (Germany) Kondor Wessels Projektentwicklung GmbH (Germany) Kondor Wessels Bouw Berlin GmbH (Germany) Kondor Wessels West GmbH (Germany)

Segment	Principal subsidiaries
Other (asset companies).....	VolkerWessels Intellectuele Eigendom B.V. (The Netherlands) Volker Stevin Materieel B.V. (The Netherlands) VolkerWessels Bouwmaterieel B.V. (The Netherlands) VolkerRail Plant & Equipment B.V. (The Netherlands) Matex Vastgoed I B.V. (The Netherlands) Matex Vastgoed III B.V. (The Netherlands)

CAPITALISATION AND INDEBTEDNESS

The tables below set forth VolkerWessels' capitalisation and indebtedness as of 31 December 2016, based on its consolidated statement of financial position as at 31 December 2016.

The information set forth in the table below should be read in conjunction with, and is qualified by reference to, "*Operating and Financial Review*" and the Financial Statements included as an annex to this Prospectus.

Capitalisation

	As at 31 December 2016 (in millions of €)
Total Current debt	
Guaranteed[1]	—
Secured[2]	69
Unguaranteed/Unsecured	2,067
	2,136
Total Non-Current debt (excluding current portion of long-term debt)	
Guaranteed[1]	3
Secured[2]	72
Unguaranteed/Unsecured	19
	94
Shareholder equity	
Share capital	1
Legal reserves	1,264
Other Reserves	(149)
	1,116
Total capitalisation	**3,346**

(1) An external party has signed a loan document in the capacity of surety, thereby guaranteeing the obligations for interest payment and repayment of the loan up to a maximum amount of €3 million.

(2) The secured current and non-current debt is held in the form of mortgages and liens on project-related land and/or building or future project results (please refer to Note 32 Other financing in the Financial Statements).

Indebtedness

	As at 31 December 2016 (in millions of €)
Cash	373
Cash equivalents	39
Trading securities	—
Liquidity	**412**
Current financial receivables	—
Current bank debt	26
Current portion of non-current debt	103
Other current financial debt	—
Current financial debt	**129**
Net current financial indebtedness	**(283)**
Non-current bank loans	64
Other non-current loans	30
Non-current financial indebtedness	**94**
Net financial indebtedness	**(189)**

For an overview and description of the Company's contingent liabilities, see the "*Operating and Financial Review—Credit Facilities*", the "*Operating and Financial Review—Guarantee Facilities*" and Note 38 of the Financial Statements.

Since 31 December 2016 there has not been a material change in any of the information included in the tables above.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth VolkerWessels' selected consolidated income statement, selected consolidated statement of financial position and selected consolidated statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information set out below is a summary only. It may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with "*Important Information—Presentation of Financial and Other Information*", "*Capitalisation and Indebtedness*", "*Reasons for the Offering and Use of Proceeds*", "*Operating and Financial Review*", and the Financial Statements beginning on page F-1 of this Prospectus, including the notes thereto.

VolkerWessels' consolidated financial information as at and for the years ended 31 December 2016, 2015 and 2014 were extracted from the Financial Statements, and have been presented without material adjustment to the presentation in the Financial Statements. The following tables also include certain non-IFRS financial metrics for the periods indicated.

Selected Consolidated Income Statement

	Year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Revenue	**5,490**	**5,318**	**5,000**
Costs of raw materials and consumables	(1,251)	(1,265)	(1,121)
Costs of outsourced work and other external costs	(2,653)	(2,496)	(2,415)
Personnel expenses	(1,111)	(1,086)	(1,028)
Depreciation and impairment of tangible fixed assets	(73)	(77)	(74)
Amortisation and impairment of intangible assets	(16)	(9)	(12)
Other operating costs	(231)	(245)	(235)
Total operating expenses	**(5,335)**	**(5,178)**	**(4,885)**
Share in results of associates and joint ventures (after income tax)	**10**	**20**	**22**
Operating result	**165**	**160**	**137**
Financial income	26	23	19
Financial expenses	(52)	(56)	(96)
Net financial result	**(26)**	**(33)**	**(77)**
Result before tax	**139**	**127**	**60**
Income tax	(36)	(30)	(17)
Result from continuing operations	103	97	43
Result from discontinued operations (after income tax)	38	16	18
Result for the financial year	**141**	**113**	**61**
Attributable to shareholders of the Company	139	107	60
Attributable to minority interests	2	6	1
Result for the financial year	**141**	**113**	**61**

Selected Consolidated Statement of Financial Position

	As at 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Assets			
Total non-current assets	1,220	1,349	1,364
Total current assets	2,362	2,464	2,303
Total assets	**3,582**	**3,813**	**3,667**
Equity and Liabilities			
Total equity	1,128	437	(68)
Total non-current liabilities(1)	318	995	1,439
Total current liabilities	2,136	2,381	2,296
Total equity and liabilities	**3,582**	**3,813**	**3,667**

(1) Includes subordinated shareholders' loans of nil, €498 million and €872 million as at year-end 2016, 2015 and 2014.

Selected Consolidated Statement of Cash Flows

	Year ended 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Cash and cash equivalents at the beginning of the period	**357**	**240**	**186**
Net cash flow from continuing operating activities	286	221	118
Net cash flow from discontinued operating activities	4	71	12
Net cash flow from operating activities (total)	***290***	***292***	***130***
Net cash flow from continuing investment activities	(212)	(103)	(77)
Net cash flow from discontinued investment activities	133	6	9
Net cash flow from investment activities (total)	***(79)***	***(97)***	***(68)***
Net cash flow from continuing financing activities	(152)	(91)	(32)
Net cash flow from discontinued financing activities	(21)	9	12
Net cash flow from financing activities (total)	(173)	(82)	(20)
Increase/(decrease) in net cash position	**38**	**113**	**42**
Effects of exchange rate differences on cash, cash equivalents and current account banks	(9)	4	12
Cash and cash equivalents at the end of the period(1)	**386**	**357**	**240**

(1) Includes bank overdrafts.

Certain segmental information

The following tables set forth revenue, EBITDA and EBITDA margin with respect to VolkerWessels' reporting segments for the periods indicated.

	Year ended 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
Revenue			
The Netherlands – Construction & Real Estate Development	1,946	1,747	1,494
The Netherlands – Infrastructure	1,371	1,378	1,492
The Netherlands – Energy & Telecom Infrastructure	649	590	662
UK	1,071	1,174	926
North America	317	301	295
Germany	207	214	221
Other[1] and Eliminations	(71)[2]	(86)[3]	(90)[4]
Total revenue	**5,490**	**5,318**	**5,000**

	Year ended 31 December		
	2016	2015	2014
	(EURm)	(EURm)	(EURm)
EBITDA[5] *(unaudited)*			
The Netherlands – Construction & Real Estate Development	79	53[6]	36
The Netherlands – Infrastructure	73	70	51
The Netherlands – Energy & Telecom Infrastructure	31	34	44
UK	34	35	24
North America	46	46	46
Germany	12	10	17
Other[1]	(21)	(14)	5
Total EBITDA	**254**	**234**[6]	**223**

	Year ended 31 December		
	2016	2015	2014
	(in %)	(in %)	(in %)
EBITDA margin[7] *(unaudited)*			
The Netherlands – Construction & Real Estate Development	4.1	3.0	2.4
The Netherlands – Infrastructure	5.3	5.1	3.4
The Netherlands – Energy & Telecom Infrastructure	4.8	5.8	6.6
UK	3.2	3.0	2.6
North America	14.5	15.3	15.6
Germany	5.8	4.7	7.7
Total EBITDA margin	**4.6**	**4.4**	**4.5**

(1) Other includes non-segment activities such as facility management services of PCH, Matex rent income, Volcap insurance and holding company costs.

(2) Reflects eliminations of inter-segment revenue of €12 million, €61 million and €10 million for the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure and the Netherlands – Energy & Telecom Infrastructure, respectively.

(3) Reflects eliminations of inter-segment revenue of €8 million, €78 million and €15 million for the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure and the Netherlands – Energy & Telecom Infrastructure, respectively.

(4) Reflects eliminations of inter-segment revenue of €5 million, €82 million and €14 million for the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure and the Netherlands – Energy & Telecom Infrastructure, respectively.

(5) VolkerWessels includes within its EBITDA other and one-time expenses including, but not limited to, land bank impairments and restructuring costs. For the definition and a reconciliation of EBITDA to operating result, see "*—Non-IFRS financial information*".

(6) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(7) VolkerWessels calculates EBITDA margin by dividing EBITDA by revenue, see "*—Non-IFRS financial information*".

Non-IFRS Financial Information

The table below presents certain non-IFRS financial metrics as at and for the years ended 31 December 2016, 2015 and 2014. VolkerWessels believes that each of these metrics provides useful information with respect to the performance of its business and operations. These non-IFRS financial metrics are not audited. They are not meant to be considered in isolation or as a substitute for metrics of financial performance reported in accordance with IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by VolkerWessels' peers. See "*Presentation of Financial and Other Information*".

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
EBIT[1] (EURm)	165	148	137
EBIT margin[1] (in %)	3.0%	2.8%	2.7%
EBITDA[1] (EURm)	254	234	223
EBITDA margin[1] (in %)	4.6%	4.4%	4.5%
Cash conversion[2] (in %)	85.0%	66.7%	17.9%
Free cash flow[3] (EURm)	216	156	40
Capital employed[4] (EURm)	939	1,106	1,157
ROCE[5] (in %)	17.6%	13.4%	11.8%
Solvency[6] (in %)	31.5%	24.5%	21.9%
Investments in tangible fixed assets[7] (EURm)	70	65	78
Net working capital (continuing activities)[8] (EURm)	136	208	192
Net working capital as a percentage of revenue (in %)	2.5%	3.9%	3.8%
Net debt (cash)[9] (EURm)	(189)	62	244
Net debt (cash) / EBITDA	(0.7)x	0.3x	1.1x
Order book[10] (EURm)	8,157	7,712	6,722

(1) VolkerWessels defines EBIT as operating result before interest and tax after normalisation and EBITDA as operating result before interest, tax, depreciation and impairment of tangible fixed assets and amortisation and other impairment of intangible assets after normalisation. VolkerWessels includes within its EBITDA other and one-off expenses, including land bank impairments and restructuring costs. The reconciliation of EBIT and EBITDA to operating result and calculations of EBIT margin and EBITDA margin are as follows:

	Year ended 31 December		
	2016	**2015**	**2014**
Operating result (EURm)	**165**	**160**	**137**
Normalisation (*unaudited*)	0	(12)[1]	0
EBIT (*unaudited*)	**165**	**148**	**137**
Depreciation and impairment of tangible fixed assets (EURm)	73	77	74
Amortisation and other impairment of intangible assets (EURm)	16	9	12
EBITDA (EURm) *(unaudited)*	**254**	**234**	**223**
EBIT margin[2] (in %) *(unaudited)*	**3.0%**	**2.8%**	**2.7%**
EBITDA margin[3] (in %) *(unaudited)*	**4.6%**	**4.4%**	**4.5%**

(1) Represents a fair value adjustment of existing holdings in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70%.

(2) VolkerWessels calculates EBIT margin by dividing EBIT for the period by revenue for the corresponding period.

(3) VolkerWessels calculates EBITDA margin by dividing EBITDA for the period by revenue for the corresponding period.

(2) VolkerWessels defines cash conversion as free cash flow divided by EBITDA. The table below reconciles cash conversion to net cash flow from continuing operating activities:

	Year ended 31 December		
	2016	**2015**	**2014**
Net cash flow from continuing operating activities (EURm)	**286**	**221**	**118**
Investment in tangible fixed assets (EURm)	(70)	(65)	(78)
Free cash flow (EURm) *(unaudited)*	**216**	**156**	**40**
EBITDA (EURm) *(unaudited)*	**254**	**234[1]**	**223**
Cash conversion (in %) *(unaudited)*	**85.0%**	**66.7%**	**17.9%**

(1) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(3) Free cash flow, as used in this Prospectus, means VolkerWessels' net cash flow from continuing operating activities less investment in tangible fixed assets. The table below reconciles free cash flow to the net cash flow from continuing operating activities:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Net cash flow from continuing operating activities *(unaudited)*	**286**	**221**	**118**
Investment in tangible fixed assets	(70)	(65)	(78)
Free cash flow *(unaudited)*	**216**	**156**	**40**

(4) Capital employed, as used in this Prospectus, means VolkerWessels' fixed assets plus net working capital less other provisions, as shown in the table below:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Fixed assets[1] (*unaudited*)	1,025	1,148	1,157
Net working capital (including discontinued operations) *(unaudited)*	142	176	198
Net of assets and liabilities held for sale	2	6	5
Other provisions[2] (*unaudited*)	(230)	(224)	(203)
Capital employed *(unaudited)*	**939**	1,106[3]	1,157[3]

(1) Excludes investments in associates and joint ventures and non-current receivables from joint ventures and associates.
(2) Includes employee benefits and deferred tax liabilities, and excludes provision for investments in associates and joint ventures.
(3) Excludes €109 million representing the purchase price paid for the KWH Acquisition.

(5) VolkerWessels calculates return on capital employed ("**ROCE**") by dividing operating result before interest and tax by capital employed for the year, as shown in the table below:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
Operating result (EURm)	**165**	148[2]	**137**
Capital employed (EURm) *(unaudited)*	939	1,106	1,157
ROCE (in %) *(unaudited)*[1]	**17.6%**	13.4%[2]	**11.8%**

(1) Includes the impact of the non-operating goodwill of €369 million resulting from the acquisition of a 42.5% interest in the Company by CVC in 2007.
(2) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(6) Solvency, as used in this Prospectus, means the total equity (including minority interests) plus subordinated shareholders loans as a percentage of total assets, as shown in the table below:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Total equity	1,128[1]	437	(68)
Subordinated shareholders loans	0	498	872
Total assets	3,582	3,813	3,667
Solvency *(unaudited)*	**31.5%**	**24.5%**	**21.9%**

(1) At the end of 2016, €544 million of subordinated shareholders' loans were converted into equity.

(7) Investments, as used in this Prospectus, means investments in tangible fixed assets (excluding asset acquisitions) for continuing activities.

(8) Net working capital, as used in this Prospectus unless indicated otherwise, means land, property for sale, investments in associates and joint ventures, less provisions for negative participating interests, non-current receivables from joint ventures and associates, inventories, work in progress (receivable and payable), trade and other receivables, trade and other payables and income tax (receivable and payable), as shown in the table below:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Land	230	253	260
Property for sale	112	88	104
Investments in associates and joint ventures	133	147	157
Provision for negative participating interests	(53)	(45)	(40)
Non-current receivables from joint ventures and associates	62	54	50
Inventories	174	190	115
Work in progress (receivable)	523	596	556
Work in progress (payable)	(421)	(462)	(495)
Trade and other receivables	894	910	947
Trade and other payables	(1,506)	(1,552)	(1,446)
Income tax (receivable)	7	9	2
Income tax (payable)	(13)	(12)	(12)
Net working capital (including discontinued operations) (*unaudited*)	**142**	**176**	**198**
Adjustment for net working capital items (discontinued activities) *(unaudited)*	(6)	32	(6)
Net working capital (continuing activities) ***(unaudited)***	**136**	**208**	**192**

(9) Net debt, as used in this Prospectus, means loans and other financing obligations, derivatives, bank overdrafts, loans and other financing obligations (current) minus cash and cash equivalents, as shown in the table below:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Cash and cash equivalents	(412)	(407)	(309)
Loans and other financing obligations	94	293	230
Derivatives	0	16	25
Bank overdrafts	26	50	69
Loans and other financing obligations (current)	103	110	229
Net debt (*unaudited*)	**(189)**	62[1]	244[1]

(1) Excludes €109 million representing the purchase price paid for the KWH Acquisition.

(10) Order book, as used in this Prospectus, means the value of signed contracts and, for framework contracts, the value of work packages agreed with VolkerWessels' clients.

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the results of operations and financial condition of the Company and its consolidated subsidiaries as at and for the years ended 31 December 2016, 2015 and 2014. This discussion should be read in conjunction with the Financial Statements, including the notes thereto starting on page F-1 of this Prospectus. This discussion should also be read in conjunction with the information relating to the business of VolkerWessels included elsewhere in this Prospectus in "Important Information—Presentation of Financial and Other Information", "Industry", "Business" and "Selected Consolidated Financial Information".

The following discussion includes forward-looking statements that reflect the current views of the Company's management and involves risks and uncertainties. VolkerWessels' actual results could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in "Risk Factors", "Important Information—Presentation of Financial and Other Information" and "Important Information—Information Regarding Forward-Looking Statements". Prospective investors should read this Prospectus in its entirety and not just rely upon summarised information set forth in this Operating and Financial Review.

Overview

VolkerWessels is a leading, integrated and diversified construction group with a "think global, act local" mind-set[51]. VolkerWessels' operating model combines a local sales and client focus with a centralised management structure that optimises scale and expertise across VolkerWessels' operating companies. VolkerWessels prides itself in developing local companies who are leaders in their respective sub-sectors, supported by strong governance and shared expertise.

VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America and Germany. Operationally, VolkerWessels' business is organised along six segments as set out in the table below:

Operating Segment	Activities
The Netherlands – Construction & Real Estate Development	• Construction and renovation for residential and non-residential real estate including industrial and logistic facilities • Real estate development • In-house technical installations services capabilities • Industrial production and supply of construction elements, including pre-fabricated building supplies such as roofs
The Netherlands – Infrastructure	• Road construction service and maintenance and asphalt production • Railway construction, services and maintenance • Civil engineering activities for roads, waterways and rail • Multi-disciplinary project management for complex projects • Traffic management for road and railway installations
The Netherlands – Energy & Telecom Infrastructure*	• Construction and maintenance of energy infrastructure for underground and above ground pipelines and cables for energy and water transport and production and industrial processes • Construction and maintenance of telecom infrastructure including fibre-optic and wireless networks
VolkerWessels UK	• Industrial construction and civil engineering • Rail construction, services and maintenance • Construction and maintenance of water and energy infrastructure including ports and harbour infrastructure, flood risk management, utilities and waste facilities • Highway and airport infrastructure construction and maintenance • Focus on London and M60 corridor

51 VolkerWessels' analysis based on a comparison of its own revenues in the Netherlands for the financial year ended 31 December 2015 compared to the 2015 revenues in the Netherlands of large peers, as derived from their 2015 or latest available financial statements.

Operating Segment	Activities
VolkerWessels North America	• Active particularly in the Alberta and British Columbia provinces, with a focus on municipal road and highways maintenance and underground utilities (sewage and water construction) • Active in the north-west of the United States (broader Seattle area) in roadwork construction and maintenance, civil engineering (such as bridge construction and flood risk management) and underground utilities • Asphalt and gravel production
VolkerWessels Germany	• Construction for residential housing • Real estate development • Focus on selected major urban areas in Germany, in particular Berlin and North Rhine-Westphalia, Frankfurt and Munich regions

**Operations include Belgium*

VolkerWessels has over 120 local operating companies, which consists of national and regional offices and ultimately report to divisional management boards within the operating segments and the Management Board. VolkerWessels undertakes approximately 25,000 projects for more than 7,000 clients per year across its operating segments. The activities of VolkerWessels' The Netherlands-based operating companies accounted for 71%, 69% and 72% of its total revenue for the years ended 31 December 2016, 2015 and 2014, respectively, and operate under a holding company, VolkerWessels Nederland B.V. The activities of VolkerWessels' operating companies based in the UK, North America and Germany accounted for the remainder of VolkerWessels' revenues, and are operated through VWS International B.V.

VolkerWessels realised revenue of €5,490 million, €5,318 million and €5,000 million, EBITDA of €254 million, €234 million and €223 million and an EBITDA margin of 4.6%, 4.4% and 4.5% in the years ended 31 December 2016, 2015 and 2014, respectively.

Key Factors Affecting Results of Operations

Cyclical Nature of the Construction Industry

VolkerWessels operates in the construction industry, which is cyclical and has historically been sensitive to changes in economic conditions such as employment levels, consumer confidence, consumer income, inflation, interest rate levels and the availability of credit.

Investment in real estate and demand for construction services tends to increase in periods of economic growth, which has historically had a positive impact on VolkerWessels' revenue and profitability. Conversely, demand for construction services typically declines in the event of an economic slowdown as unemployment and/or interest rate levels increase, which has historically resulted in downward pressure on VolkerWessels' revenue and, to a lesser extent, profitability. VolkerWessels' cost base is, to some degree, correlated to economic conditions. During periods of economic decline, VolkerWessels faces higher risks of default by, and insolvency of, its partners, suppliers and subcontractors, which may expose VolkerWessels to higher costs and lower project margins. The impact of these trends may be partially offset by lower costs for subcontractors and raw materials, which tend to decrease in an economic downturn. Conversely, during periods of economic growth, VolkerWessels has historically faced higher costs for subcontractors and raw materials. See "*—Costs Related to Subcontractors and Joint Venture Partners*" and "*—Fluctuations in Raw Materials and Construction Supply Prices and VolkerWessels' Ability to Pass on Cost Increases*".

The countries in which VolkerWessels operates, particularly the Netherlands, experienced a significant economic slowdown as a result of the global financial crisis. Since 2014, the European and North American construction industries have been gradually recovering. See "*Industry—Characteristics and drivers of the construction industry*".

The following table sets forth VolkerWessels' revenue, EBIT, EBIT margin, EBITDA and EBITDA margin for the periods indicated:

	Year ended 31 December							
	2016	2015	2014	2013[1]	2012[1]	2011[1]	2010[1]	2009[1]
Revenue (EURm)	5,490	5,318	5,000[2]	4,494	4,708	4,637	4,261	4,558
EBIT[3] (EURm) (*unaudited*)	165	148[4]	137	80	62[5]	115	34	97
EBIT margin (in %) (*unaudited*)	3.0	2.8[4]	2.7	1.8	1.3	2.5	0.8	2.1
EBITDA[3] (EURm) (*unaudited*)	254	234[4]	223	163	145[5]	199	132	186
EBITDA margin (in %) (*unaudited*)	4.6	4.4	4.5	3.6	3.1	4.3	3.1	4.1

(1) Unaudited, includes certain scope adjustments to aid comparability with certain financial information for the years ended 31 December 2016, 2015 and 2014. See "*Important Information—Presentation of Financial and Other Information—Historical Financial Data*".

(2) Includes the impact of €455 million as a result of the application of IFRS 10/11 as from 1 January 2014. See "*Important Information—Presentation of Financial and Other Information—Historical Financial Data*".

(3) Includes other and one-off expenses including, land bank and property positions impairments and restructuring costs, except for the years ended 31 December 2015 and 2012 as described in footnotes 4 and 5 below. For a definition of EBIT and EBITDA, see "*Selected Consolidated Financial Information—Non-IFRS financial information.*"

(4) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(5) Excludes €196 million of exceptional impairments mainly related to land bank and real estate positions.

Throughout the economic cycle after the financial crisis, VolkerWessels demonstrated resilience through operational and financial discipline, with a strong focus on margins and cost control. VolkerWessels believes that its decentralised operating model and focus on smaller and medium sized projects, which typically offer a more favourable risk and return profile compared to larger projects, enabled it to achieve a track record of profitable growth. See "*Business—Competitive Strengths*" and "*Business—Medium-Term Objectives*".

The following table sets forth VolkerWessels' EBITDA margin for the periods and reporting segments indicated:

	Year ended 31 December (*unaudited*)		
	2016	2015	2014
	%	%	%
EBITDA margin			
The Netherlands – Construction & Real Estate Development	4.1	3.0[1]	2.4
The Netherlands – Infrastructure	5.3	5.1	3.4
The Netherlands – Energy & Telecom Infrastructure	4.8	5.8	6.6
UK	3.2	3.0	2.6
North America	14.5	15.3	15.6
Germany	5.8	4.7	7.7
VolkerWessels consolidated[2]	**4.6**	**4.4**	**4.5**

(1) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(2) Includes other and one-off expenses including land bank and property positions impairments and restructuring costs.

The Netherlands – Construction & Real Estate Development

Total real estate construction output in the Netherlands increased by approximately 18% between 2014 and 2016 as a result of improving macroeconomic conditions. Growth in residential construction was driven by improved consumer confidence, improving economic sentiment supporting the recovery in the market after the global financial crisis, low interest rates, increasing population growth through immigration and strong growth in single person households. In addition, the non-residential construction market started to recover as a result of increased demand for commercial, storage and industrial buildings from improving macroeconomic conditions as well as increased demand for healthcare facilities, largely due to government imposed healthcare reforms and an ageing population. See "*Industry—Regional market characteristics—The Netherlands*". Through its decentralised operating model and its focus on cost control, VolkerWessels managed to capitalise on these improving market conditions, reflected by an EBITDA margin for the segment of 4.1%, 3.0%

and 2.4% for the years ended 31 December 2016, 2015 and 2014, respectively. EBITDA margin in 2014 was also negatively impacted by a number of legacy positions.

The Netherlands – Infrastructure

Infrastructure construction output in the Netherlands has increased modestly since 2014 as a result of a continued economic recovery, improved public sector investment, investments in railway capacity enhancements, an increase in other transport infrastructure investments and a strong rise of the residential housing market and related road investments. See "*Industry—Regional market characteristics—The Netherlands*". However, market conditions for larger scale projects remained challenging as a result of intense competition. EBITDA margin for the segment was 5.3%, 5.1% and 3.4% for the years ended 31 December 2016, 2015 and 2014, respectively. VolkerWessels believes that its focus on smaller scale projects sourced through its decentralised operating model helped it to mitigate the effects of these conditions and enabled it to maintain relatively stable margins throughout the period from 2014 to 2016. VolkerWessels also became more selective with respect to tenders for larger scale infrastructure projects offering less favourable risk and return profiles. Throughout this period, VolkerWessels also achieved an ongoing reduction in failure costs.

The Netherlands – Energy & Telecom Infrastructure

Demand in the energy infrastructure sector in the Netherlands increased as a result of legislative developments to limit hydrocarbon emissions causing industrial clients to seek to upgrade their infrastructure in order to reduce CO_2 emissions in the period from 2014 to 2016. Demand in the Dutch energy infrastructure sector was also positively impacted by additional demand for infrastructure supporting the generation of sustainable sources of energy, such as wind and solar farms, and the infrastructure to transport such energy. Demand in the telecom sector in the Netherlands also expanded in the same period, primarily as a result of increased demand for data and the resulting need for additional and updated networks. See "*Industry—Regional market characteristics—The Netherlands—Infrastructure construction—output, market developments and drivers for growth*".

VolkerWessels' EBITDA margin for the segment was 4.8%, 5.8% and 6.6% in the years ended 31 December 2016, 2015 and 2014, respectively. EBITDA margin for the segment was impacted by an increase in the proportion of lower-margin contracts in the energy and telecoms sectors during the period. In addition, the 2014 EBITDA margin was positively impacted by a one-off positive outcome of an arbitration case related to a construction project. Margins in the energy sector decreased due to VolkerWessels' focus on smaller projects in the sector, which typically offer more favourable risk and return profiles compared to larger engineering, procurement and construction projects requiring output guarantees.

UK

In recent years, an ageing infrastructure and the need to upgrade infrastructure to match technological changes resulted in increased levels of investment by public sector and regulated sector clients in the UK, which constitute the large majority of VolkerWessels' clients in its UK segment, as evidenced by the adoption of long-term investment programmes and increased investments, particularly in respect of energy, road maintenance and water projects. See "*Industry—Regional market characteristics—United Kingdom*". These beneficial conditions were partially offset by intense price competition from foreign contractors in recent years. EBITDA margin for the segment was 3.2%, 3.0% and 2.6% in the years ended 31 December 2016, 2015 and 2014, respectively. Margins for the UK segment have typically been lower than for VolkerWessels' The Netherlands-Infrastructure segment due to differences in capital intensity and a greater proportion of ownership of strategic assets in the Netherlands. Margin improvement for the segment was driven in part by improved project management, the implementation of an efficiency programme and further optimisation of the segment's organisational structure through the introduction of more centralised and shared services.

North America

In North America, VolkerWessels operates primarily in the provinces of Alberta and British Columbia in Canada and the State of Washington in the United States, focusing on infrastructure projects for public sector clients. Demand in the infrastructure sector in Canada is largely driven by expenditure by companies in the oil and gas industry and local governments, whose tax revenues are

correlated to the performance of the oil and gas industry. Starting in late 2014, infrastructure investment was affected by the fall in oil and gas prices. Additionally, the entry of new competitors, including large international contractors, resulted in some overcapacity in the sector and in downward pressure on prices, particularly for private sector clients. In the State of Washington in the United States, demand in the infrastructure segment has been supported by economic and population growth, as well as the presence of large multinational companies in the Seattle region requiring ongoing investments in infrastructure. See "*Industry—Regional market characteristics—North America*". Through shifting its client mix towards a greater proportion of public sector clients in Canada and maintaining operational discipline, VolkerWessels managed to sustain strong margins in its North America segment, with an EBITDA margin of 14.5%, 15.3% and 15.6% in the years ended 31 December 2016, 2015 and 2014, respectively. EBITDA margin for the segment in 2016 was affected by unusual project delays due to extensive wild fires around the Fort McMurray area in Canada in the spring of 2016.

Germany

The Germany segment of VolkerWessels is primarily active in the construction and development of residential real estate in Berlin, Frankfurt, Munich and the Rhine-Ruhr metropolitan area. The increased demand in the German residential real estate market in recent years was driven by a higher demand for housing as a result of an increase of the influx of immigrants, declining number of average persons per household, an ageing population, requiring specialised elderly housing and continually low mortgage rates. See "*Industry—Regional market characteristics—Germany*".

EBITDA margin for the segment was 5.8%, 4.7% and 7.7% in the years ended 31 December 2016, 2015 and 2014, respectively. Notwithstanding beneficial market conditions, performance of the segment in the years ended 31 December 2016 and 2015 was impacted significantly by an organisational restructuring of certain activities in the North Rhine-Westphalia region, involving changes of key management personnel (the "**North Rhine-Westphalia Restructuring**"). This resulted in a one-off restructuring charge in the year ended 31 December 2015 and continued to have an operational impact in the year ended 31 December 2016. EBITDA margin in 2016 was positively impacted by the sale of the Olighsmule project.

Costs Related to Subcontractors and Joint Venture Partners

Although VolkerWessels directly manages and performs a significant portion of its operations, it often relies on subcontractors to complete certain portions of its contracts when it determines doing so is more efficient from a resource perspective or when it does not have the required capacity or skillset. VolkerWessels seeks to optimise its own resources such that it can accommodate a minimum level of projects itself. It is VolkerWessels' strategy to manage its reliance on subcontracting to minimise cost increases in upturns, and to avoid overcapacity in downturns. Efficient engagement of subcontractors and beneficial contractual terms are key drivers of VolkerWessels' results of operations. In the years ended 31 December 2016, 2015 and 2014, costs of outsourced work and other external costs, which relate principally to subcontractor costs, accounted for 50%, 48% and 49% of VolkerWessels' €5,335 million, €5,178 million and €4,885 million total operating expenses in the years ended 31 December 2016, 2015 and 2014, respectively.

The economic terms which VolkerWessels is able to negotiate with its subcontractors depends on the economic environment. In an economic downturn, VolkerWessels is often able to negotiate contracts with more favourable terms, while in periods of economic growth, demand for subcontracting services may increase and may result in less favourable price terms for VolkerWessels. VolkerWessels manages its subcontractor costs on a per project basis. A significant portion of VolkerWessels' revenue is derived from smaller projects, with relatively short execution periods compared to larger projects which frequently have multiple year execution periods. This focus has had a mitigating effect on VolkerWessels' exposure to short-term fluctuations in subcontractor costs. For projects entered into on a fixed price basis, VolkerWessels typically enters into fixed price contracts with the relevant subcontractors. Additionally, at the tendering phase, VolkerWessels may agree that subcontractor price fluctuations beyond a certain level will be passed on to the relevant client. Furthermore, VolkerWessels can enter into cost-plus contracts where the risk of subcontractor price increases is borne by the client.

VolkerWessels maintains long term strategic collaborations with its subcontractors, which VolkerWessels believes enables it to maintain subcontractor capacity when needed at reasonable

prices. Additionally, VolkerWessels' ownership of own production and supply resources helps it mitigate certain subcontractor related risks, including providing capacity during times of shortages, as well as assisting VolkerWessels with identifying subcontractor market prices. For example, VolkerWessels' ability to produce prefabricated construction materials reduces its reliance on certain specialist subcontractors, including masons. VolkerWessels also engages in financial screening of subcontractors before appointing a subcontractor, and typically seeks to agree on specified payment schedules as well as performance guarantees.

VolkerWessels actively manages its project partnerships at the tendering phase, and in instances where there is increased risk exposure, it may require additional surety from its partners, such as in the form of bank guarantees. However, subcontractors or joint venture partners could become insolvent during the course of a project's development, which may result in increased costs or project delays. For example, as a result of the insolvency of VolkerWessels' partner in the North-South subway line project in Amsterdam, Imtech N.V., VolkerWessels experienced delays in the development of the project, which resulted in increased project costs and working capital commitments.

Fluctuations in Raw Materials and Construction Supply Prices and VolkerWessels' Ability to Pass on Cost Increases

Raw materials and construction supply purchases are a significant component of VolkerWessels' variable cost structure, accounting for 23%, 24% and 23% of VolkerWessels' €5,335 million, €5,178 million and €4,885 million total operating expenses in the years ended 31 December 2016, 2015 and 2014, respectively. The raw materials and construction supplies that VolkerWessels routinely purchases and uses in its operations include aggregates, concrete, timber, steel, bitumen, stone and pre-fabricated construction supplies. VolkerWessels produces a portion of these materials for its own use with a view towards mitigating supply shortage risks. For example, most of VolkerWessels' requirements for asphalt in the Netherlands are supplied from facilities that VolkerWessels has an ownership interest in. However, VolkerWessels relies on external purchases as well.

The price of these materials (including the input costs of the materials produced internally by VolkerWessels) can fluctuate considerably. A significant portion of VolkerWessels' revenue is derived from smaller projects with relatively short execution periods compared to larger projects which frequently have multiple year execution periods. This focus has a mitigating effect on VolkerWessels' short-term exposure to price fluctuations of raw materials and supplies throughout the execution period of such contracts. Additionally, VolkerWessels seeks to mitigate the risk of price fluctuations by negotiating fixed price contracts with its suppliers, passing price changes along to clients through variable price terms in its client contracts, including through index-linked and cost-plus contracts, and, to a lesser extent, by implementing commodity price hedges.

Weather Conditions and Seasonality

Construction activity can be affected by adverse weather conditions, severe frost, heavy storms, torrential rains, floods, wild fires, natural disasters and similar events. Unfavourable weather conditions, particularly during peak construction periods, can result in project delays and cost overruns. VolkerWessels' the Netherlands, UK and German construction activities can be impacted heavily during the winter months. In the regions in North America where VolkerWessels operates, weather extremes are an important factor in the construction and maintenance activities, particularly in respect of road and highway maintenance. VolkerWessels will typically perform planned maintenance work as well as indoor construction work during periods of adverse weather conditions to avoid disruptions.

As is common in the construction industry, VolkerWessels' quarterly results of operations are affected by seasonality. VolkerWessels typically experiences reduced levels of construction activity during the first quarter as a result of frost, snow and heavy rain during winter and, consequently, VolkerWessels' revenue and EBITDA are typically lowest in the first quarter and EBITDA has in the past been nil or negative during the first quarter. During the third quarter, VolkerWessels experiences reduced levels of construction activity as a result of the summer holidays and vacation periods as construction activity temporarily ceases, particularly in the Netherlands. Revenue and EBITDA are typically highest during the last quarter largely driven by increased demand from public sector clients completing projects before year-end. VolkerWessels' quarterly results in North America are typically significantly higher in the second and third quarters, when weather conditions are most favourable,

and decrease during the first and fourth quarters, when frost and snow reduce levels of construction activity.

Results of any one quarter, particularly the first quarter, may therefore not be a reliable proxy for full financial year results, and may not be comparable with the results of VolkerWessels in other quarters in the same or prior years.

The Land Bank and its Carrying Value

VolkerWessels acquires and holds strategic land positions, predominantly located in the Netherlands, with the aim of developing and selling real estate developments. The revenue and margins that VolkerWessels is able to generate on its own developments are impacted by the realisable value of properties developed on its land positions, which can be affected by a variety of factors including developments in market conditions and the broader economy.

The table below shows the book value of VolkerWessels' land bank positions for the periods indicated:

	As at 31 December *(unaudited)*		
	2016	**2015**	**2014**
Land bank	**(EURm)**	**(EURm)**	**(EURm)**
Historical costs	342	372	387
Capitalised interest	95	95	91
Gross book value	**437**	**467**	**478**
Cumulative interest expense (provision on capitalised interest)	(95)	(95)	(91)
Cumulative impairments (provision)	(112)	(119)	(127)
Book value of directly held land bank	**230**	**253**	**260**
Book value of land bank held through joint ventures and associates	86	82	83
Total book value of directly and indirectly held land bank	**316**	**335**	**343**
Less: land bank held by North American Operations	(22)	(29)	(22)
Book value of directly and indirectly held land bank in The Netherlands.	**294**	**306**	**321**

The table below shows the book value of VolkerWessels' land bank positions as at 31 December 2016 split by geography as well as the market value of the land bank in the Netherlands as assessed by Cushman and Wakefield as at 1 February 2017:

	As at 31 December 2016 *(unaudited)*		
Land bank	**the Netherlands (EURm)**	**North America (EURm)**	**Total (EURm)**
(Net) Book value of directly held land bank	208	22	230
(Net) Book value of land bank held through joint ventures and associates	86	—	86
Total (net) book value of directly and indirectly held land bank	**294**	**22**	**316**
	As at 1 February 2017 *(unaudited)*		
Market value as assessed by Cushman and Wakefield[52]	**347**	**Not applicable**	**Not applicable**

As at 31 December 2016, the book value of VolkerWessels' directly held land bank was €230 million, consisting of €208 million of land positions in the Netherlands and €22 million of land positions in North America. In addition, VolkerWessels holds land positions in the Netherlands through joint ventures and associates with a book value of €86 million as at 31 December 2016. VolkerWessels believes that it values its land positions conservatively by using historical costs after deducting impairments as well as provisioning preparation costs and capitalised interest costs until it or the third party developer files for a final building permit for the land position. In the year ended 31 December 2012, VolkerWessels recognised exceptional impairments of €196 million including land bank and real estate positions as a result of adverse market conditions. In the years ended 31 December 2014 and 2015, VolkerWessels recognised impairments to its land bank of €5 million

52 Independent valuation report as at 1 February 2017 concerning land bank positions in The Netherlands. No material book value changes have occurred between 31 December 2016 and 1 February 2017.

and €5 million, respectively. No land bank impairments were recognised in the year ended 31 December 2016.

VolkerWessels' land positions in the Netherlands (held directly and through joint ventures and associates) have been valued separately by Cushman & Wakefield, an independent third party property valuer. Cushman & Wakefield valued VolkerWessels' land bank in the Netherlands at €347 million as at 1 February 2017, consisting of €260 million related to 178 directly held land positions and €87 million related to 40 land positions held through joint ventures and associates. See the valuation report attached to this Prospectus beginning on page F-78. The valuation by Cushman & Wakefield, which has been prepared for the purposes of the Offering and which will not be performed on a recurring basis, has not been reflected in the book value of VolkerWessels' land bank. Based on VolkerWessels' accounting principles as disclosed in the Financial Statements, VolkerWessels' land positions are valued at the lower of cost and net realisable value. The net realisable value has been determined by an independent valuation report prepared by Cushman and Wakefield. It is not allowed under IFRS (IAS 2) to value VolkerWessels' land position as part of Inventories at the higher fair value. Disclosure of the fair value is only a voluntary disclosure under IFRS.

In addition, VolkerWessels holds development rights in the Netherlands, including in Amsterdam, Eindhoven and The Hague. These development rights have not been included in the book value of VolkerWessels' land bank but are included in work in progress in the Financial Statements, amounting to €10 million as at 31 December 2016. These development rights were valued by Cushman & Wakefield at approximately €100 million as at 1 February 2017.

Currency Exchange Rates

As a result of the geographic spread of VolkerWessels' operations, foreign currency fluctuations affect VolkerWessels' operational results. VolkerWessels records its financial results in EUR, but receives revenues and incurs costs in a variety of other currencies, including GBP, CAD and, to a lesser extent, USD. As a result, these non-EUR assets, liabilities, revenues and costs are translated into EUR at then applicable exchange rates for purposes of preparing VolkerWessels' accounts and financial statements. Changes in the value of the EUR, as compared to the GBP, CAD or USD could result in translational gains or losses in VolkerWessels' net result in a given year as compared to prior operating periods.

In 2016, 25% of VolkerWessels' revenues were denominated in currencies other than EUR. Due primarily to the depreciation of GBP (which accounted for 20% of VolkerWessels' revenues) against the EUR following the Brexit referendum, VolkerWessels' revenue in EUR terms was 12% lower than it would have been at the average annual 2015 GBP:EUR exchange rate.

The following table shows the effect of translation gains and losses of VolkerWessels' GBP and CAD results on consolidated revenue and EBITDA as reported in EUR based on annual average exchange rates for GBP: EUR and CAD: EUR compared to the annual average exchange rates for GBP: EUR and CAD: EUR for the prior year period for the periods indicated:

	Year ended 31 December *(unaudited)*		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Effect of foreign currency translation			
GBP			
Revenue	(138)	117	34
EBITDA	(4)	3	1
CAD			
Revenue	(7)	16	(19)
EBITDA	(1)	2	(3)

VolkerWessels has limited exposure to transactional currency exchange fluctuations. While a substantial portion of VolkerWessels' revenue is generated in the UK and North America, its exposure to currency exchange fluctuation risk is limited due to the fact that its local operating companies largely generate revenue and incur costs, including financing costs, in their local currencies. For a limited number of projects where VolkerWessels incurs revenues and costs in different currencies, which predominantly relate to the energy infrastructure sector, it utilises foreign currency hedging contracts to mitigate its exposure to transactional currency exchange fluctuations.

Current Trading and Recent Developments

VolkerWessels has continued to trade in line with management's expectations in the three months ended 31 March 2017. Revenue and EBITDA performance followed normal seasonal patterns with reduced levels of construction activity in the winter period, resulting in revenue and EBITDA, in the three months ended 31 March 2017, in line with the same period in the prior year. The order book for VolkerWessels as of 31 March 2017 amounted to approximately €8.5 billion, which was an increase of approximately 4.4% from the order book level as at 31 December 2016. VolkerWessels' performance for the three months ended 31 March 2017 is not a reliable proxy for VolkerWessels' full financial year results and is not comparable with results in other quarters of the same or prior years, due to varying reasons including as a result of such seasonality effects. See "*—Key Factors Affecting Results of Operations—Weather Conditions and Seasonality*".

VolkerWessels' expectations for its results of operations for the year ending 31 December 2017 are in line with its medium term objectives. See "*Business—Medium-Term Objectives*". These expectations for the year ending 31 December 2017 have been prepared in accordance with VolkerWessels ordinary forecasting procedures on a basis comparable with the Financial Statements and should not be read as a guarantee of future financial or operational performance. Estimates of VolkerWessels' performance for the remainder of 2017 reflect a significant number of assumptions regarding future events. Such estimates and assumptions are subject to numerous and significant uncertainties, including as a result of business, economic and competitive risks and uncertainties, many of which are beyond VolkerWessels' control, which could cause VolkerWessels' actual results for the year ending 31 December 2017 to differ materially from its current expectations. See "*Important Information—Forward-Looking Statements*" and "*—Key Factors Affecting Results of Operations*".

The Company intends to declare and pay a dividend of €1.04 per Ordinary Share for the year ending 31 December 2016, amounting to a dividend payment of €83.2 million in total before the First Trading Date. See "*Dividends and Dividend Policy*".

Other than as described above, there has been no significant change in the financial or trading position of VolkerWessels since 31 December 2016.

Description of Key Statement of Income Line Items

Revenue

This line item represents revenue and changes in reported value of work in progress and capitalised own production generated across VolkerWessels' reporting segments. VolkerWessels generates revenue from:

- *Construction contracts*, reflecting revenue earned from construction projects (including residential and non-residential property and infrastructure projects) for public and private sector clients. These projects are accounted for in proportion to the stage of completion;

- *Property development*, which includes revenue from the sale of land and residential and non-residential property developed by VolkerWessels, predominantly in the Netherlands and Germany;

- *Service and maintenance*, reflecting revenue in connection with service and maintenance comprises construction and/or upgrade activities as well as operating, maintenance and exploitation activities. Revenue from construction contracts and/or upgrade activities is recognised in conformity with the revenue recognition principles of construction contracts. Revenue from operating, maintenance and exploitation activities is recognised in the period in which the related services are rendered.

- *Goods sold and services rendered*, reflecting revenue from the sale of goods (including external sales of construction equipment and deliveries of semi-finished construction supplies from VolkerWessels' industrial construction supply companies and rail infrastructure products), recognised at the date of delivery, and from services rendered (including engineering services rendered to third parties and maintenance contracts relating

predominantly to various infrastructure projects, particularly relating to highway, rail infrastructure and telecoms, and certain real estate projects), recognised in proportion to the stage of completion; and

For a discussion of VolkerWessels' accounting policies with respect to recognition of revenues, see "*—Critical Accounting Policies and Estimates and Forthcoming Changes—Critical Accounting Judgements and Key Sources of Estimation Uncertainty—Revenue recognition*" and Note 5 to the Financial Statements.

Costs of raw materials and consumables

Costs of raw materials and consumables are incurred for the purpose of executing and completing projects and are one of the key drivers of the operating expenses of VolkerWessels. Costs for raw materials and consumables relate directly to projects under construction, and are accordingly directly correlated to the volume, size and complexity of VolkerWessels' projects.

Costs of outsourced work and other external costs

Costs of outsourced work and other external costs relate principally to subcontractor costs.

Personnel expenses

Personnel expenses relate to the costs of personnel employed by VolkerWessels such as wages and salaries, social security payments and pension costs. Personnel expenses are related to the projects of VolkerWessels, either directly, in the form of personnel working on projects, or indirectly, in the form of support staff and management. See Note 8 to the Financial Statements.

Other operating costs

Other operating costs relates to expenses which have a limited or no direct connection with projects under construction. These expenses predominantly relate to overhead costs, including general and administrative expenses, restructuring costs, research and development costs, auditor fees and failed tender costs. See Note 9 to the Financial Statements.

Share in result of associates and joint ventures (after income tax)

This line item includes non-consolidated companies in which a participating interest is held, including a significant number of associates such as Ontwikkelmaatschappij Paleiskwartier, Norwegian Sandstone Export and VoestalpineRailpro, and joint ventures, including SAAone Holding, Ontwikkelcombinatie de Bincker, Care City, Park 20|20 and Ontwikkelmaatschappij Heuvelland. Most of the joint ventures are held temporarily and are terminated when the project involved is completed. These items reflect VolkerWessels' share in results of associates and joint ventures, results from related investments and results from the sale of participating interests. For a number of participating interests, there are substantial restrictions on the transfer of funds. This mainly concerns provisions requiring repayment of external debts to take precedence over dividends. See Note 19 and 40 to the Financial Statements.

Net financial result

Net financial result reflects financial income and financial expenses. Financial income includes interest income and similar revenue from loans outstanding to joint ventures or third parties and release of provisions on capitalised interest, and capitalised interest on work in progress. Financial expenses include interest paid on borrowings, financial lease obligations and compounded interest on subordinated shareholder loans. Negative currency exchange rate differences are also presented under financial expenses. See Note 11 to the Financial Statements.

Result from discontinued operations (after income tax)

Results from discontinued operations (after income tax) reflects results attributable to discontinued road construction activities of Trapp in Germany, which were reclassified as discontinued operations from 1 January 2011 onwards and the offshore division, which was sold to Boskalis in 2016 and retrospectively classified as discontinued operations. See Note 15 to the Financial Statements.

Operating Segments and Presentation of Financial Information

The financial statements for the years ended 31 December 2016, 2015 and 2014 starting on page F-1 of this Prospectus are special purpose financial statements prepared for the purposes of the Offering and have been prepared in accordance with IFRS as adopted by the European Union. The historical financial information for the years ended 31 December 2015 and 2014 in the Financial Statements is not comparable to the Company's GAAP Statutory Accounts for the same periods given that these were prepared on the basis of Dutch GAAP and certain scope adjustments were made in connection with the preparation of the special purpose Financial Statements. See "*Important Information—Presentation of Financial and Other Information—Historical Financial Data*".

VolkerWessels also reports results on a segmental basis. Its reporting segments are as follows: the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure, the Netherlands – Energy & Telecom Infrastructure, UK, North America, Germany and Other. Its reporting segments largely correspond to its operating segments except for its Other reporting segment, which includes non-segment activities such as facility management services of PCH, Matex rental income, Volcap insurance and holding company costs. See Note 6 to the Financial Statements.

VolkerWessels generates inter-segment revenue in its the Netherlands – Construction & Real Estate Development, the Netherlands – Infrastructure, the Netherlands – Energy & Telecom Infrastructure and Other segments. These inter-segment revenues relate to subcontracted work or services performed by group companies of a certain segment for the benefit of another segment. Inter-segment revenue is eliminated from VolkerWessels' consolidated revenue.

Results of Operations

Comparison of Results of Operations for the Years Ended 31 December 2016 and 2015

The table below shows VolkerWessels' consolidated results of operations for the periods indicated:

	Year ended 31 December	
	2016	**2015**
	(EURm)	**(EURm)**
Revenue	**5,490**	**5,318**
Costs of raw materials and consumables	(1,251)	(1,265)
Costs of outsourced work and other external costs	(2,653)	(2,496)
Personnel expenses	(1,111)	(1,086)
Depreciation and impairment of tangible fixed assets	(73)	(77)
Amortisation and impairment of intangible assets	(16)	(9)
Other operating costs	(231)	(245)
Total operating expenses	**(5,335)**	**(5,178)**
Share in results of associates and joint ventures (after income tax)	**10**	**20**
Operating result	**165**	**160**
Financial income	26	23
Financial expenses	(52)	(56)
Net financial result	**(26)**	**(33)**
Result before tax	**139**	**127**
Income tax	(36)	(30)
Result from continuing operations	103	97
Result from discontinued operations (after income tax)	38	16
Result for the financial year	**141**	**113**

Revenue

Revenue increased by 3%, or €172 million, to €5,490 million for the year ended 31 December 2016 as compared to €5,318 million in the prior year, principally driven by increased revenue in the Netherlands – Construction & Real Estate Development segment, as well as higher volumes in the Netherlands – Energy & Telecom Infrastructure segment. In 2016, revenue in the Netherlands – Construction & Real Estate Development segment increased as a result of higher volumes due to improved market conditions and a €79 million impact as a result of an increased participation interest

in the North-South subway line project in Amsterdam. The revenue increase in 2016 was partially offset by decreased revenue from the UK segment due to a negative GBP:EUR exchange rate impact.

Total operating expenses

The table below shows VolkerWessels' operating expenses for the periods indicated:

	Year ended 31 December	
	2016	**2015**
Operating Expenses	**(EURm)**	**(EURm)**
Costs of raw materials and consumables	1,251	1,265
Costs of outsourced work and other external costs	2,653	2,496
Personnel expenses	1,111	1,086
Depreciation and impairment of tangible fixed assets	73	77
Amortisation and impairment of intangible assets	16	9
Other operating costs	231	245
Total operating expenses	**5,335**	**5,178**

Total operating expenses increased by 3%, or €157 million, to €5,335 million in 2016 as compared to €5,178 million in the prior year, principally driven by higher costs of outsourced work and other external costs and personnel expenses as a result of higher volumes and largely in line with the revenue increase for the period. In 2016, depreciation charges amounted to €73 million in total. The Netherlands – Constructions & Real Estate Development, The Netherlands – Infrastructure, The Netherlands – Energy & Telecom Infrastructure, the United Kingdom and North America segments accounted for 21%, 44%, 4%, 7% and 23%, respectively, of total depreciation charges, excluding €16 million of depreciation charges attributable to the Other segment and after inter-segment eliminations.

Share in results of associates and joint ventures (after income tax)

Share in results of associates and joint ventures (after income tax) decreased by €10 million, to €10 million in 2016 as compared to €20 million in the prior year. Results in 2015 were higher principally as a result of the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70%, which resulted in a €12 million fair value revaluation result with respect to existing holdings in these entities.

Net financial result

Net financial result improved by 21%, or €7 million, to a net financial expense of €26 million in 2016 as compared to a net financial expense of €33 million in the prior year, as a result of higher financial income and lower financial expenses.

Financial income increased by 13%, or €3 million, to €26 million in 2016 as compared to €23 million in the prior year, principally driven by higher interest income from current and non-current receivables partly due to a release of an interest provision following the change of ownership and consolidation of two property development joint ventures.

Finance expenses decreased by 7%, or €4 million, to €52 million in 2016 as compared to €56 million in the prior year, largely due to the conversion of the subordinated shareholders loan at the end of 2015. At the end of 2016, the remaining amount of the subordinated shareholders' loan of €544 million was converted into Ordinary Shares. Finance expenses on the subordinated loan in 2016 amounted to €13 million.

Income tax

Income tax increased by €6 million, to €36 million in 2016 as compared to €30 million in the prior year, principally driven by a higher operating result and lower interest costs. VolkerWessels' effective tax rate increased from 23.5% in 2015 to 25.6% in 2016. The effective tax rate in 2015 was lower due to a number of minor tax differences. See Note 12 to the Financial Statements.

Result for the financial year

The result for the financial year increased by 25%, or €28 million, to €141 million in 2016, as compared to €113 million in the prior year (which included a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities) as a result of the line item movements discussed above as well as by an increase of €22 million in results from discontinued operations (after income tax), predominantly due to a one-off book profit realised in 2016 related to the sale of the Offshore activities to Boskalis in 2016.

Segmental Analysis for the Years Ended 31 December 2016 and 2015

Revenue

The following table sets forth revenue with respect to VolkerWessels' reporting segments for the periods indicated:

	Year ended 31 December	
	2016	**2015**
	(EURm)	**(EURm)**
Revenue		
The Netherlands – Construction & Real Estate Development	1,946	1,747
The Netherlands – Infrastructure	1,371	1,378
The Netherlands – Energy & Telecom Infrastructure	649	590
UK	1,071	1,174
North America	317	301
Germany	207	214
Other[(1)] and Eliminations	(71)[(2)]	(86)[(3)]
Total revenue	**5,490**	**5,318**

(1) Includes non-segment activities such as facility management services of PCH, Matex rental income, Volcap insurance and holding company costs.

(2) Includes eliminations of inter-segment revenue of €12 million, €61 million and €10 million for The Netherlands – Construction & Real Estate Development, The Netherlands – Infrastructure, The Netherlands – Energy & Telecom Infrastructure segments, respectively.

(3) Includes inter-segment revenue eliminations of €8 million, €78 million and €15 million for The Netherlands – Construction & Real Estate Development, The Netherlands – Infrastructure, The Netherlands – Energy & Telecom Infrastructure segments respectively.

The Netherlands – Construction & Real Estate Development revenue increased by 11%, or €199 million, to €1,946 million in 2016 as compared to €1,747 million in the prior year, principally driven by higher volumes due to improved market conditions and a €79 million increase in revenue as a result of an increased participation interest in the North-South subway line project in Amsterdam in 2016.

The Netherlands – Infrastructure revenue decreased by 1%, or €7 million, to €1,371 million in 2016 as compared to €1,378 million in the prior year, principally driven by a small decrease in the volume of large infrastructure projects in 2016.

The Netherlands – Energy & Telecom Infrastructure revenue increased by 10%, or €59 million, to €649 million in 2016 as compared to €590 million in the prior year, principally driven by higher volumes due to improving market conditions in the energy onshore market and the extension of a long-term framework agreement for telecom in 2016.

UK revenue decreased by 9%, or €103 million, to €1,071 million in 2016 as compared to €1,174 million in the prior year, principally due to a negative GBP:EUR exchange rate impact on revenue of €138 million despite the segment experiencing an increase in revenue in local currency terms of 3%, primarily driven by higher volumes in the water and energy markets due to improved market conditions.

North America revenue increased by 5%, or €16 million, to €317 million in 2016 as compared to €301 million in the prior year, principally driven by higher volumes in the United States as a result of improving economic conditions as well as from a €19 million positive revenue impact from the

acquisition of Lakes District Maintenance Ltd. in Canada in 2016, partially offset by a negative CAD:EUR exchange rate impact on revenue of €7 million as well as lower volumes in Canada due to project delays as a result of wild fires in the Fort McMurray area in Canada in the spring of 2016.

Germany revenue decreased by 3%, or €7 million, to €207 million in 2016 as compared to €214 million in the prior year, predominantly as a result of the continued operational impact of the North-Rhine Westphalia Restructuring.

EBITDA

The following table sets forth EBITDA with respect to VolkerWessels' reporting segments for the periods indicated:

	Year ended 31 December (*unaudited*)	
	2016	**2015**
	(EURm)	**(EURm)**
EBITDA[1]		
The Netherlands – Construction & Real Estate Development	79	53[2]
The Netherlands – Infrastructure	73	70
The Netherlands – Energy & Telecom Infrastructure	31	34
UK	34	35
North America	46	46
Germany	12	10
Other[3]	(21)	(14)
Total EBITDA	**254**	**234**[2]

(1) For a reconciliation of EBITDA to operating profit, see "*Selected Consolidated Financial Information*".

(2) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(3) Other includes non-segment activities such as facility management services of PCH, Matex rental income, Volcap insurance and holding company costs.

The Netherlands – Construction & Real Estate Development EBITDA increased by 49%, or €26 million, to €79 million in 2016 as compared to €53 million in the prior year, principally driven by higher volumes due to improved market conditions and improved cost control.

The Netherlands – Infrastructure EBITDA increased by 4%, or €3 million, to €73 million in 2016 as compared to €70 million in the prior year, principally driven by higher margin projects.

The Netherlands – Energy & Telecom Infrastructure EBITDA decreased by 9%, or €3 million, to €31 million in 2016 as compared to €34 million in the prior year, principally driven by a higher portion of low margin contracts in the energy and telecoms sectors.

UK EBITDA decreased by 3%, or €1 million, to €34 million in 2016 as compared to €35 million in the prior year, primarily as a result of a negative GBP:EUR exchange rate impact on EBITDA of €4 million, despite the segment experiencing an increase in EBITDA in local currency terms primarily driven by higher volumes in the water and energy markets due to improved market conditions.

North America EBITDA of €46 million in 2016 remained the same as in the prior year. EBITDA for the segment increased due to higher volumes in the US, as well as from the acquisition of Lakes District Maintenance Ltd. in 2016, but was offset by lower results in Canada, due to a negative exchange rate impact on EBITDA of €1 million and project delays as a result of wild fires in the Fort McMurray area in the spring of 2016.

Germany EBITDA increased by 20%, or €2 million, to €12 million in 2016 as compared to €10 million in the prior year, principally driven by the sale of the Ohligsmuhle project. Additionally, 2015 EBITDA was negatively impacted by a one-off restructuring charge relating to the North Rhine-Westphalia Restructuring and the operational impact resulting therefrom.

Other EBITDA decreased by €7 million to €(21) million in 2016 as compared to 2015, as a result of additional costs related to advisory costs for merger and acquisitions activities and higher costs for contributions under the management participation plan.

Comparison of Results of Operations for the Years Ended 31 December 2015 and 2014

The table below shows VolkerWessels' consolidated results of operations for the periods indicated:

	Year ended 31 December	
	2015	**2014**
	(EURm)	**(EURm)**
Revenue	**5,318**	**5,000**
Costs of raw materials and consumables	(1,265)	(1,121)
Costs of outsourced work and other external costs	(2,496)	(2,415)
Personnel expenses	(1,086)	(1,028)
Depreciation and impairment of tangible fixed assets	(77)	(74)
Amortisation and impairment of intangible assets	(9)	(12)
Other operating costs	(245)	(235)
Total operating expenses	**(5,178)**	**(4,885)**
Share in results of associates and joint ventures (after income tax)	**20**	**22**
Operating result	**160**	**137**
Financial income	23	19
Financial expenses	(56)	(96)
Net financial result	**(33)**	**(77)**
Result before tax	**127**	**60**
Income tax	(30)	(17)
Result from continuing operations	97	43
Result from discontinued operations (after income tax)	16	18
Result for the financial year	**113**	**61**

Revenue

Revenue increased by 6%, or €318 million, to €5,318 million for the year ended 31 December 2015 as compared to €5,000 million in the prior year, principally driven by increased revenue in the Netherlands – Construction & Real Estate Development segment, largely due to increased revenue from projects under own development as a result of improving market conditions for the segment as well as a revenue increase of €139 million from the acquisition of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70%. The increase of revenue during the period was also attributable to increased revenue in the UK segment due to a positive exchange rate impact of €117 million on revenue as a result of the translation effect of a higher GBP:EUR exchange rate in 2015, as well as growth in railway, water and energy infrastructure operations and better weather conditions. Positive revenue trends were partially offset by lower volumes in the Netherlands – Infrastructure and the Netherlands – Energy & Telecom Infrastructure segments.

Operating expenses

The table below shows VolkerWessels' operating expenses for the periods indicated:

	Year ended 31 December	
	2015	**2014**
Operating Expenses	**(EURm)**	**(EURm)**
Costs of raw materials and consumables	1,265	1,121
Costs of outsourced work and other external costs	2,496	2,415
Personnel expenses	1,086	1,028
Depreciation and impairment of tangible fixed assets	77	74
Amortisation and impairment of intangible assets	9	12
Other operating costs	245	235
Total operating expenses	**5,178**	**4,885**

Total operating expenses increased by 6%, or €293 million, to €5,178 million in 2015 as compared to €4,885 million in the prior year, reflecting increased costs of raw materials and consumables, higher costs of outsourced work and other external costs and personnel expenses as a result of greater volumes and largely in line with revenue increases for the period.

Share in results of associates and joint ventures (after income tax)

Share in results of associates and joint ventures (after income tax) decreased by 9%, or €2 million, to €20 million in 2015 as compared to €22 million in the prior year. Results in 2014 were higher primarily due to the negative goodwill on the acquisition of Storm II B.V. and the remaining 50% share in Matex Vastgoed I B.V. and Matex Vastgoed III B.V. as well as a book profit on the sale of an equity investment in Canada.

Net financial result

Net financial result increased by €44 million to a net financial expense of €33 million in 2015 as compared to net financial expenses of €77 million in the prior year, as a result of the increase of financial income and decrease of financial expenses.

Financial income increased by 21%, or €4 million, to €23 million in 2015 as compared to €19 million in the prior year, principally driven by a release of an interest provision following the change of ownership and consolidation of two property development joint ventures.

Financial expenses decreased by 42%, or €40 million, to €56 million in 2015 as compared to €96 million in the prior year, as a result of the partial conversion of the subordinated shareholders loans and a decrease in the interest rate on the subordinated shareholders loans from 5% to 3% as of 1 January 2015.

Income tax

Income tax increased by €13 million, to €30 million in 2015 as compared to €17 million in the prior year, principally driven by a higher operating result and lower financial expenses. VolkerWessels' effective tax rate declined from 28.2% in 2014 to 23.5% in 2015. The higher effective tax rate in 2014 was due to a one-off adjustment for an amount of €2 million relating to a partial write down of deferred tax assets for tax losses carried forward in 2014. See Note 12 of the Financial Statements. The effective tax rate in 2015 was lower due to a number of minor tax differences. See Note 12 to the Financial Statements.

Result for the financial year

Result for the financial year increased by 85%, or €52 million, to €113 million in 2015 as compared to €61 million in the prior year, as a result of the line item movements discussed above as well as a positive impact in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities of €12 million.

Segmental Analysis for the Years Ended 31 December 2015 and 2014

Revenue

The following table sets forth revenue with respect to VolkerWessels' reporting segments for the periods indicated:

	Year ended 31 December	
	2015	2014
	(EURm)	(EURm)
Revenue		
The Netherlands – Construction & Real Estate Development	1,747	1,494
The Netherlands – Infrastructure	1,378	1,492
The Netherlands – Energy & Telecom Infrastructure	590	662
UK	1,174	926
North America	301	295
Germany	214	221
Other[1] and Eliminations	(86)[2]	(90)[3]
Total revenue	**5,318**	**5,000**

(1) Other includes non-segment activities such as facility management services of PCH, Matex rent income, Volcap insurance and holding company costs.

(2) Includes eliminations of inter-segment revenue of €8 million, €78 million and €15 million for The Netherlands – Construction & Real Estate Development, The Netherlands – Infrastructure and The Netherlands – Energy & Telecom Infrastructure segments, respectively.

(3) Includes inter-segment revenue eliminations of €5 million, €82 million and €14 million for The Netherlands – Construction & Real Estate Development, The Netherlands – Infrastructure and The Netherlands – Energy & Telecom Infrastructure segments, respectively.

The Netherlands – Construction & Real Estate Development revenue increased by 17%, or €253 million, to €1,747 million in 2015 as compared to €1,494 million in the prior year, principally driven by higher volumes as a result of improved housing market conditions in the Netherlands reflecting increasing demand stimulated by lower interest rates and increased consumer confidence in the market and the sale of real estate held for sale. In addition, the revenue increase in 2015 reflected the acquisition of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70%, which, combined, resulted in a revenue increase of €139 million.

The Netherlands – Infrastructure revenue decreased by 8%, or €114 million, to €1,378 million in 2015 as compared to €1,492 million in the prior year, principally driven by a decrease in the volume of large infrastructure projects in 2015.

The Netherlands – Energy & Telecom Infrastructure revenue decreased by 11%, or €72 million, to €590 million in 2015 as compared to €662 million in the prior year, principally driven by lower volume of work in the energy sector as a result of VolkerWessels' decision in 2014 to cease pursuing high-risk lump sum large engineering, procurement and construction contracts in the Dutch energy sector and to increase its focus on margins instead of revenue as well as a lower volume of work in the telecom infrastructure sector due to lower investments by telecom providers and increased competition.

UK revenue increased by 27%, or €248 million, to €1,174 million in 2015 as compared to €926 million in the prior year, principally driven by growth in railway, water and energy infrastructure operations and better weather conditions compared to the prior year which resulted in improved project results, as well as a positive GBP:EUR exchange rate impact on revenue of €117 million.

North America revenue increased by 2%, or €6 million, to €301 million in 2015 as compared to €295 million in the prior year, principally driven by higher demand in the US as a result of improvements in the overall economy as well as a positive CAD:EUR exchange rate impact of €16 million on revenue, partially offset by lower demand in Canada as a result of the reduction in investments in infrastructure due to falling oil prices as well as overcapacity in the infrastructure construction market.

Germany revenue decreased by 3%, or €7 million, to €214 million in 2015 as compared to €221 million in the prior year, principally driven by the operational impact of the North Rhine-

Westphalia Restructuring on the segment, partly offset by increased revenues in the Berlin area due to greater demand as a result of improved market conditions.

EBITDA

The following table sets forth EBITDA with respect to VolkerWessels' reporting segments for the periods indicated:

	Year ended 31 December (*unaudited*)	
	2015	**2014**
	(EURm)	**(EURm)**
EBITDA[1]		
The Netherlands – Construction & Real Estate Development	53[2]	36
The Netherlands – Infrastructure	70	51
The Netherlands – Energy & Telecom Infrastructure	34	44
UK	35	24
North America	46	46
Germany	10	17
Other[3]	(14)	5
Total EBITDA	**234**[2]	**223**

(1) For a reconciliation of EBITDA to operating profit, see "*Selected Consolidated Financial Information*".

(2) Excludes a positive impact of €12 million in connection with the acquisitions of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70% which resulted in a fair value adjustment of existing holdings in these entities.

(3) Other includes non-segment activities such as facility management services of PCH, Matex rental income, Volcap insurance and holding company costs.

The Netherlands – Construction & Real Estate Development EBITDA increased by €17 million to €53 million in 2015 as compared to €36 million in the prior year, principally driven by higher volumes in the construction sector due to improved market conditions and higher profits on the sale of real estate held for sale compared to the prior year.

The Netherlands – Infrastructure EBITDA increased by €19 million to €70 million in 2015, despite lower revenues, as compared to €51 million in the prior year, principally driven by lower costs for Vialis, a VolkerWessels' operating company in the segment, which was the subject of a restructuring in 2014. In addition, the receipt of final approval of compensations for additional work performed in previous periods on a number of major infrastructure projects in 2015 positively impacted operational results for the segment.

The Netherlands – Energy & Telecom Infrastructure EBITDA decreased by 23%, or €10 million, to €34 million in 2015 as compared to €44 million in the prior year, principally due to lower volumes of energy projects in 2015 due to a focus on lower risk projects. Additionally, 2014 results were positively impacted by the one-off release of a provision for a claim after a positive outcome in an arbitration case related to a construction project.

UK EBITDA increased by 46%, or €11 million, to €35 million in 2015 as compared to €24 million in the prior year, principally driven by growth in railway, water and energy infrastructure operations and better weather conditions which resulted in improved project results compared to the prior year, as well as a GBP:EUR positive exchange rate impact.

North America EBITDA remained flat at €46 million in 2015 as compared to the prior year. EBITDA remained flat due to higher EBITDA in the United States as a result of higher demand in the US as a result of improvements in the overall economy as well as a positive CAD:EUR exchange rate impact of €2 million on EBITDA being offset by lower demand in Canada due to the reduction in investments in infrastructure as a result of falling oil prices as well as overcapacity in the market. In addition, EBITDA for 2014 was positively impacted on a one-off basis by the divestment of an equity investment in a property development partnership.

Germany EBITDA decreased by 41%, or €7 million, to €10 million in 2015 as compared to €17 million in the prior year, principally driven by the North Rhine-Westphalia Restructuring, which resulted in one-off restructuring costs as well as lower revenues and lower project results due to the operational impact it had on the segment, partly offset by increased revenues in the Berlin area due to greater demand as a result of improved market conditions.

Other EBITDA decreased by €19 million to €(14) million in 2015 as compared to 2014, mainly as a result of the release of a provision which positively impacted EBITDA for the segment in 2014.

Liquidity and Capital Resources

Overview

Liquidity represents VolkerWessels' ability to pay its liabilities when they become due, fund business operations, meet its contractual obligations and execute its business plan. VolkerWessels' primary liquidity needs are for working capital (including equity and joint venture investments relating to real estate development projects), income tax and capital expenditures.

VolkerWessels' primary sources of liquidity are cash flows from continuing operations, available cash balances and committed credit facilities. As at 31 December 2016, VolkerWessels had cash and cash equivalents, including netting of bank overdrafts, of €386 million. If needed, VolkerWessels' has availability under its committed and uncommitted credit facilities to manage its liquidity needs. There are no scheduled repayments under the RCF prior to the final maturity date. No loans were outstanding under the revolving credit facility (the "**RCF**") as at 31 December 2016. It is the policy of VolkerWessels to keep sufficient headroom available under the RCF at all times. See "*—Credit Facilities*". VolkerWessels also leverages its in-house bank to manage its debt and cash requirements. See "*—In-House Bank*."

In addition, VolkerWessels has access to a number of committed and uncommitted bank guarantee and bonding facilities. See "*—Guarantee Facilities*"

In order to maintain sufficient liquidity, VolkerWessels evaluates its working capital requirements on a regular basis. See "*—Working Capital*". VolkerWessels may elect to obtain additional liquidity by (i) issuing debt or increasing its credit facilities or (ii) arranging for project financings as necessary to fund its operations.

For a discussion on VolkerWessels' capital expenditures, see "*—Capital Expenditures and Investments*" below.

Cash Flows

The following table sets out VolkerWessels' cash flows and net cash positions for the periods indicated:

	Year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Cash and cash equivalents at the beginning of the period	**357**	**240**	**186**
Net cash flow from continuing operating activities	286	221	118
Net cash flow from discontinued operating activities	4	71	12
Net cash flow from operating activities (total)	***290***	***292***	***130***
Net cash flow from continuing investment activities	(212)	(103)	(77)
Net cash flow from discontinued investment activities	133	6	9
Net cash flow from investing activities (total)	***(79)***	***(97)***	***(68)***
Net cash flow from continuing financing activities	(152)	(91)	(32)
Net cash flow from discontinued financing activities	(21)	9	12
Net cash flow from financing activities (total)	***(173)***	***(82)***	***(20)***
Increase/(decrease) in net cash position	**38**	**113**	**42**
Effects of exchange rate differences on cash, cash equivalents and current account banks	(9)	4	12
Cash and cash equivalents at the end of the period[1]	**386**	**357**	**240**

(1) Includes bank overdrafts.

Cash flows from operating activities

VolkerWessels' total net cash inflow from operating activities was €290 million in 2016, compared to a net cash inflow of €292 million in 2015. Net cash inflow from continuing operating activities accounted for €286 million of total net cash inflow from operating activities in 2016, an increase of €65 million, compared to €221 million in 2015. The increase was primarily due to higher EBITDA and increased cash inflow from working capital, mainly relating to a decrease in working capital commitments for land and work in progress as a result of project execution schedules, compared to the prior year. Net cash inflow from discontinued activities in 2016 mainly related to operational cash flow from the discontinued offshore activities.

VolkerWessels' total net cash inflow from operating activities was €292 million in 2015, compared to a net cash inflow of €130 million in 2014. Net cash inflow from continuing activities accounted €221 million of total net cash inflow from operating activities in 2015, an increase of €103 million, compared to €118 million in 2014. The increase was primarily due to higher EBITDA and cash inflow from working capital as a result of lower trade receivables and higher trade payables as a result of project execution schedules compared to a cash outflow in working capital and provisions in 2014. Net cash inflow from discontinued activities mainly related to operational cash flow from the discontinued offshore activities.

Cash flows from investing activities

VolkerWessels' total net cash outflow from investing activities in 2016 was €79 million, compared to a net cash outflow of €97 million in 2015. Net cash outflow from continuing activities accounted for €212 million of total net cash outflow from investing activities in 2016, an increase of €109 million, compared to €103 million in 2015. The increase was primarily due to the acquisition of KWH in December 2016. Net cash inflow from discontinued activities accounted for €133 million in 2016 and mainly related to proceeds from the sale of the offshore activities.

VolkerWessels' total net cash outflow from investment activities was €97 million in 2015, compared to a net cash outflow of €68 million in 2014. Net cash outflow from continuing activities accounted for €103 million of total net cash outflow from investing activities in 2015, an increase of €26 million, compared to €77 million in 2014. The increase was primarily due to the acquisition of the remaining interests in Biesterbos B.V. and PGB Holding B.V. and the increase of VolkerWessels' interest in G&S Vastgoed B.V. from 30% to 70%, as well as an increase in loans provided to partnerships and property development projects in 2015. Net cash inflow from discontinued activities mainly related to investment cash flow in relation to repayment of inter-company loans and dividend payments by the discontinued offshore activities.

Cash flows from financing activities

VolkerWessels' total net cash outflow from financing activities in 2016 was €173 million, compared to a cash outflow of €82 million in 2015. Net cash outflow from continuing activities accounted for €152 million of total net cash outflow for financing activities in 2016, an increase of €61 million, compared to €91 million in 2015. The increase was primarily due to an increased repayment of financing obligations from cash flows in 2016 as compared to the prior year, including the full repayment of the Matex financing for an amount of €83 million.

VolkerWessels total net cash outflow for financing activities in 2015 was €82 million, compared to a cash outflow of €20 million in 2014. Net cash outflow from continuing activities accounted for €91 million of total net cash outflow for financing activities in 2015, an increase €59 million, compared to €32 million in 2014. The increase was primarily due to an increased repayment of financing obligations in 2015 compared to the prior year.

Credit Facilities

VolkerWessels has access to a number of committed and uncommitted credit facilities to finance its business. VolkerWessels utilises these facilities primarily for financing the working capital needs of its operating companies and for cash management purposes. VolkerWessels has a revolving credit facility at the parent company level to ensure sufficient liquidity access for its operating companies on an equal basis and to maintain its corporate credit profile which allows it access to further financing. In addition, VolkerWessels has a number of local uncommitted facilities that it may resort to in the event that local currency funding requirements arise.

Revolving credit facility

On 13 December 2016, the Company and Volker Wessels Stevin Financial Services B.V. ("**VWS FS**"), as borrowers, entered into a €600 million revolving credit facility, with a maximum of €200 million in optional currency, for a duration of five year term. The RCF is provided by a syndicate of seven Dutch and non-Dutch lenders, being ABN AMRO Bank N.V., BNP Paribas, the Netherlands Branch, Coöperatieve Rabobank U.A., Credit Agricole Corporate and Investment Bank, Belgium Branch, HSBC Bank Plc, ING Bank N.V. and MUFG Bank (Europe) N.V.

The RCF is based on Loan Market Association investment grade documentation. Several of VolkerWessels' Dutch asset companies guarantee the obligations of the borrowers under the RCF. Besides these guarantees, no other security is provided under the RCF. Interest under the RCF is based on EURIBOR (with a 0% floor) plus a margin (which is calculated according to a leverage grid varying between 0.95% and 1.75%, based on net debt to EBITDA ratio). The RCF can be used by VolkerWessels for general corporate and working capital purposes including acquisitions, capital expenditure, dividends, distributions and interest expenses. The RCF also contains an uncommitted accordion feature which allows the Company to request an increase of the facility of up to €200 million. The RCF terminates on 31 January 2022. The commitment fee of the RCF is 35% of the applicable margin. Drawdowns under the RCF will typically accrue interest at a margin of approximately 1.15% per annum, depending on VolkerWessels' leverage and utilisation.

The RCF contains mandatory prepayments events customary for a facility of this type including illegality, change of control events and certain disposals, which are subject to agreed exceptions and thresholds. In addition, the RCF contains customary undertakings and events of default and includes two financial covenants, which are tested on a semi-annual basis on 30 June and 31 December (the "**Test Dates**"):

- **Leverage,** being the ratio of consolidated total net recourse debt (which represents VolkerWessels' total recourse debt less cash and cash equivalents) to consolidated EBITDA for the last twelve months, must be less than 2.75:1 at each Test Date.

- **Interest Cover**, being the ratio of consolidated EBITDA for the last twelve months to the consolidated net interest expense (which represents VolkerWessels' total interest expenses less total interest income), must be at least 5.00:1 at each Test Date.

As at 31 December 2016, VolkerWessels was in ample compliance with the Leverage and Interest Cover covenants. As at 31 December 2016 the leverage rate ratio was favourable due to the positive net recourse cash position (total cash and cash equivalents less recourse debt) in addition to the positive EBITDA for 2016. Furthermore due to the low net interest expenses compared with EBITDA there is sufficient headroom for the interest cover ratio as at 31 December 2016. The RCF stipulates that VolkerWessels may pay a dividend to its shareholders of up to 75% of its net result per financial year (the "**Basket**"). A dividend exceeding that Basket may be paid provided that the projected Leverage on the first relevant Test Date after that dividend payment is expected to be less than 2.00:1. The dividend arrangement under the RCF also contains a carry forward arrangement for unused amounts in respect of a previous year where the dividend payment was less than the Basket. As at 31 December 2016, VolkerWessels had no outstanding borrowings under the RCF.

Uncommitted credit facilities

The Netherlands facilities

VolkerWessels has three overdraft facilities in the Netherlands of €60 million in total, to support its cash management. These are an uncommitted overdraft facility of €30 million with ABN AMRO Bank N.V., an uncommitted overdraft facility of €20 million with ING Bank N.V. and an uncommitted overdraft facility of €10 million with Coöperatieve Rabobank U.A.

UK facility

In the UK, BNP Paribas, London Branch has provided a current account facility of GBP 10 million to VolkerWessels UK Limited, a subsidiary of the Company.

Canadian facilities

VolkerWessels has access to an uncommitted credit facility of CAD 23 million and an uncommitted lease facility of CAD 22 million in Canada.

US uncommitted facility

In the US, Columbia State Bank has extended an uncommitted loan facility of USD 4 million to MidMountain Contractors, Inc., a subsidiary of the Company.

In-House Bank

To facilitate its debt and cash management, VolkerWessels has a virtual account management system in place called "Centrale Verreken Administratie" (the "**CVA**"). VolkerWessels' fully owned operating companies hold a virtual current account in the CVA with VolkerWessels' in-house bank, VWS FS, to finance working capital needs and set-off claims between these group companies. Due to the CVA and the various international cash pools, the in-house bank can allocate funds within VolkerWessels as it deems appropriate. Certain limits on CVA accounts apply per group of operating companies and these limits are periodically set and reviewed by the Management Board. Each CVA account is documented based on standard in-house documentation and, in principle, all CVA accounts of operating companies in the Netherlands are secured via pledges on moveable assets. In the third quarter of each year, the Management Board sets the debit and credit interest rates that will be charged by the in-house bank for the subsequent year based on market developments and VolkerWessels' external cost of its debt funding. In 2016 and 2017, the in-house bank's debit and credit interest rates were set at 4% per annum.

Hedging

VolkerWessels uses over-the-counter derivatives with third parties, to manage interest rate risk exposure with respect to its RCF. In connection with the RCF, VolkerWessels entered into a €250 million interest rate swap with a fixed interest rate of 1.71%, maturing in December 2017. In addition, VolkerWessels occasionally enters into interest rate swaps to hedge interest rate risk on certain project-related financing facilities for projects for which it is responsible for design, building, financing, maintenance and operation ("**DBFMO**"), which are partially executed via (off-balance sheet) joint ventures. These instruments are valued at fair value. For additional information on VolkerWessels' derivatives, see Note 33 and Note 41 to the Financial Statements.

Guarantee Facilities

VolkerWessels utilises guarantee facilities in the ordinary course of business to provide a wide range of guarantees including performance bonds, bid bonds, advanced-payment bonds, stand-by letters of credit, maintenance (or warrant) guarantees, retention guarantees, payment guarantees, rental guarantees, counter-guarantees or indemnities and credit replacing guarantees. As at 31 December 2016, VolkerWessels had €791 million of guarantees outstanding under its €1.6 billion of guarantee facilities. For an overview of amounts outstanding under such guarantee facilities as at 31 December 2016, 2015 and 2014, respectively, see "*—Off-Balance Sheet Arrangements and Contingent Liabilities*".

Uncommitted guarantee facilities

On 11 March 2016, subsidiaries of the Company, VWS FS as borrower and KVWS N.V. as guarantor, entered into a Dutch law common terms agreement (the "**CTA**") with various financial institutions that have each granted bilateral uncommitted guarantee facilities to VolkerWessels. These uncommitted bilateral guarantee facilities include a €120 million facility with ABN AMRO Bank N.V., a €100 million facility with ING, aggregate facilities of €120 million with Nationale Borg, a €125 million facility with Rabobank, a €85 million facility with Euler Hermes, a €40 million facility with BNP Paribas, a €65 million facility with Credit Agricole, a €25 million facility with Deutsche Bank, a €50 million facility with ACE, a €30 million facility with MUFG and a €20 million facility with Atradius. These facilities are governed by the terms of the CTA.

The CTA imposes certain obligations on the borrower to provide collateral in the form of either cash or a bank guarantee. Under the terms of the CTA, if a default is continuing and a guarantee provider wants to terminate a bilateral facility, all outstanding guarantees need to be collateralised. If

no default is continuing under the CTA and a guarantee provider wants to terminate a bilateral facility, only outstanding guarantees with a remaining tenor of three years or more or with no fixed end date need to be collateralised.

Committed guarantee facility

On 8 September 2016, subsidiaries of the Company, VWS FS, as borrower, and KVWS N.V., as guarantor, entered into an unsecured €150 million committed guarantee facility (the "**CGF**"). The CGF is provided by a syndicate of committed guarantee providers including ABN AMRO Bank N.V. and ING for the purpose of the issuance of guarantees in the ordinary course of business of VolkerWessels. The CGF contains an uncommitted accordion feature that allows VWS FS to request an increase of the facility of up to €150 million. The CGF contains the same financial covenants as the RCF (see "*Credit Facilities—Revolving credit facility*" above) and terminates on 8 September 2021.

Loans and other Financing Obligations

The following table summarises VolkerWessels' loans and other financing obligations for the periods indicated:

	As at 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Committed financing[1]	0	163	224
Other financing[2]	148	187	170
Financial lease obligations	44	50	62
Total loans and other financing obligations	192	400	456
Repayment in coming year	(98)	(107)	(226)
Total	94	293	230

(1) Reflects the total amount of loans outstanding under VolkerWessels' committed credit facilities as at 31 December

(2) Reflects outstanding amounts under several project financings, mainly within the Netherlands – Construction & Real Estate Development and Germany segments.

As at 31 December 2016, VolkerWessels had reduced its loans and other financing obligations by €208 million to €192 million, as compared to the prior year, primarily by decreasing its committed financing by utilising cash flow generated from operations. As at 31 December 2015, VolkerWessels had reduced its loans and other financing obligations by €56 million to €400 million as compared to the prior year, primarily by decreasing its committed financing by utilising cash flow generated from operations.

In 2016, the average total limit of the committed senior cash facilities amounted to €465 million, under which, on average during the 12 month period, €120 million of loans were outstanding. In 2015, the average total limit of these facilities amounted to €728 million, under which, on average during the 12 month period, €328 million of loans were outstanding. In 2014, the average total limit of the committed senior cash facilities of VolkerWessels amounted to €758 million, under which, on average during the 12 month period, €457 million of loans were outstanding.

Working Capital

VolkerWessels requires working capital to support seasonal variations in its business which influence the timing of associated spending. Generally, VolkerWessels requires working capital for projects where the costs are payable before the receivable resulting from the work performed are billed and collected and can be further affected by favourable contract terms and the timely sale of a project. Specific working capital needs vary across VolkerWessels' segments and can be affected by the default or insolvency of counterparties and additional work orders or other scope adjustments. Additionally, weather and seasonality conditions may generally impact working capital requirements across VolkerWessels' segments. Precipitation, strong winds and low temperatures can decrease workable hours and delay billing milestones beyond the due dates for costs, such as labour, subcontractor costs and raw materials. The North America segment's activities require working capital to support seasonal variations in its business, primarily due to the impact of weather and seasonality conditions on the levels of construction and maintenance activity. Historically, the North America

segment's working capital requirements have been higher towards the end of the third quarter when winter season starts.

Construction activities generally do not require upfront investment as billing milestones for the work are set prior to payment due dates of costs. This is also true for most infrastructure projects, where the costs are typically payable after the client has paid for the project. In cases of major integrated projects, additional work required at project close-outs is generally negotiated and paid for after all other work has been completed and the costs paid for. Real estate development activities in the Netherlands and Germany typically require upfront investments in order to purchase land or to invest equity in or provide loans for joint ventures and associates. The working capital needs for the Netherlands – Energy & Telecom Infrastructure segment are not significant to VolkerWessels.

VolkerWessels' working capital can be split into "traditional" working capital and "strategic" working capital. Traditional working capital predominantly has a short-term nature and is more interrelated to VolkerWessels' revenue development than strategic working capital.

VolkerWessels' strategic working capital such as land, real estate for sale and joint ventures and associates is an integral part of its operations. Strategic working capital is largely funded through the recycling of traditional working capital arising from funding through construction activities. As at 31 December 2016, VolkerWessels had financed selected strategic working capital items such as selected land positions and property for sale through non-recourse debt financing in the amount of €88 million.

The table below sets forth VolkerWessels' traditional and strategic net working capital for the periods indicated, which it presents for the purposes of the Offering only and does not intend to report on an on-going basis:

	As at or for the year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Inventory[1]	59	54	50
Balance of work in progress with a debit balance after deduction of progress billings	523	596	556
Balance of work in progress with a credit balance after deduction of progress billings	(421)	(462)	(495)
Trade and other receivables[2]	778	789	799
Trade and other payables[3]	(1,487)	(1,525)	(1,408)
Net Taxes[4]	(6)	(3)	(10)
Traditional net working capital *(unaudited)*	**(554)**	**(551)**	**(508)**
Land	230	253	260
Property development	115	136	65
Property for sale	112	88	104
Associates and joint ventures[5]	80	102	117
Non-current receivables from associates and joint ventures[6]	62	54	50
Net receivables on participations[6][7]	97	94	110
Strategic net working capital *(unaudited)*	**696**	**727**	**706**
Total net working capital including discontinued activities *(unaudited)*	142	176	198
Adjustment for discontinued activities	(6)	32	(6)
Total net working capital from continuing activities *(unaudited)*	**136**	**208**	**192**

(1) Property development is excluded from inventories for purposes of traditional working capital and is included in strategic working capital. See Note 25 to the Financial Statements.

(2) Net trade receivables from associates and joint ventures, which amounted to €116 million, €121 million and €148 million in the years ended 31 December 2016, 2015 and 2014, respectively, are excluded from trade and other receivables for purposes of traditional working capital and are included in strategic working capital. See Note 27 to the Financial Statements.

(3) Amounts owed to associates, which amounted to €(9) million, €(13) million and €(15) million in the years ended 31 December 2016, 2015 and 2014, respectively, and amounts owed to joint ventures, which amounted to €(10) million, €(14) million and €(23) million in the years ended 31 December 2016, 2015 and 2014, respectively, are excluded from trade and other payables for the purposes of traditional working capital and are included in strategic working capital. See Note 37 to the Financial Statements.

(4) Reflects income tax receivable net of income tax payable.

(5) Reflects investments in associates and joint ventures minus provisions for associates and joint ventures. See Notes 19 and 35 to the Financials Statements.

(6) Represent equity investments and provided loans in the ordinary course of business, mainly related to real estate development activities.

(7) Reflects net trade receivables from associates and joint ventures minus amounts owed to associates and amounts owed to joint ventures. See Notes 27 and 37 to the Financial Statements.

To assist with the management of its working capital requirements, VolkerWessels has access to its in-house bank as well as its €600 million RCF. See *"—In-House Bank"* and "*—Credit Facilities—Revolving credit facility*." The average interest rate to calculate the capitalised interest on work in progress was 2% in the year ended 31 December 2016. See Note 11 to the Financial Statements. Depending on leverage and utilisation, drawdowns under the RCF cost approximately 1.15% per annum (excluding fixed swap rate).

In the opinion of VolkerWessels, its working capital is sufficient for its present requirements for at least 12 months following the date of this Prospectus.

Capital Expenditures and Investments

The following table shows VolkerWessels' capital expenditures for the periods indicated:

	Year ended 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Capital expenditures for continuing activities	70	65	78[1]
Capital expenditures for discontinued activities	1	5	16
Total Capital expenditures	**71**	**70**	**94**

(1) Excludes €16 million relating to the acquisition of the assets of Mainline Construction Ltd. in 2014.

Capital expenditures for continuing activities amounted to €70 million, €65 million and €78 million in 2016, 2015 and 2014, respectively. Throughout these periods, approximately two thirds of VolkerWessels' total capital expenditures related to maintenance of equipment and buildings, with the remainder spent on investments in new projects, equipment and buildings.

VolkerWessels continuously evaluates whether it is more favourable to invest in fixed assets or source such assets through subcontractors or leases.

Investments in 2016 related predominantly to equipment and facility investments in owned construction supply manufacturers in The Netherlands – Construction & Real Estate Development segment and capacity expansion investments in the North America segment. In 2016, property, plants and equipment under construction amounted to €8 million, mainly related to equipment and facility investments for owned construction supply manufacturers in the Netherlands.

Investments in 2015 predominantly related to maintenance equipment investments in The Netherlands – Infrastructure segment and leases in the The Netherlands – Construction & Real Estate Development segment with respect to temporary housing.

Investments in 2014 related to investments in land and building for an owned construction supply manufacturer and a new asphalt plant in the Netherlands, finance leases of maintenance equipment in The Netherlands – Infrastructure and UK segments and maintenance equipment investments in Canada.

The Company expects its capital expenditures in 2017 to remain largely in line with the capital expenditure levels during the periods under review.

Off-Balance Sheet Arrangements and Contingent Liabilities

The following table sets forth VolkerWessels' outstanding guarantees under its committed and uncommitted guarantee facilities as of the dates indicated:

	As at 31 December (*unaudited*)		
	2016	**2015**	**2014**
Bank Guarantees	**(EURm)**	**(EURm)**	**(EURm)**
Guarantees relating to performance	549	679	592
Guarantees relating to credit facilities	1	1	2
Guarantees relating to prepayments received	11	64	18
Guarantees issued to clients based in North America	230	176	119
Total bank guarantees	**791**	**920**	**731**
Parent Company Guarantees			
Guarantees relating to performance	1,791	2,050	1,252
Guarantees relating to credit facilities	217	256	278
Guarantees relating to prepayments received	0	1	6
Total VolkerWessels guarantees	**2,008**	**2,307**	**1,536**

Bank guarantees

At the request of a project company or subsidiary of the Company, VolkerWessels may request a financial institution to provide a guarantee or bond (a "**Bank Guarantee**") to VolkerWessels' clients. A Bank Guarantee typically guarantees the performance and/or warranty obligations of such project company or subsidiary under a construction and/or maintenance agreement. Each Bank Guarantee is issued under a bank guarantee or bonding facility and the borrower of such facility is a holding and/or operating company of VolkerWessels. As the obligations of each borrower are also counter indemnified by one or more other holding companies of VolkerWessels, a provider of a bank guarantee or bonding facility has recourse against VolkerWessels. The terms of each Bank Guarantee are tested for compliance in accordance with VolkerWessels' internal guarantee policy guidelines. VolkerWessels aims to provide the counter indemnities for a bank guarantee or bonding facility at the lowest possible holding company level to avoid cross links between its various segments.

VolkerWessels has entered into bank guarantee or bonding facilities with various financial institutions. Bank Guarantees in Europe typically guarantee a part of the contract price and are provided by both banks and insurance companies, whereas Bank Guarantees in North America guarantee up to the full contract price and are typically provided by insurance companies.

Bank Guarantees relating to credit facilities are typically issued as security for project financings which have been granted in connection with a construction project or as security for a bank guarantee or bonding facility. Bank Guarantees relating to prepayments received reflect prepayments received in connection with construction projects.

Parent Company Guarantees

At the request of a project company or subsidiary of the Company, certain holding companies within VolkerWessels may provide a parent company guarantee (a "**PCG**"). A PCG mainly guarantees the performance and/or warranty obligations of such project company or subsidiary under a construction and/or maintenance agreement. Providing a PCG is carefully considered and the text of a PCG is tested on compliance with VolkerWessels' internal guarantee policy guidelines. VolkerWessels aims to provide a PCG at the lowest possible holding company level to avoid cross links between its various segments as much as possible.

Certain Other Contractual Commitments

The following table summarises VolkerWessels' total outstanding material contractual commitments as at 31 December 2016, excluding those contractual obligations as set forth above under *"—Loans and other Financing Obligations"*:

			Payments due by period		
	Total 2015	**Total 2016**	**Less than 1 year**	**1-5 years**	**More than 5 years**
			(EURm)		
Lease agreements[1]	87	75	33	42	0
Rental agreements[2]	116	123	22	69	32
Leasehold agreements[3]	6	5	1	3	1
(Contingent) obligations to purchase building land[4]	138	132	44	38	50
Tangible fixed assets under construction[5]	0	1	1	0	0
Other[6]	36	36	31	5	0
Total	**383**	**372**	**132**	**157**	**83**

(1) Lease agreements consist of obligations arising from lease agreements relating primarily to vehicles.

(2) Rental agreements relate to obligations under rental agreements relating primarily to property.

(3) Leasehold agreements relate to land positions.

(4) In the Netherlands and Germany, land purchase commitments have been entered into amounting to €132 million as at 31 December 2016.

(5) Obligations related to tangible fixed assets under construction.

(6) Other relates to purchase commitments.

Net Debt

The following table sets forth VolkerWessels' net debt as of the dates indicated:

	As at 31 December		
	2016	**2015**	**2014**
	(EURm)	**(EURm)**	**(EURm)**
Cash and cash equivalents	(412)	(407)	(309)
Loans and other financing obligations	94	293	230
Derivatives	0	16	25
Bank overdrafts	26	50	69
Loans and other financing obligations (current)	103	110	229
Net debt	**(189)**	**62(1)**	**244(1)**
Non-recourse financing	(88)	(160)	(176)
Net debt adjusted for non-recourse financing	**(277)**	**(98)**	**68**

(1) Excludes €109 million representing the purchase price paid for the KWH acquisition.

Net debt improved by €251 million to a net cash position of €189 million as at 31 December 2016, compared to a net debt position of €62 million as at 31 December 2015, principally driven by the free cash flow generated in 2016 of €216 million.

Net debt decreased by €182 million to €62 million as at 31 December 2015 as compared to €244 million as at 31 December 2014, principally driven by the free cash flow generated in 2015 of €156 million.

Quantitative and Qualitative Disclosures about Market Risk

For a discussion of quantitative and qualitative disclosures about market risks, see Note 41 to the Financial Statements.

Critical Accounting Policies and Estimates and Forthcoming Changes

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Financial Statements reflect the selection and application of accounting policies that require management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed by the Company to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Differing assumptions could yield different results and actual results may differ from these estimates.

The Company believes that revenue recognition and work in progress are the most significant judgments that are made in the process of applying its accounting policies. The estimates and underlying assumptions are reviewed on an on-going basis.

A summary of Company's accounting policies, which are subject to estimations and assumptions, is set out in Note 5 to the Financial Statements.

Revenue recognition

Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and costs are recognised in the income statement in proportion to the stage of completion of the project using "the percentage of completion method". The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they may have been agreed with the client and are capable of being reliably measured.

Property development

Sale of property development is recognised in respect of contracts exchanged during the year, provided that no material conditions remain outstanding on the balance sheet date and all conditions are fully satisfied by the date on which the contract is signed. Rental income from incidental operations in connection with property development is recognised in the income statement on an accrual basis.

The profit on disposals of property development is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the reporting period including additions in the period and any residual commitments. Expected losses are directly recognised in the income statement.

When the buyer is able to specify major structural elements of the design of property development before construction begins and/or specify major structural changes once construction is in progress, revenue is recognised in accordance with construction contracts. When VolkerWessels transfers controls and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses to the buyer, revenue is recognised in accordance with construction contracts. This may be the case in real estate property projects as from the moment that the land and buildings, have been legally transferred to the buyer.

Service and maintenance

Revenue in connection with service and maintenance comprises construction and/or upgrade activities as well as operating, maintenance and exploitation activities. Revenue from construction contracts and/or upgrade activities is recognised in conformity with the revenue recognition principles

of construction contracts. Revenue from operating, maintenance and exploitation activities is recognised in the period in which the related services are rendered.

Goods sold and services rendered

Revenue from the sale of goods is recognised when the most significant risks and benefits of ownership have been transferred to the buyer, which is the moment of delivery. Revenues generated through services rendered are recognised in the income statement in proportion to the stage of completion of the transaction on the reporting date. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Expenditure related to these services is allocated to the same period.

Work in progress

Work in progress on construction contracts is valued at cost plus the profit recognised to date less a provision for foreseeable losses and less progress billings. The cost includes all expenses directly related to specific projects and an allocation of fixed costs and variable indirect costs made in relation to the contract activities based on normal operating capacity.

The progress percentage applied consists of the proportion of recognised costs against the total expected costs for each individual project. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Pre-contract costs for major projects are capitalised as work in progress when the project is awarded or if VolkerWessels is designated as preferred bidder.

For residential projects of which the transfer of risks and rewards is based on the stage of completion, revenue and costs are recognised in line with the stage of completion. These projects are included in the financial statements as the total of progress billings, costs, recognised profit in line with the stage of completion and expected losses.

Work in progress includes projects resulting from property development, to the extent that an unconditional sale has been agreed upon for parts of the project before or during the construction.

If the amount of progress billings on a project is smaller than the costs incurred plus recognised profit, the balance will be recognised in the statement of financial position under the current assets as work in progress. If the amount of progress billings on a project is greater than the costs incurred plus recognised profit, the balance will be recognised in the statement of financial position under the current liabilities as work in progress.

Future Accounting Developments

The following additional/amended standards and interpretations are effective for VolkerWessels' financial statements for the year ended 31 December 2016:

- IFRS 9 "Financial Instruments" addresses the classification, valuation and initial recognition of financial instruments. IFRS 9 replaces IAS 39. IFRS 9 applies the concept of business models to determine the classification of a financial instrument. In addition, a new model is introduced for the calculation of impairments. The assumptions are based on expected credit losses. IFRS 9 introduces more flexible requirements for the hedge effectiveness tests. The standard is effective for accounting periods beginning on or after 1 January 2018. The impact of this standard on VolkerWessels is yet to be determined.
- IFRS 15 "Revenue from Contracts with Customers" deals with revenue recognition. The standard replaces IAS 18, Revenue and IAS 11, Construction contracts and related interpretations. IFRS 15 includes a five step approach for determining revenue recognition. Revenue is recognised when a customer obtains control over a good or service and has the ability to direct the use and obtain the economic benefits from the good or service. IFRS 15 contains additional disclosure requirements for the assumptions applied and estimate made. The standard is effective for accounting periods beginning on or after 1 January 2018. The impact of this standard on VolkerWessels is yet to be determined.
- IFRS 16 "Leasing" requires that nearly all liabilities resulting from lease, rental and leasehold agreements shall be recognised on the balance sheet. The current accounting standard for leases allows entities to present some of the lease agreements off balance. The new standard allows exemptions for on-balance sheet recognition for short-term contracts

and products with a low value. The standard is effective for accounting periods beginning on or after 1 January 2019. The impact of this standard on VolkerWessels is yet to be determined.

For additional information on the significant accounting policies of VolkerWessels, see Note 2 to the Financial Statements.

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

General

This section summarises certain information concerning the Management Board, the Supervisory Board, VolkerWessels' employees and its corporate governance. It is based on and discusses relevant provisions of Dutch law as in effect on the date of this Prospectus, the articles of association of VolkerWessels, the Management Board Rules and the Supervisory Board Rules (both as defined below) as these will be in effect ultimately on the Settlement Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of Dutch law as in force on the date of this Prospectus and the articles of association of VolkerWessels, the Management Board Rules, the Supervisory Board Rules and the rules of the Supervisory Board committees. The articles of association of VolkerWessels in the governing Dutch language and in an unofficial English translation are available on VolkerWessels' website (www.volkerwessels.com) or at the Company's business address at Podium 9, 3826 PA Amersfoort, the Netherlands during regular business hours. The Management Board Rules, the Supervisory Board Rules and the rules of the Supervisory Board committees in the Dutch language and in an unofficial English translation are available on VolkerWessels' website (www.volkerwessels.com).

Management Structure

VolkerWessels maintains a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board and the Supervisory Board are jointly responsible for the governance structure of VolkerWessels.

As at the date of this Prospectus, the provisions in Dutch law that are commonly referred to as the 'large company regime' (*structuurregime*) do not apply to VolkerWessels. Upon conversion of VolkerWessels to a public company with limited liability (*naamloze vennootschap*), VolkerWessels will voluntarily apply the 'large company regime'. See "*Description of Share Capital and Corporate Structure—Dutch Large Company Regime*".

Management Board

Powers, Responsibilities and Functioning

The Management Board is the executive body and is entrusted with the management of the Company's group and responsible for the continuity of the Company's group under the supervision of the Supervisory Board. The Management Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner. The Management Board may perform all acts necessary or useful for achieving VolkerWessels' corporate purposes, except for those expressly attributed to the general meeting or the Supervisory Board as a matter of Dutch law or pursuant to the articles of association of VolkerWessels (see "*—Management Board Meetings and Decision-making*"). Pursuant to the Management Board Rules, the Management Board may delegate duties and powers to individual Managing Directors and/or committees consisting of one or more Managing Directors whether or not assisted by staff officers. In fulfilling their responsibilities, the Managing Directors must act in the interest of VolkerWessels and give specific attention to the relevant interests of VolkerWessels' employees, shareholders, lenders, customers, suppliers and other stakeholders of VolkerWessels. The Management Board Rules furthermore provide that the Management Board focuses on long-term value creation for the Company.

The Management Board shall timely provide the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Management Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on important matters. The Management Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the management and control systems.

Subject to certain statutory exceptions, the Management Board as a whole is authorised to represent VolkerWessels. Additionally, two Managing Directors are jointly authorised to represent VolkerWessels. See "*—Conflict of Interest*". Pursuant to the articles of association of VolkerWessels, the Management Board may grant one or more persons, whether or not in VolkerWessels' employ, a power of attorney or other form of continuing authority to represent VolkerWessels or to grant one or more persons such titles as it sees fit.

Management Board Rules

Pursuant to the articles of association of VolkerWessels, the Management Board may adopt rules and regulations, allocating duties to one or more Managing Directors and regulating any such subjects as the Management Board deems necessary or appropriate (the "**Management Board Rules**"). The Management Board Rules are expected to become effective as of the First Trading Date.

Composition, Appointment, Dismissal and Suspension

The articles of association of VolkerWessels provide that the number of Managing Directors is determined by the Supervisory Board after consultation with the Management Board. The Supervisory Board appoints one of the Managing Directors as chairman and may appoint a vice-chairman. In addition, the Supervisory Board may appoint one of the Managing Directors as CFO (chief financial officer) to specifically oversee the Company's financial affairs.

The Supervisory Board appoints the Managing Directors. The Supervisory Board must notify the general meeting of an intended appointment of a Managing Director. A resolution of the Supervisory Board to appoint a Managing Director can be adopted by a majority of the votes cast.

The articles of association of VolkerWessels provide that a Managing Director may be suspended or dismissed by the Supervisory Board at any time, provided that such suspension or dismissal does not occur before the Managing Director in question has had an opportunity to be heard by the general meeting with regard to the intended dismissal. A resolution of the Supervisory Board to suspend or dismiss a Managing Director can be adopted by a majority of the votes cast.

Term of Appointment

Any new Managing Director that is appointed is appointed for a maximum period of four years, provided that, unless a Managing Director resigns earlier, his appointment period shall end immediately after the annual general meeting that will be held in the fourth calendar year after the date of his appointment. The current Managing Directors have been appointed for an indefinite period of time, except for Mr J.A. de Ruiter who has been appointed for a period of four years, ending immediately after the annual general meeting in 2021. A Managing Director may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The Company's diversity policy drawn up in accordance with the Supervisory Board Rules will be considered in the preparation of the appointment or reappointment.

Management Board Meetings and Decision-making

The Management Board meets in accordance with a schedule for its meetings adopted annually at the latest in the last scheduled meeting of the preceding year. Furthermore, the Management Board must meet whenever the chairman or two members of the Management Board have called a meeting.

Pursuant to the Management Board Rules, resolutions of the Management Board are adopted by unanimous vote where possible. Where this is not possible, resolutions of the Management Board are adopted by a majority vote of the Managing Directors present or represented. Resolutions can only be adopted if at least two-thirds of the members are present or represented. Each Managing Director has one vote. If there are more than two Managing Directors in office and entitled to vote, the chairman shall have a casting vote in the event of a tie. In other cases, the proposal shall be deemed rejected in case of a tie of votes within the Management Board.

The Management Board may also adopt resolutions without convening a meeting upon a proposal by or on behalf of the chairman of the Management Board, provided that all Managing Directors – with the exception of the Managing Director that has reported a conflict of interest – have been consulted and none of them have raised an objection to adopt resolutions in this manner. If no resolution can be adopted by the Management Board as a consequence of a conflict of interest of all Managing Directors, the relevant resolution will be referred to the Supervisory Board.

Dutch law and the articles of association of the Company provide that resolutions of the Management Board involving major changes in the Company's identity or character are subject to the approval of the general meeting. Such changes in any event include:

- the transfer of the business, or virtually all of the business, to a third party;
- entering into or cancelling any long-term cooperative relationship between the Company or a subsidiary of the Company and another legal entity or company, or in its capacity as a fully liable partner in a limited partnership or general partnership, if such cooperation or cancellation has a substantial impact on the Company; and
- acquiring or disposing of a participation in the capital of a Company worth at least one-third of the amount of the assets in accordance with the balance sheet and explanation or, or if the Company draws up a consolidated balance sheet, in accordance with the consolidated balance sheet and explanation according to the most recently adopted annual accounts of the Company, by the Company or a subsidiary of the Company.

Any such resolution shall only be submitted to the general meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such general meeting. The absence of the statement of the Works Council shall not affect the decision-making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the general meeting of such point of view. The Works Council may have its point of view explained in the general meeting.

In addition, resolutions of the Management Board identified in the articles of association, the Management Board Rules or identified pursuant to a resolution of the Supervisory Board from time to time on the basis of the relevant provisions in the articles of association require the prior approval of the Supervisory Board. For some of these resolutions, the approval must include the affirmative vote of (at least) one independent Supervisory Director.

In each of the above-mentioned situations, the lack of approval (whether from the general meeting or from the Supervisory Board) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

Conflict of Interest

Dutch law provides that a member of the management board of a Dutch public limited liability company, such as VolkerWessels (following conversion of the Company), may not participate in the deliberation or decision-making of a relevant management board resolution if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it. Such a conflict of interest exists if in the situation at hand the Managing Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Pursuant to the articles of association of the Company and the Management Board Rules, each Managing Director shall immediately report any (potential) personal conflict of interest concerning a Managing Director to the chairman of the Supervisory Board and to the other Managing Directors and shall provide all information relevant to the conflict. The Supervisory Board must determine whether a reported (potential) conflict of interest qualifies as a conflict of interest, in which case the Managing Director who has a conflict of interest is not permitted to participate in the decision-making and deliberation process on a subject or transaction in relation to which such member has a conflict of interest. Such transaction must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board. In addition, if there is a conflict of interest in connection with the Management Board, the Supervisory Board may, whether or not on an ad hoc basis, appoint one or more persons to authorise to represent the Company with respect to matters in which a (potential) conflict of interest occurs.

If as a consequence no resolution can be adopted by the Management Board, the resolution may be adopted by the Supervisory Board. In addition, if a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards VolkerWessels. As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company as described under "*—Powers, Responsibilities and Functioning*" above. Furthermore, as a general rule,

agreements and transactions entered into by a company based on a decision of its management board that are adopted with the participation of a member of the management board who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Related Party Transactions Policy

The Management Board Rules provide for a related party transactions policy. According to this policy, no related party transactions shall be undertaken without the approval of the Supervisory Board, which approval includes the affirmative vote of at least one independent Supervisory Director.

Managing Directors

As at the date of this Prospectus, the Management Board is composed of the following members:

Name	Age	Position	Member since*
Mr J.A. (Jan) de Ruiter	54	Chairman of the Management Board	1 March 2017
Mr J.G. (Jan) van Rooijen	46	CFO	1 January 2013
Mr A. (Alfred) Vos	47	COO	1 January 2009
Mr D. (Dick) Boers	50	Managing Director	1 July 2006
Mr H.J. (Henri) van der Kamp	56	Managing Director	6 February 2012

* *The Managing Directors are appointed for an indefinite period of time, except for Mr J.A. (Jan) de Ruiter who has been appointed for a period of four years, ending immediately after the annual general meeting in 2021.*

Mr J.A. (Jan) de Ruiter (born 1962, Dutch) is VolkerWessels' chairman of the Management Board and joined VolkerWessels on 1 March 2017. From 1 January 2016 until 1 March 2017, Mr J.A. de Ruiter was an adviser to Reggeborgh Invest B.V. Prior to joining VolkerWessels, Mr J.A. de Ruiter was chairman of the board of RBS N.V. and Country Executive Netherlands for the RBS Group, Global Head of M&A and ECM for ABN AMRO Bank N.V. and joint chief executive officer of ABN AMRO Rothschild. In addition to his position at VolkerWessels, Mr J.A. de Ruiter also holds board positions at various companies outside VolkerWessels, as a supervisory director of Varo Energy B.V., a company related to the Selling Shareholder, and bunq.com and Stichting de Nieuwe Poort Amsterdam, which positions he will continue to hold after the Offering. Mr J.A. de Ruiter is at the date of this Prospectus also a supervisory board member of Deutsche Glasfaser Holding GmbH, a participating interest of the Selling Shareholder, but Mr J.A. de Ruiter will resign from this position after the Offering.

Mr J.G. (Jan) van Rooijen (born 1970, Dutch) is VolkerWessels' CFO. Mr J.G. van Rooijen was appointed to the Management Board of Storm Investments B.V. (a predecessor of VolkerWessels at the time) on 1 January 2013. From 1 February 2008 until 31 December 2012 he served as chief financial officer of Reggefiber Group B.V., at that time a company related to the Selling Shareholder. Mr J.G. van Rooijen is also a board member of several other companies within the VolkerWessels group.

Mr A. (Alfred) Vos (born 1969, Dutch) is VolkerWessels' COO. Mr A. Vos was appointed to the Management Board of Storm Investments B.V. (a predecessor of VolkerWessels at the time) on 1 January 2009 and has 21 years of industry experience. Prior to that, Mr A. Vos served as chief operating officer Europe for AMB Property Corporation and was co-founder and chief executive officer of The Facility Group Europe. Mr A. Vos is responsible for the Netherlands – Energy & Telecom Infrastructure segment in the Netherlands and Belgium and the international segments of VolkerWessels in the UK, Canada, the United States and Germany. Mr A. Vos is also a board member of several other companies within the VolkerWessels group.

Mr D. (Dick) Boers (born 1966, Dutch) was appointed to the Management Board of Storm Investments B.V. (a predecessor of VolkerWessels at the time) on 1 July 2006. He has worked at VolkerWessels since 1989, most recently as managing director of VolkerWessels Bouw & Vastgoedontwikkeling B.V. in Rijssen. Mr D. Boers is responsible for the Netherlands – Construction & Real Estate Development segment. Mr D. Boers is also a board member of several other companies within the VolkerWessels group.

Mr H.J. (Henri) van der Kamp (born 1960, Dutch) was appointed to the Management Board of Storm Investments B.V. (a predecessor of VolkerWessels at the time) on 6 February 2012. He has worked at VolkerWessels since 2006, most recently as director responsible for the Netherlands – Infrastructure segment. Prior to that, Mr H.J. van der Kamp served as a director at Heijmans and has 33 years of industry experience. Mr H.J. van der Kamp is also a board member of several other companies within the VolkerWessels group.

Supervisory Board

Powers, Responsibilities and Functioning

The Supervisory Board supervises the policy of the Management Board and the general course of affairs in the Company and the business affiliated with the Company. The Supervisory Board is accountable for these matters to the general meeting. The Supervisory Board also provides advice to the Management Board. In performing their duties, the Supervisory Directors are required to focus on the effectiveness of the VolkerWessels' internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Directors assist the Management Board with advice on general policies related to the activities of VolkerWessels. In the fulfilment of their duty, the Supervisory Directors shall orient themselves according to the interests of the Company and its related business.

Supervisory Board Rules

Pursuant to the articles of association of VolkerWessels, the Supervisory Board may adopt rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary or appropriate (the "**Supervisory Board Rules**"). The Supervisory Board Rules are expected to become effective as of the First Trading Date.

Composition, Appointment, Dismissal and Suspension

The Supervisory Board Rules provide that the Supervisory Board must consist of a minimum of three members. The exact number of Supervisory Directors shall be determined by the Supervisory Board. As of the date of this Prospectus, the Supervisory Board consists of three members. Two members will be appointed effective as of the First Trading Date. Only natural persons may be appointed as Supervisory Directors.

According to the articles of association, the Supervisory Board must prepare a profile (*profielschets*) for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the Supervisory Directors, the desired mixed composition and the size of the Supervisory Board and the independence of the Supervisory Directors. The Supervisory Board shall discuss the profile at the occasion of each amendment thereof in the general meeting and with the Works Council (as defined herein).

The general meeting appoints the Supervisory Directors on the recommendation of the Supervisory Board.

The general meeting and the Works Council may recommend persons to the Supervisory Board to be nominated as Supervisory Director. For one-third of its members, the Supervisory Board shall place a person recommended by the Works Council on the list of nominees unless the Supervisory Board objects to the appointment on the grounds that it expects the person recommended to be unfit to perform the duties of a Supervisory Director, or that the Supervisory Board will not be properly composed if the person recommended is appointed.

The general meeting may reject the nomination by an absolute majority of the votes cast representing at least one-third of the issued capital. If less than one-third of the issued capital is represented at the general meeting, a new general meeting may be convened, at which general meeting the nomination can be rejected by an absolute majority of the votes cast. The Supervisory Board shall then draw up a new list of nominees.

The court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) may, on receipt of a relevant application, dismiss a Supervisory Director for dereliction of duty or other serious reasons or on account of a far-reaching change of circumstances as a result of which the Company cannot reasonably be expected to allow him to continue in office as a Supervisory Director.

The application may be filed either by the Company, represented in this matter by the Supervisory Board, or by a representative of the general meeting or of the Works Council designated for this purpose.

A Supervisory Director may be suspended by the Supervisory Board. Such a suspension shall lapse automatically if the Company has not submitted a request for dismissal as described in Section 2:161 paragraph 2 of the Dutch Civil Code to the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) within one month of the commencement of the suspension. The general meeting can by an absolute majority of the votes cast, representing at least one/third part of the issued capital, abandon the confidence in the Supervisory Board.

Term of Appointment

The Supervisory Directors are appointed for a maximum period of four years, provided that, unless a Supervisory Director resigns earlier, his appointment period shall end immediately after the annual general meeting that will be held in the fourth calendar year after the date of his or her appointment. Supervisory Directors may be reappointed once more for another four-year period and then subsequently be reappointed again for a period of two years, which reappointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, the profile as prepared by the Supervisory Board should be observed. The Supervisory Board will prepare a retirement schedule for the Supervisory Directors.

Supervisory Board Meetings and Decision-Making

The Supervisory Board meets at least four times per year. The schedule for its meetings in the next year will be adopted each year at the latest in the last scheduled meeting of the then current year.

Pursuant to the articles of association and the Supervisory Board Rules, resolutions of the Supervisory Board are adopted by majority vote in a meeting of the Supervisory Board, in which at least the majority of the Supervisory Directors are present or represented. In addition, according to the Supervisory Board Rules, certain specified resolutions require the affirmative vote of at least one independent Supervisory Board member. Each Supervisory Board director has one vote. If the vote is tied, the proposal shall be deemed to have been rejected.

The Supervisory Board may also adopt resolutions without convening a meeting, upon a proposal by or on behalf of the chairman of the Supervisory Board provided that all Supervisory Directors – with the exception of the Supervisory Directors that have reported a conflict of interest – have been consulted and none of them have raised an objection to adopt resolutions in this manner. If no resolution can be adopted by the Supervisory Board as a consequence of a conflict of interest of all Supervisory Directors, the relevant resolution will be referred to the general meeting. If all members are present and agree, the Supervisory Directors may resolve on issues not on the agenda.

Conflict of Interest

Similar to the rules that apply to the Managing Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited liability company, such as VolkerWessels (after conversion of the Company), may not participate in deliberating or decision-making within the Supervisory Board if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it.

Pursuant to the Supervisory Board Rules, a Supervisory Director that has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution should immediately report this to the chairman of the Supervisory Board and provides all relevant information. If the chairman of the Supervisory Board has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution, he should immediately report this to the other Supervisory Directors. The Supervisory Board, without the relevant Supervisory Director being present or represented, determines whether a reported (potential) conflict of interest qualifies as a conflict of interest. A Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest.

If as a result of such a conflict of interest a resolution cannot be adopted, the resolution will be adopted by the general meeting. In addition, if a Supervisory Director does not comply with the

provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards VolkerWessels. Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its supervisory board that are adopted with the participation of a Supervisory Director who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Supervisory Directors

As at the First Trading Date, the Supervisory Board will be composed of the following members:

Name	Age	Position	Member as of	End of current term
Mr J.H.M. (Jan) Hommen *	73	Chairman	First Trading Date	2020
Mr S. (Sietze) Hepkema *	63	Supervisory Director	First Trading Date	2021
Mr H.M. (Henry) Holterman	61	Vice-chairman	17 January 2017	2021
Mr D. (Dik) Wessels	71	Supervisory Director	17 January 2017	2019
Mr R.J.H.M. (René) Kuipers**	56	Supervisory Director	17 January 2017	2020

Supervisory Directors marked with "" are independent members within the meaning of the Dutch Corporate Governance Code.*
*Supervisory Director marked with "**" is the Works Council nominee.*

The board positions of Mr H.M. Holterman, Mr D. Wessels and Mr R.J.H.M. Kuipers mentioned below, can be divided into board positions at VolkerWessels, board positions at companies which are directly or indirectly controlled by the Wessels family ("**Reggeborgh Entities**"), supervisory board positions at companies where Reggeborgh Entities have or did have the ability to exercise significant influence ("**Reggeborgh Associates**") and other privately held positions outside of VolkerWessels, Reggeborgh Entities or Reggeborgh Associates.

Mr J.H.M. (Jan) Hommen (born 1943, Dutch) is an independent member and chairman of the Supervisory Board. He will be appointed as a Supervisory Director on the First Trading Date. Prior to joining the Supervisory Board, Mr J.H.M. Hommen has served as CEO of ING Groep N.V. and CEO of KPMG N.V. (Netherlands). Mr J.H.M. Hommen also holds supervisory directorships at Koninklijke Ahold Delhaize N.V. as vice-chairman and Brabantse Ontwikkelings Maatschappij Holding B.V. as chairman. Mr J.H.M. Hommen is furthermore chairman of the board of governors of Tilburg University and adviser of Advent International B.V.

Mr S. (Sietze) Hepkema (born 1953, Dutch) is an independent member of the Supervisory Board. He will be appointed as a Supervisory Director on the First Trading Date. Prior to joining the Supervisory Board, Mr S. Hepkema served as Chief Governance & Compliance Officer and member of the management board at SBM Offshore N.V., as a partner of Allen & Overy LLP and as a supervisory board member of The Royal Bank of Scotland N.V. Mr S. Hepkema also holds supervisory directorships at Wavin N.V. and SBM Offshore N.V. He is a member of the Dutch Monitoring Committee Corporate Governance Code.

Mr H.M. (Henry) Holterman (born 1955, Dutch) was appointed as a Supervisory Director on 17 January 2017. In addition, Mr Holterman is the chairman of the supervisory board of Koninklijke Volker Wessels Stevin N.V., which is the holding company for VolkerWessels' operations in the Netherlands and he will resign from the position as at the First Trading Date. Mr H.M. Holterman holds several board positions at Reggeborgh Entities, which includes being a member of the management board of Reggeborgh Bestuur B.V., which in its turn is the sole board member of Reggeborgh Invest B.V., Reggeborgh Vastgoed B.V. and the Selling Shareholder. Reggeborgh Vastgoed B.V. accounted for approximately 94% of VolkerWessels' related party sales in 2016 and has been involved in project development joint ventures together with VolkerWessels in the Netherlands and in Germany. Mr H.M. Holterman also holds a supervisory board position at Varo Energy B.V., which is a Reggeborgh Associate. Mr H.M. Holterman privately holds board positions at other companies, which include a supervisory board position at Tivo Exploitaties B.V., a holding company that includes in its activities Voortman Keukens B.V., a company that is involved in the supply of kitchens and which is involved in business with VolkerWessels.

Mr D. (Dik) Wessels (born 1946, Dutch) was appointed as a Supervisory Director on 17 January 2017. In addition, Mr D. Wessels is a member of the supervisory board of Koninklijke Volker

Wessels Stevin N.V., which is the holding company for VolkerWessels' operations in the Netherlands and he will resign from the position as at the First Trading Date. Mr D. Wessels holds several board positions at Reggeborgh Entities, which includes being a member of the management board of Reggeborgh Bestuur B.V., which in its turn is the sole board member of Reggeborgh Invest B.V., Reggeborgh Vastgoed B.V. and the Selling Shareholder. Reggeborgh Vastgoed B.V. accounted for approximately 94% of VolkerWessels' related party sales in 2016 and has been involved in project development joint ventures together with VolkerWessels in the Netherlands and in Germany. Mr D. Wessels also held board positions at a number of Reggeborgh Associates, including Reggefiber Group B.V. until 1 December 2014 and Eurofiber Holding B.V. until 28 November 2012. Mr D. Wessels privately holds supervisory board positions at other companies, which include supervisory board positions at Meatpoint B.V., Robusto B.V., W. Wessels Rijssen B.V., as well as a supervisory board position at Voortman Steel Group B.V., a company that is involved in steel construction and which is involved in business with VolkerWessels.

Mr R.J.H.M. (René) Kuipers (born 1960, Dutch) was appointed as a Supervisory Director on 17 January 2017 and was nominated by the Works Council. Mr R.J.H.M. Kuipers is furthermore a member of the supervisory board of Koninklijke Volker Wessels Stevin N.V., which is the holding company for VolkerWessels' operations in the Netherlands and he will resign from the position as at the First Trading Date. In addition to his position at VolkerWessels, Mr R.J.H.M. Kuipers is also a director of Reggeborgh Invest B.V. since May 2015 and a supervisory board member of Argos Group Holding B.V., which is a Reggeborgh Associate. Mr R.J.H.M. Kuipers was a shareholder and director of Norit N.V. Currently, he is the owner and director of a firm that invests in equity and real estate.

Supervisory Board Committees

If the Supervisory Board consists of more than four members, it shall appoint from among its members three permanent committees: an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**") and a selection and appointment committee (the "**Selection and Appointment Committee**"). The function of these committees is to assist in the decision-making of the Supervisory Board.

Audit Committee

According to the charter of the Audit Committee, the Audit Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. It focuses on, among others things, (a) monitoring the Management Board with regard to: (i) relations with, and compliance with recommendations and the following up of comments by, the internal and external auditors, (ii) the funding of the Company, (iii) the application of information and communication technology by the Company, including risks relating to cyber-security, and (iv) the Company's tax policy, (b) informing the Management Board or the Supervisory Board of the outcome of the statutory audit, including an explanation of the manner in which the statutory audit has contributed to the integrity of financial reporting and the role of the audit committee in that process, (c) monitoring the financial reporting process and making proposals to ensure the integrity of the process, (d) monitoring the effectiveness of the internal control system, the internal audit system (if any) and the risk management system in relation to the financial reporting of the Company, (e) monitoring the statutory audit of the annual accounts and the consolidated accounts, in particular the performance of the audit, taking into account the assessment of the AFM in accordance with article 26, paragraph 6 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, (f) reviewing and monitoring the independence of the external auditors or the audit firm, in particular the provision of additional services to the Company, and (g) determining the procedure for the selection of the external auditor or the audit form and the nomination of the performed statutory audits.

The Audit Committee consists of Supervisory Directors with a minimum of three. The members of the Audit Committee, its chairman, vice-chairman and secretary shall be appointed by the Supervisory Board. After the Settlement Date, the Audit Committee will be composed of: Mr H.M. Holterman (chairman), Mr. J.H.M. Hommen and Mr S. Hepkema.

The Audit Committee shall meet as often as required for a proper functioning of the Audit Committee, but in any event at least four times a year. In addition, the Audit Committee must meet at least before the publication of the annual results. Other meetings may be called in writing by or on behalf of the chairman of the Audit Committee, in his or her absence or inability by the vice-chairman of the Audit Committee or the Managing Directors if necessary. The external auditor may, under special circumstances, request a special meeting with the Audit Committee to be held.

Remuneration Committee

According to the charter of the Remuneration Committee, the Remuneration Committee prepares the Supervisory Board's decision-making regarding the determination of remuneration and reports to the Supervisory Board on its deliberations and findings. The Remuneration Committee submits a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board. The following aspects will in any event be taken into consideration when formulating the remuneration policy: (a) the requirements set out in Sections 2:383c to 2:383e (inclusive) of the Dutch Civil Code, (b) the objectives for the strategy for the implementation of long-term value creation, (c) the scenario analyses carried out in advance, (d) the pay ratios within the Company and its affiliated enterprise, i.e. the ratio between the remuneration of the Managing Directors and that of a representative reference group determined by the Company, along with whether there have been any changes in these ratios compared to the previous financial year, (e) the development of the market price of the Ordinary Shares, (f) an appropriate ratio between the variable and fixed remuneration components, (g) if Ordinary Shares are being awarded, the terms and conditions governing this, (h) if Ordinary Share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the Ordinary Share options can be exercised, and (i) material benefits awarded in exceptional cases.

The members of the Remuneration Committee, its chairman, vice-chairman and secretary shall be appointed by the Supervisory Board. The secretary does not need to be a Supervisory Director. After the Settlement Date, the Remuneration Committee will be composed of Mr R.J.H.M. Kuipers (chairman), Mr. J.H.M. Hommen and Mr S. Hepkema.

The Remuneration Committee meets whenever one or more of its members have requested such meeting and at least twice a year.

Selection and Appointment Committee

According to the charter of the Selection and Appointment Committee, the Selection and Appointment Committee prepares the Supervisory Board's decision-making on selections and appointments and reports to the Supervisory Board on its deliberations and findings. The Selection and Appointment Committee in any event focuses on: (a) drawing up selection criteria and appointment procedures for Managing Directors and Supervisory Directors, (b) periodically assessing the size and composition of the Management Board and the Supervisory Board, and making a proposal for a profile of the Supervisory Board, (c) periodically assessing the functioning of the individual Managing Directors and Supervisory Directors, and reporting on this to the Supervisory Board, (d) drawing up a plan for the succession of Managing Directors and Supervisory Directors, (e) making proposals for appointments and reappointments, thereby observing the diversity policy and the profile of the Supervisory Board, and (f) supervising the policy of the Management Board regarding the selection criteria and appointment procedures for senior management.

The members of the Selection and Appointment Committee, its chairman, vice-chairman and secretary shall be appointed by the Supervisory Board. The secretary does not need to be a Supervisory Director. After the Settlement Date, the Selection and Appointment Committee will be composed of Mr. J.H.M. Hommen (chairman), Mr H.M. Holterman and Mr D. Wessels.

The Selection and Appointment Committee meets whenever one or more of its members have requested such meeting and at least twice a year.

Maximum Number of Supervisory Positions of Managing Directors and Supervisory Directors

Since 1 January 2013, restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director of "large Dutch companies" may hold. The term "large Dutch companies" applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three

criteria: (i) the value of the company's/foundation's assets according to its balance sheet together with explanatory notes on the basis of the purchase price or manufacturing costs exceeds €17.5 million; (ii) its net turnover in the applicable year exceeds €35.0 million; and (iii) its average number of employees in the applicable year is 250 or more.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he/she already holds a supervisory position at more than two other "large" Dutch public or private companies or "large" Dutch foundations or if he/she is the chairman of the supervisory board or one-tier board of another "large" Dutch public or private company or "large" Dutch foundation. Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he/she already holds a supervisory position or non-executive position at five or more other "large" Dutch public or private companies or Dutch foundations, whereby the position of chairman of the supervisory board or one-tier board of another "large" Dutch company is counted twice.

Upon conversion of VolkerWessels to a public company with limited liability, VolkerWessels will voluntarily apply the "large Dutch company regime"; all Managing Directors and Supervisory Directors will comply with these rules.

Diversity

Until 1 January 2016, Dutch law required large Dutch companies (see above for the explanation of this term) to pursue a policy of having at least 30% of the seats on both the management board and supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women, each to the extent these seats are held by natural persons. Under Dutch law, this was referred to as a well-balanced allocation of seats. This allocation of seats needed to be taken into account in connection with: (a) the appointment, or nomination for the appointment, of Managing Directors and Supervisory Directors; (b) drafting the criteria for the size and composition of the Management Board and Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of Supervisory Directors; and (c) drafting the criteria for the Supervisory Directors. If a Dutch large company did not comply with the gender diversity rules, it was required to explain in its management report (i) why the seats were not allocated in a well-balanced manner, (ii) how it had attempted to achieve a well-balanced allocation and (iii) how it aimed to achieve a well-balanced allocation in the future.

This rule was a temporary measure and automatically ceased to have effect on 1 January 2016. However, on 7 February 2017, the Dutch Parliament approved a legislative proposal by the responsible Dutch Minister to reinstate this rule and extend its application until 1 January 2020.

The Company currently does not meet these gender diversity targets. The Company will explain in its annual management report for the fiscal year ending in 2016: (A) why the seats are not allocated in a well-balanced manner as aforesaid; (B) how the Company has attempted to achieve a well-balanced allocation; and (C) how the Company aims to achieve a well-balanced allocation in the future.

Remuneration Information Management Board

Management Board Remuneration Policy

The remuneration policy applicable to the Management Board was determined by the general meeting of the Company on 24 April 2017, after the Works Council had been granted the opportunity to determine its point of view thereon. Any subsequent amendments to this remuneration policy are subject to adoption by the general meeting of the Company. The remuneration of, and other agreements with, the Managing Directors are required to be determined by the Supervisory Board, with due observance of the remuneration policy.

The Company's remuneration policy aims to attract, motivate and retain qualified individuals and reward them with a market competitive remuneration package that focuses on achieving sustainable financial results aligned with the long-term strategy of the Company and fosters alignment of interests of Managing Directors with shareholders.

The total direct remuneration of the Managing Directors is set around the upper quartile remuneration levels within a peer group of twenty companies consisting of Dutch listed companies,

national and European industry peers which are comparable to the Company in terms of size, scope and level of complexity, with a strong emphasis on performance based remuneration.

Based on the remuneration policy, the remuneration of the Managing Directors consists of the following components:

- annual base pay;
- short-term incentive;
- management participation plan; and
- pension and other benefits.

Annual base pay

This represents a fixed cash remuneration consisting of the base salary including holiday allowance that is set based on the level of responsibility of the Managing Directors. The salaries of the Managing Directors are subject to indexation in accordance with the collective bargaining agreement of the construction industry in the Netherlands.

Short-term incentive

A short-term incentive in the form of an annual cash bonus is applicable to the Managing Directors. This incentive is intended to focus them on the delivery of pre-set short-term results in line with the Company's strategy and appropriately reflect both quantitative and qualitative criteria. The target and maximum bonus opportunity and the targets pertaining to the short-term incentive are set annually at the discretion of the Supervisory Board (at the proposal of the Remuneration Committee) in accordance with the remuneration policy. As from 2017, the 'at target' short-term incentive is equal to 80% of annual base pay. The maximum pay-out under the short-term incentive is 100% of annual base pay.

The Supervisory Board will decide upon each short-term incentive award, taking into account the financial, non-financial and individual performance for each individual Managing Director. The award made will be subject to financial and non-financial performance measures based on the Company's strategic objectives and key performance indicators as well as the Managing Director's specific responsibilities and their relative weighting. The metrics will be chosen to provide the closest link between an individual's remuneration and the Company's short-term objectives that are aligned with the Company's strategy.

Management participation plan

The Managing Directors are eligible to participate in the Company's long-term management participation plan. Together with a group of over 150 managers, the Managing Directors may share in the profits of the Company by holding, through a management investment company, a leveraged profit participating loan, which instrument has been issued by the Company. Participation in the management participation plan is subject to a limited investment by, and the continued employment of, the participants with the Company. The management participation plan is intended to drive sustainable performance with due regard of the risk-appetite of the Company and to foster alignment of interests of the participants with shareholders.

The interest on the profit participating loan is dependent on the financial performance of the Company as a whole and is calculated as a percentage of the operational profit before tax. At the end of each performance year, once the financial statements for that year are finalised, the interest payments to the management investment company (and therefore to the participants) are made. At that time, one-third of the entitlement is paid out, whilst the remaining two-thirds is deferred in two equal annual instalments.

Deferred payments can be adjusted downwards, in part or in full, if the Company incurs losses in future years or the management participation plan entitlement over a certain performance year has been based on incorrect data. In addition, good and bad leaver provisions apply. In unforeseen circumstances, the Supervisory Board may adjust or terminate the management participation plan, in whole or in part, without the approval of the participants being required.

Pension and other benefits

Managing Directors are eligible to participate in the Company pension scheme similar to the other employees of the Company in the Netherlands who are not covered by a collective bargaining agreement or industrial pension fund. This includes an additional compensation payment for the pension entitlement relating to the part of the salary that exceeds the amount as established for Dutch tax purposes on which the Company can make a tax deductible contribution to a pension fund, as established from time to time. In addition, the Managing Directors are eligible for other pension related benefits, such as old-age and life insurance, as determined by the Supervisory Board from time to time.

Managing Directors are eligible for a range of other emoluments such as the use of a company car, an expense allowance reflective of the position of the Managing Director and a collective health insurance.

Severance

In line with their current employment agreements, the maximum severance payment applicable to the Managing Directors amounts to one year base pay for the preceding financial year. No severance payment will be awarded if the Managing Director's agreement is terminated early at the initiative of the Managing Director, or in the event of seriously culpable or negligent behaviour on the part of the Managing Director.

Adjustments short term incentive

The Supervisory Board shall use its judgement to assess the outcome of the performance targets to ensure that together they form a fair reflection of the overall performance of the Managing Director over the performance period and whether and to what extent payments of short term incentive appropriately reflect the (individual) performance delivered. Based on this judgement, the Supervisory Board can determine whether or not short term incentive payments should be adjusted (downwards or upwards). In addition, the Supervisory Board will have the authority under Dutch law to recover from a Managing Director any variable remuneration awarded on the basis of incorrect financial or other data (claw back). Pursuant to Dutch law, the Supervisory Board may furthermore adjust the short term incentive to an appropriate level if payment of the variable remuneration is unacceptable according to the requirements of reasonableness and fairness.

Management Board Remuneration over 2016

The total amount of remuneration of the Managing Directors (excluding Mr J.A. de Ruiter) for the financial year ended 31 December 2016 comprised base salary amounting to €1.9 million, short-term incentive benefits amounting to €1.8 million and employer's pension contribution benefits amounting to €0.6 million, in total €4.3 million. The benefits due to the Managing Directors (excluding Mr J.A. de Ruiter) under the management participation plan amounted to €9.3 million for the year 2016, payable in the years 2017-2019. This amount consists of €3.2 million relating to the 2016 performance and the remainder relates to the better than expected performance of the Company over the performance period 2014-2016, including the one-off financial result from the sale of the offshore activities in 2016. The applicable cost of the management participation plan to the Company is €12.4 million, the difference being the corporate tax payable by the management investment company. As of the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to the Managing Directors.

Management Board Remuneration over 2017

The annual base pay for each Managing Director has been set at €550,000.

The short term incentive follows the remuneration policy as described above; the 'at target' short-term incentive is equal to 80% of annual base pay.

For the period 2017-2019, the average 'at target' annual interest on the profit participating loan due to each Managing Director under the management participation plan will amount to approximately €650,000. The applicable cost to the Company is approximately €866,000, the difference being the corporate tax payable by the management investment company.

As such, the total 'at target' remuneration for each Managing Director over 2017 has been set at €1,640,000 (excluding pensions and other benefits). The applicable cost to the Company is €1,856,000.

Share Incentive

The Selling Shareholder has committed to grant Ordinary Shares under a one-off share incentive to Managing Directors and other key managers of the Company as from the First Trading Date to ensure a smooth transition from a privately held company to a publicly held company. These Ordinary Shares will be placed in a blocked securities account and are subject to a lock-up period as set out below.

The Selling Shareholder has committed to grant, as per the First Trading Date, to approximately 150 key managers of the Company (excluding the Managing Directors), on an after tax basis, 450,000 Ordinary Shares or 0.56% of the issued share capital of the Company. These Ordinary Shares will be released one day after the general meeting of the Company in 2020 on the condition that the relevant manager continues to be employed by the Company on that date. The majority of these 450,000 Ordinary Shares will be allocated to individual key managers before 30 June 2017.

The Selling Shareholder will grant to the Managing Directors, on an after tax basis, 510,000 Ordinary Shares or 0.64% of the issued share capital of the Company. The chairman of the Management Board will be granted 70,000 Ordinary Shares and each of the other Managing Directors will be granted 110,000 Ordinary Shares. The additional 40,000 Ordinary Shares for each Managing Director (other than the chairman of the Management Board) reflect their contribution prior to 2017. The 70,000 Ordinary Shares that will be granted to the chairman of the Management Board will be released to him one day after the general meeting of the Company in 2020, on the condition that he continues to be employed by the Company on such date. For the other Managing Directors, these Ordinary Shares will be released as follows: 20,000 Ordinary Shares one day after the later of (x) the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, 20,000 Ordinary Shares one day after the general meeting of the Company in 2019 and the remaining 70,000 Ordinary Shares one day after the general meeting of the Company in 2020, on the condition that the relevant Managing Director continues to be employed by the Company on these dates. In the event a Managing Director voluntarily ceases to be employed by the Company prior to (i) one day after the later of (x) the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, or (ii) one day after the general meeting of the Company in 2019, he will be entitled to 50% of the Ordinary Shares that would have been available on such date and the remaining Ordinary Shares granted under the share incentive will be transferred back to the Selling Shareholder. See "*Plan of Distribution—Management Lock-Up*".

IFRS treatment of share incentive

Under IFRS any benefit due to the Managing Directors or any of the relevant key managers will need to be reflected in the annual accounts of the Company as personnel expenses, irrespective of the fact whether the costs are borne by the Company or not. The cash flow effects related to the share incentive, including the tax effects, are borne in full by the Selling Shareholder and consequently, the cash flow effects to the Company will be nil. Any net income effect resulting from these personnel expenses is offset in equity.

Due to the IFRS treatment of the share incentive as provided for by the Selling Shareholder, annual reported net income that is attributable to the shareholders of the Company in the period 2017-2020 will be lower than it otherwise would be without such a share incentive. In determining the dividend to be paid out by the Company during this period, the pay-out ratio will be applied to the annual reported net income that is attributable to the shareholders of the Company calculated as if the personnel expenses for the share incentive under IFRS did not occur.

Remuneration Information Supervisory Board

The general meeting of the Company determines the remuneration of the Supervisory Directors. The Supervisory Board periodically submits proposals to the general meeting in respect of the remuneration of the Supervisory Directors. The remuneration of the Supervisory Board may not be

made dependent on the Company's results. Supervisory Directors will not receive Ordinary Shares and/or rights to Ordinary Shares as remuneration.

Supervisory Board Remuneration over 2016

The total remuneration of the Supervisory Board for the financial year ended 31 December 2016 amounted to €130,000. At the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to Supervisory Directors.

Supervisory Board Remuneration over 2017

The compensation for the chairman of the Supervisory Board has been set at €90,000 per year and the compensation for each of the other Supervisory Directors has been set at €70,000 per year as of the First Trading Date. No additional fees are due for their membership of the Audit Committee, the Remuneration Committee or the Selection and Appointment Committee.

Shareholding Information

As at the date of this Prospectus, all of the Company's outstanding and issued share capital is held by Reggeborgh Holding B.V. There are no Ordinary Shares held by Managing Directors. As from the Settlement Date, the Managing Directors will hold 510,000 Ordinary Shares pursuant to a share incentive; see "*—Remuneration Information Management Board—Share Incentive*".

Employment Agreements and Service Agreements

As at the date of this Prospectus, the Managing Directors are employed by VolkerWessels. The terms and conditions of employment are governed by Dutch employment law. Mr J.A. de Ruiter entered into an employment agreement effective as of 1 March 2017 and the other Managing Directors are expected to enter into a new employment agreement with the Company effective as of 1 May 2017. The agreements provide for the possibility that the relationship between the parties will be regarded as a services agreement (*overeenkomst van opdracht*) as of the First Trading Date. Mr J.A. de Ruiter has entered into an employment agreement with a term of four years. The other Managing Directors are expected to enter into employment agreements whose term will be for an indefinite period, in order to continue their existing employment arrangements. The new agreements will also contain severance provisions which provide for compensation for the loss of income resulting from a termination of employment at the initiative of the Company, with a maximum of one year's base compensation, subject to certain conditions such as that the termination is not based on event seriously culpable acts or negligence of the Managing Director. The contractual severance amount will replace or be subtracted from any statutory or other severance payments.

The Supervisory Directors have a service agreement with the Company. The agreements are governed by Dutch law. Each Supervisory Director is expected to enter into a new service agreement with the Company, effective as of the First Trading Date. The new agreements are entered into for a fixed period of four years. The Supervisory Directors do not have a severance contract with the Company.

Mr D. Wessels has also entered into an advisory agreement with the Company, effective as of 1 January 2017. The agreement will provide for Mr D. Wessels to have an advisory role in addition to his role as a Supervisory Director and is on substantially the same terms as the service agreements entered into by the Supervisory Directors. The compensation for the advisory services has been set at €180,000 per year. The agreement will be governed by Dutch law. The new agreement is entered into for a fixed period until 2 April 2026.

Potential Conflicts of Interest and Other Information

Other than the circumstances described below, the Company is not aware of any circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of each of the Managing Directors and Supervisory Directors on the one hand and the interests of the Company on the other hand. According to best practice provision 2.7 of the Dutch Corporate Governance Code, the Company will report on conflicts of interest in its annual report. There is a family relationship between Mr D. Wessels and Mr H.M. Holterman. There is no family relationship between any other Supervisory Director and any Managing Director.

The Company is aware of the fact that Mr D. Wessels, Mr H.M. Holterman and Mr R.J.H.M. Kuipers have been designated as Supervisory Directors by the Selling Shareholder, that Mr D. Wessels and Mr H.M. Holterman indirectly own Ordinary Shares through the Selling Shareholder and continue to hold positions at Reggeborgh Bestuur B.V, which in its turn is the sole board member of Reggeborgh Invest B.V., Reggeborgh Vastgoed B.V. and the Selling Shareholder, and that Mr H.M. Holterman continues to hold his position at Varo Energy B.V., and that Mr R.J.H.M. Kuipers continues to hold his positions at Reggeborgh Invest B.V. and Argos Group Holding B.V. (see "*—Supervisory Directors*").

Mr D. Wessels indirectly, through a number of Reggeborgh Entities, holds interests in various companies that are involved in business with VolkerWessels. These include Reggeborgh Vastgoed B.V. and minority interests in Varo Energy B.V., Koninklijke KPN N.V. and Deutsche Glasfaser Holding GmbH.

Since each of Mr D. Wessels, Mr H.M. Holterman and Mr R.J.H.M. Kuipers has been designated by the Selling Shareholder, and each of Mr D. Wessels, Mr H.M. Holterman and Mr R.J.H.M. Kuipers holds managerial positions and/or holds investments in companies related to the Selling Shareholder, and the interests of the Selling Shareholder do not have to be aligned with the interests of the Company (see "*Selling Shareholder and Related Party Transactions*"), a conflict of interest might arise.

The Brabantse Ontwikkelings Maatschappij Holding B.V., where Mr J.H.M. Hommen is the chairman of the supervisory board, holds minority participations in a few small joint ventures (annual turnover of €100,000 or less) that are majority owned by subsidiaries of the Company.

Mr J.A. de Ruiter is a supervisory director of Varo Energy B.V., a company related to the Selling Shareholder.

The Management Board and Supervisory Board do not expect that the circumstances described above will cause any of the Managing Directors or Supervisory Directors to have a conflict with the duties they have towards the Company. However, the Managment Board Rules and the Supervisory Board Rules include arrangements to ensure that the Managment Board and Supervisory Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Managing Director or Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest. See "*—Management Board—Conflict of Interest*" and "*—Supervisory Board—Conflict of Interest*". Each of the Managment Board and the Supervisory Board will procure that relevant transactions, in relation to which it has been determined that a conflict of interest exists, are published in the annual report. Other than these circumstances, the Company is not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Managing Directors and private interests or other duties of Supervisory Directors towards the Company.

During the last five years, none of the Managing Directors or Supervisory Directors: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than as disclosed in "*Selling Shareholder and Related Party Transactions—Related Party Transactions—Relationship Agreement*", the Company is not aware of any arrangement or understanding with the Selling Shareholder, customers, suppliers or others, pursuant to which any Managing Director or Supervisory Director was selected as a member of such management body of the Company.

Liability of members of the management board and supervisory board

Under Dutch law, members of the management board and supervisory board may be liable towards the company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the company for infringement of the articles of association or of certain provisions of the Dutch Civil Code. In addition, they may be

liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Managing Directors, Supervisory Directors and certain other officers are insured under an insurance policy taken out by VolkerWessels against damages resulting from their conduct when acting in their capacities as members or officers.

Indemnification

The articles of association of VolkerWessels include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former Managing Directors and Supervisory Directors against: (a) the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings, (b) any damages payable by them, and (c) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former Managing Directors or Supervisory Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request – in the latter situation only if and to the extent that these costs and damages are not reimbursed on account of these other duties.

However, there shall be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former Managing Directors or Supervisory Directors and VolkerWessels, with the exception of legal proceedings that have been brought by one or more shareholders, according to Dutch law or otherwise, on behalf of the Company, or (iii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

Works Council

VolkerWessels has a central works council (*ondernemingsraad*) ("**Works Council**") in place at the level of the Company. Pursuant to Dutch law and the articles of association of VolkerWessels, any proposal (i) to appoint, suspend or remove an Managing Director or a Supervisory Director, (ii) to determine or modify the remuneration policy of the Management Board, or (iii) to approve a resolution entailing a significant change in the identity or character of VolkerWessels or its business (see "*—Management Board—Meetings and Decision-making*") shall only be submitted to the general meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such general meeting. The absence of the statement of the Works Council shall not affect the decision-making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the general meeting of such point of view. The Works Council may have its point of view explained in the general meeting.

Employees

The table below provides an overview of the average numbers of employees the group employed, subdivided per region. These numbers are measured in full-time equivalents of the group's employees ("**FTEs**").

Geographic Subdivision of Employees Measured in FTEs	FY 2016	FY 2015	FY 2014
The Netherlands*	11,575	11,556	11,616
UK	2,590	2,440	2,219
North America	1,223	1,082	1,124
Germany	334	333	335
Total	**15,722**	**15,411**	**15,294**

* *FTE employees in the Netherlands include the number of FTE employees in Belgium.*
Note: The numbers of employees do not include employees from discontinued operations.

Employees and Pension Obligations Schemes

VolkerWessels operates a number of pension plans including defined benefit plans. The characteristics of such pension plans differ per jurisdiction.

VolkerWessels operates defined benefit plans in the UK. Three of the defined benefit plans are closed. One defined benefit plan is kept open in case of TUPE requirements.

VolkerWessels operates defined contribution plans in the Netherlands, UK, United States and Canada. A defined contribution plan is a pension plan under which an entity pays fixed contributions into a separate entity. VolkerWessels has no legal or constructive obligations to pay further contributions if the fund should not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, VolkerWessels pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. VolkerWessels has no further payment obligations once the contributions have been paid.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

In addition to operating its own pension arrangements, VolkerWessels participates in various mandatory industry-wide defined benefit pension plans in the Netherlands: the Pension Fund for the Construction Sector (*BPF Bouw*), the Metal and Engineering Industry Pension Fund (*Pensioenfonds Metaal en Techniek*), the Pension Fund for the Concrete Products Sector (*BPF Betonproducton*), the Pension Fund for the Transport Sector (*BPF Vervoer*), the Pension Fund for the Agricultural Sector (*BPF Landbouw*), the Pension Fund for the Railway Sector (*Spoorwegpensioen-fonds*), the Pension Fund for the Hospitality and Catering Industry (*BPF Horeca & Catering*) and the Pension Fund for the Private Security Sector (*BPF Particuliere Beveiliging*). Although these arrangements provide benefits on a defined benefit basis, the entities participating in these pension plans are unable to identify their share of the underlying assets and liabilities and the plans are therefore accounted for on a defined contribution basis by expensing the cash contributions paid each year.

As at 31 December 2016, the total IFRS deficit amounts to €5 million which can be split into (i) a deficit in respect of funded schemes of €2 million and (ii) a deficit in respect of unfunded schemes of €3 million. The expected service cost in respect of the defined benefit schemes is nil for 2017. The expected employer cash contributions for 2017 are approximately €1 million. The defined

benefit plans in the Netherlands that are operated by the mandatory industry-wide pension funds are considered defined contribution plans for accounting purposes under IFRS.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, became effective on 1 January 2009 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Dutch Corporate Governance Code applies to VolkerWessels as VolkerWessels has its registered office in the Netherlands and its Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their annual report whether or not they are complying with the various best practice provisions of the Dutch Corporate Governance Code that are addressed to the management board or, if applicable, the supervisory board of the company. If a company deviates from a best practice provision in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its annual report.

A revised Dutch corporate governance code was published on 8 December 2016. It entered into force on, and applies to any financial year starting on or after, 1 January 2017. VolkerWessels will therefore be required to report in 2018 on compliance with the revised code in the 2017 financial year.

Departures from the Best Practice Provisions of the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering VolkerWessels' interests and the interest of its stakeholders, it is expected that the Company will deviate from a limited number of best practice provisions, which are the following:

- After Settlement, the Company will not be in compliance with best practice provision 2.1.7 that requires that more than half of the Supervisory Directors shall be independent. Under the Relationship Agreement, for as long as the Selling Shareholder holds, directly or indirectly, at least 50% of the Ordinary Shares, it shall have the right to nominate three Supervisory Directors, and the nominees do not need to be "independent" within the meaning of the Dutch Corporate Governance Code. It is expected that any future nominees of the Selling Shareholder will also be dependent within the meaning of the Dutch Corporate Governance Code. Furthermore, under the Relationship Agreement, the Selling Shareholder will have the right to designate (i) two Supervisory Directors if it holds, directly or indirectly, less than 50% but 20% or more of the Ordinary Shares or (ii) one Supervisory Director if it holds, directly or indirectly, less than 20% but 10% or more of the Ordinary Shares. The Selling Shareholder will not have any designation rights if it holds, directly or indirectly, less than 10% of the Ordinary Shares. In case the Company will have five Supervisory Board members at the moment that the Selling Shareholder holds less than 50% of the Ordinary Shares, the Company will then be in compliance with the best practice provision 2.1.7 of the Dutch Corporate Governance Code.
- The Company will not be in compliance with best practice provision 2.2.1 that requires that all Managing Directors are appointed and reappointed for specified periods. The current Managing Directors are appointed for an indefinite period of time. Mr J.A. de Ruiter has been appointed for a period of four years ending immediately after the annual general meeting in 2021. Future Managing Directors will be appointed for a maximum period of four years. See "*—Management Board—Term of Appointment*".

SELLING SHAREHOLDER AND RELATED PARTY TRANSACTIONS

Selling Shareholder

As at the date of this Prospectus, Reggeborgh Holding B.V. (the Selling Shareholder) holds 100% of the Company's issued share capital. Each Ordinary Share has one voting right attached to it.

The Selling Shareholder is offering up to 25,000,000 Offer Shares in the Offering, assuming no exercise of the Over-Allotment Option. The Selling Shareholder is wholly-owned by the Wessels family.

The Offer Shares excluding the Over-Allotment Shares constitute 31.25% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute not more than 35.94% of the Ordinary Shares.

Related Party Transactions

Relationship Agreement

The Selling Shareholder and the Company entered into a relationship agreement on 28 April 2017 (the "**Relationship Agreement**"), which will become effective as of the First Trading Date. The Relationship Agreement contains certain arrangements regarding the relationship between the Selling Shareholder and the Company after the Offering and the listing of Ordinary Shares on Euronext Amsterdam. Below is a summary of the main elements of the Relationship Agreement.

Amendment of the Articles of Association of VolkerWessels

The Relationship Agreement states that the Selling Shareholder shall not exercise any of its voting or other shareholder rights and powers to procure any amendment to the articles of association of VolkerWessels that would contravene or be inconsistent with any of the provisions of the Relationship Agreement.

Related Party Transactions

The Relationship Agreement provides that VolkerWessels shall have a related party transactions policy as from the Settlement Date. The related party transactions policy requires that a related party transaction cannot be undertaken without the approval of the Supervisory Board, which approval shall include the affirmative vote of at least one independent Supervisory Director. A related party transaction includes transactions between the Company and (i) the Selling Shareholder and/or a party related to it as described in the related party transactions policy for so long as it holds at least 10% of the Ordinary Shares, (ii) any person or legal entity that holds at least 10% of the Ordinary Shares and that are of material significance to the Company or such person or legal entity and (iii) persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Management Board. An amendment of such related party transactions policy can be made subject to approval by the Supervisory Board, including the affirmative vote of at least one independent Supervisory Director. No amendment of the related party transactions policy shall be proposed that would contravene, or be contrary to, any provision of the Relationship Agreement.

Composition of the Management Board

Pursuant to the Relationship Agreement, the Management Board shall consist of at least three members. As of the Settlement Date, the Supervisory Board will consist of five members.

Composition of the Supervisory Board

Pursuant to the Relationship Agreement, the Supervisory Board shall consist of at least three members.

As from the Settlement Date, the Selling Shareholder shall have the right to designate three individuals for nomination by the Supervisory Board as replacement for the Supervisory Directors appointed by the general meeting per their respective designations. The Selling Shareholder shall only designate individuals that cause the Supervisory Board to be composed in accordance with the profile drawn up by the Supervisory Board. Such individuals will not need to be "independent" within the

meaning of the Dutch Corporate Governance Code. Initially, the Selling Shareholder has designated Mr H.M. Holterman as vice-chairman, and Mr D. Wessels and Mr R.J.H.M. Kuipers as non-independent Supervisory Directors.

The Supervisory Board shall elect and appoint the chairman of the Supervisory Board from among the independent Supervisory Directors. The Selling Shareholder shall elect and appoint the vice-chairman of the Supervisory Board. The designation rights of the Selling Shareholder will expire depending on its percentage shareholding, as follows:

(a) if the Selling Shareholder, directly or indirectly, holds less than 50% but 20% or more of the Company's issued share capital, the Selling Shareholder will have the right to designate only two Supervisory Directors;

(b) if the Selling Shareholder, directly or indirectly, holds less than 20% but 10% or more of the Company's issued share capital, the Selling Shareholder will have the right to designate only one Supervisory Director; and

(c) if the Selling Shareholder, directly or indirectly, holds less than 10% of the Company's issued share capital, the right of the Selling Shareholder to designate a Supervisory Director will expire.

The Selling Shareholder shall procure that the Supervisory Director appointed pursuant to its expired designation right offers his or her resignation effective upon the earlier of:

(i) the date as determined by the chairman and the other independent Supervisory Director(s); and

(ii) the date determined by the Selling Shareholder.

Composition of the Supervisory Board committees

The Relationship Agreement provides that, in addition to any other committees that the Supervisory Board may have from time to time, the Supervisory Board will have an audit committee, a remuneration committee and a selection and nomination committee. In addition, according to the Relationship Agreement, the Supervisory Directors must procure that, at all times:

(a) each of the Supervisory Board committees will consist of at least three members; and

(b) the chairman of the Supervisory Board shall not act as chairman of the audit committee and the remuneration committee.

Orderly Market Arrangements

The Relationship Agreement states that, at any time after its lock-up period, the Selling Shareholder is entitled to sell any number of Ordinary Shares, in the open market or through a private sale (a "**Sell Down**"). VolkerWessels will cooperate with the Selling Shareholder to a reasonable extent to optimise any Sell Down, including but not limited to (i) providing reasonable access to information required for a due diligence and drafting a prospectus, (ii) providing assistance in obtaining regulatory, stock exchange and other approvals required for a Sell Down and (iii) being a party to an underwriting agreement containing customary provisions.

Furthermore, according to the Relationship Agreement, the Selling Shareholder may require VolkerWessels to provide reasonable assistance with an offering that entails VolkerWessels' involvement in the form of a deal management road show and the preparation of a prospectus or similar offering document, provided that the number of Ordinary Shares proposed to be sold in such an offering represents at least 10% of the Company's issued share capital (a "**Fully Marketed Offering**"). If the Selling Shareholder requests VolkerWessels to assist on a Fully Marketed Offering of (part of) its Ordinary Shares, the parties shall cooperate in executing the Fully Marketed Offering to the highest possible standard. VolkerWessels shall only be required to provide assistance with one Fully Marketed Offering in a 6-month period.

The Relationship Agreement furthermore provides that in the event of a sale of 5% or more of the Ordinary Shares by the Selling Shareholder other than by way of a Fully Marketed Offering, VolkerWessels shall facilitate, upon reasonable request by the Selling Shareholder (which request may only be made twice a year), such sale by providing an opportunity to perform a limited due diligence investigation by or on behalf of (i) a bookrunner or coordinator, (ii) a reputable investment bank

engaged to assist in a sale or (iii) a *bona fide*, creditworthy potential purchaser of 5% or more of the Ordinary Shares all subject to the restrictions provided under any antitrust laws applicable from time to time.

Termination

The Relationship Agreement shall terminate at the first time that any of the following conditions shall be met:

(a) the Settlement Date shall not have occurred before 30 June 2017;

(b) the Selling Shareholder (including any permitted transferee) holds Ordinary Shares representing less than 10% of the Ordinary Shares;

(c) VolkerWessels has been declared bankrupt (*failliet verklaard*);

(d) a resolution of the general meeting to liquidate (*ontbinden*) VolkerWessels becomes unconditional;

(e) VolkerWessels ceases to exist as a legal entity as a result of a legal merger (*fusie*) or spin-off (*splitsing*); or

(f) termination of the listing of Ordinary Shares on Euronext Amsterdam takes effect.

Governing Law

The Relationship Agreement will be governed by the laws of the Netherlands.

Related party transactions per VolkerWessels operating segment

VolkerWessels divides its related party transactions into the following categories:

- transactions with the Selling Shareholder, the Wessels family as the ultimate shareholder of the Selling Shareholder and Reggeborgh Entities (being legal entities directly or indirectly controlled by the Wessels family);
- transactions with joint ventures between VolkerWessels companies and Reggeborgh Entities;
- transactions with Reggeborgh Associates (being entities where Reggeborgh Entities have the ability to exercise significant influence); and
- transactions with Managing Directors and Supervisory Directors, to the extent they are not a Reggeborgh Entity, including legal entities controlled by individual Managing Directors or Supervisory Directors.

VolkerWessels further distinguishes between (i) sales transactions to related parties in the ordinary course of business; (ii) purchase transactions from related parties in the ordinary course of business; and (iii) other related party transactions.

The value of all sales transactions to related parties in the ordinary course of business amounted to €188 million in 2016, which is less than 3.5% of VolkerWessels' overall revenues in 2016. Construction revenue (including land and real estate projects) in relation to sales to Reggeborgh Vastgoed B.V. (which is a Reggeborgh Entity) and its operating companies, associates and joint ventures, accounted for 94% of all VolkerWessels' sales transactions to related parties in 2016.

The value of all purchase transactions from related parties in the ordinary course of business amounted to €13 million in 2016, which includes leases of property from Reggeborgh Entities and Reggeborgh Associates with a total lease amount of €7 million, and Reggeborgh Associates delivering construction materials and services for an amount of €2 million.

All related party transactions have been concluded at arm's length terms. See Note 39 of the Financial Statements.

Related Party Transactions in relation to the Netherlands – Construction & Real Estate Development segment

There are generally three categories of related party transactions that relate to sales by the companies involved in VolkerWessels' the Netherlands – Construction & Real Estate Development segment to related parties.

One category is where VolkerWessels operating companies perform construction contracts (including land and real estate projects) for Reggeborgh Entities. The revenues of this first category amounted to €102 million, which amounted to less than 1.9% of VolkerWessels' overall revenues in 2016.

The second category is where VolkerWessels operating companies perform construction contracts (including land and real estate projects) for joint ventures between VolkerWessels companies and Reggeborgh Entities in property development companies. The revenues of this second category amounted to €29 million in 2016, which amounted to less than 0.5% of VolkerWessels' overall revenues in 2016.

The third category is where the VolkerWessels operating companies performed construction contracts, including real estate sold, for Managing Directors. The revenues of this category amounted to €0.3 million in 2016. In addition, the Management Board concluded construction contracts for the delivery of real estate which has not been completed or delivered yet, the value of which amounted to €5 million in 2016. All such purchases by the Management Board members have been approved by the Supervisory Board.

In addition to the sales transactions by VolkerWessels' companies in the Netherlands – Construction & Real Estate Development segment, such companies also entered into purchase transactions with related parties. These purchases were in connection with a variety of construction materials and services, such as sand, gravel and carpeting services for 'MorgenWonen' homes, delivered by Reggeborgh Associates for an amount of €2 million in 2016, which amounted to less than 0.1% of VolkerWessels' operating expenses in 2016.

Furthermore, Reggeborgh Entities participated in property development companies in VolkerWessels' the Netherlands – Construction & Real Estate Development segment with shareholdings varying from 27.5% to 65% to which these companies had contributed over time in aggregate €28 million of equity as of 31 December 2016. Reggeborgh Entities also provided financing by way of loan agreements from 2014 through 2016 of €6.6 million per year on average during these years, of which €5 million was outstanding as of 31 December 2016.

Related Party Transactions in relation to the Netherlands – Infrastructure segment

In 2015 and 2016, one of VolkerWessels' companies in the Netherlands – Infrastructure segment processed bottom ashes in a project for which products were delivered by a Reggeborgh Associate. The VolkerWessels operating company made use of the bottom ashes for the foundation of roads. The VolkerWessels operating company was compensated by the other party for using these products. The value of these transactions was €0.6 million and €0.3 million in 2015 and 2016 respectively.

Related Party Transactions in relation to the Netherlands – Energy & Telecom Infrastructure segment

The following related party transactions relate to companies involved in VolkerWessels' the Netherlands – Energy & Telecom Infrastructure segment.

Two VolkerWessels companies perform maintenance activities for the oil terminals of a Reggeborgh Associate for an approximate amount of €10 million in 2016, which amounted to less than 0.2% of VolkerWessels' overall revenues in 2016.

Another VolkerWessels company performs activities for a Reggeborgh Associate which was classified as a related party until 8 October 2015. The revenues in relation to this activity amounted to €2 million in 2015, which is less than 0.1% of VolkerWessels' overall revenue in 2015. In addition, in 2014 VolkerWessels' the Netherlands – Energy & Telecom Infrastructure segment earned a construction revenue for a Reggeborgh Associate that was divested in that year of €55 million, which was 1.1% of the overall revenues in that year.

In addition, a Reggeborgh Associate supplied gasoil to a company in the Offshore Business, which has been classified as discontinued operation, for an amount of €1 million in 2016.

Related Party Transactions in relation to VolkerWessels international segments

There are generally two categories of related party transactions that relate to sales by companies involved in VolkerWessels' international segment.

The first category is where the VolkerWessels operating companies perform construction contracts for Reggeborgh Entities in the VolkerWessels Germany segment. The revenues of this category amounted to €46 million in 2016, which is less than 0.9% of VolkerWessels' overall revenues in that year.

The other category is where the VolkerWessels operating companies perform construction contracts for joint ventures between VolkerWessels companies and Reggeborgh Entities in property development companies in the VolkerWessels Germany segment. The revenues of this second category amounted to €1 million in 2016.

In addition to these sales transactions by companies in VolkerWessels' international segment, a company in VolkerWessels' international segment purchased land from a joint venture in VolkerWessels' international segment between VolkerWessels and a Reggeborgh Entity, for an amount of €2 million in 2016.

Furthermore, Reggeborgh Entities participated in property development companies in VolkerWessels International segments with shareholdings varying from 37.5% to 50% to which these companies had contributed over time in total €1 million of equity as of 31 December 2016. Reggeborgh Entities also provided financing by way of loan agreements from 2014 through 2016 of €2 million in average during these years, which has been fully repaid as of 31 December 2016.

Leased Property

VolkerWessels leases property in nine locations in the Netherlands and one in Germany from Reggeborgh Entities, with an aggregate lease amount of €6 million in 2016. Furthermore, VolkerWessels companies lease property in two locations in the Netherlands from Reggeborgh Associates, with an aggregate lease amount of €1 million in 2016. Combined, this was 0.1% of VolkerWessels' total operating expenses in 2016.

Management and Monitoring Fees

Reggeborgh Entities received management and monitoring fees, including charged expenses and remuneration in respect of the Supervisory Directors delegated by the Selling Shareholder, from VolkerWessels companies for a total amount of €1 million in 2016. Reggeborgh Entities will not charge any management and monitoring fees to VolkerWessels as of 1 January 2017.

Other Related Party Transactions

Acquisition of VolkerWessels Germany

On 28 December 2016, VWS International B.V. acquired 94.88% of the shares in the German company Kondor Wessels Holding GmbH from a Reggeborgh Entity for an amount of €109 million. The remaining 5.12% of the shares in Kondor Wessels Holding GmbH are held by another Reggeborgh Entity.

Loans to VolkerWessels associates

In 2015, a Reggeborgh Entity provided a loan of €3 million to an associate of VolkerWessels, of which an amount of €2 million was outstanding as at 31 December 2016.

Subordinated Shareholder Loans and Cumulative Preference Shares

Reggeborgh Entities provided subordinated shareholder loans to VolkerWessels with an aggregate outstanding amount of €872 million as of 31 December 2014, which were converted during 2014, 2015 and 2016 into Ordinary Shares, including an amount of compounded charged interest in respect of 2014, 2015 and 2016 of €78 million. The exchange ratio for the purpose of such conversion was determined by the nominal value of the shareholder loan including compounded interest and was converted into the share premium reserve of the Ordinary Shares.

In 2014, an amount of €330 million of cumulative preference shares was reclassified and converted into Ordinary Shares. In 2015, an amount of €400 million of shareholder loans was converted into cumulative preference shares, placed with a Reggeborgh Entity. These preference shares were converted into Ordinary Shares in 2016. An amount of €544 million of shareholder loans has been directly converted into Ordinary Shares in 2016.

No shareholder loans were outstanding as at 31 December 2016.

Loans to Other VolkerWessels companies

In 2014 and 2015, a Reggeborgh Entity provided a loan of up to €75 million to a VolkerWessels company with the purpose of refinancing its outstanding bank debt. VolkerWessels paid an interest margin of 2.25% above EURIBOR during these years. The loan was fully repaid in 2016.

Financing- and treasury arrangements with Kondor Wessels Holding GmbH

In the years 2014 through 2016, a Reggeborgh Entity provided loans to and received deposits, being excess cash that was paid by way of a loan, from Kondor Wessels Holding GmbH. In addition, an interest rate swap with an annual interest of €1.3 million on a notional amount of €30 million existed between those parties. All loans, deposits and the interest rate swap were settled prior to 31 December 2016.

Other related party financing arrangement

In 2015, a cooperation agreement was concluded between VolkerWessels and a third party for a specific development project in respect of which VolkerWessels will perform construction activities. In respect of this project, a Reggeborgh Entity has provided a loan of €30 million to this third party.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of certain relevant information concerning VolkerWessels share capital and of certain significant provisions of Dutch law and the articles of association of VolkerWessels. It is based on relevant provisions of Dutch law as in effect on the date of this Prospectus and the articles of association of VolkerWessels as these will be in effect ultimately on the Settlement Date.

This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the articles of association of VolkerWessels and the relevant provisions of Dutch law. The articles of association of VolkerWessels are available in the governing Dutch language and in an unofficial English translation thereof on VolkerWessels' website (www.volkerwessels.com) or at the Company's business address at Podium 9, 3826 PA Amersfoort, the Netherlands during regular business hours. See also "*Management, Employees and Corporate Governance*" for a summary of certain material provisions of the articles of association of the Company, the Management Board Rules, the Supervisory Board Rules, the charters of the Supervisory Board committees and Dutch law relating to the Management Board and the Supervisory Board. VolkerWessels was incorporated as a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*) named Storm Investments B.V. under the laws of the Netherlands on 3 April 2007. The articles of association of VolkerWessels will be amended and VolkerWessels will be converted to a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the general meeting to be adopted prior to Settlement. The legal name of VolkerWessels will then be Koninklijke VolkerWessels N.V.

The statutory seat (*statutaire zetel*) of VolkerWessels is in Rotterdam, the Netherlands, and its registered office is at Podium 9, 3826 PA Amersfoort, the Netherlands (telephone number 088-1866186). VolkerWessels is registered in the Business Register of the Netherlands Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 34270985.

Corporate Purpose

Pursuant to article 3 of the articles of association of VolkerWessels, the corporate purposes of VolkerWessels are:

- to participate in, manage or otherwise hold a stake in and to finance other companies, of whatever nature;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which VolkerWessels forms a group and to third parties;
- to grant guarantees, to bind VolkerWessels and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- to acquire, manage, exploit and alienate registered property and items of property in general;
- to trade in currencies, securities and items of property in general;
- to develop and trade in patents, trademarks, licences, know-how, copyrights, data base rights and other intellectual property rights; and
- to perform any and all activities of an industrial, financial or commercial nature,

as well as everything that can relate to or may be conducive to the foregoing, either in the Netherlands or abroad, either individually or in cooperation with third parties and at the Company's own expense or at the expense of third parties, all in the broadest sense.

Dutch Large Company Regime

VolkerWessels voluntarily applies the Dutch full large company regime (*volledig structuurregime*) as set forth in the provisions of Sections 2:152 up to and including 2:164 of the Dutch Civil Code.

The articles of association of VolkerWessels include such provisions to comply with the full large company regime. Companies to which the full large company regime applies are obliged by law to have a supervisory board. According to the articles of association, the Supervisory Board must prepare a profile (*profielschets*) for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the Supervisory Directors, the desired mixed composition and the size of the Supervisory Board and the independence of the Supervisory Directors. The Supervisory Board shall discuss the profile at the occasion of each amendment thereof in the general meeting. The general meeting appoints the Supervisory Directors on the recommendation of the Supervisory Board. The general meeting and the Works Council may recommend persons to the Supervisory Board to be nominated as Supervisory Director. For one-third of its members, the Supervisory Board shall place a person recommended by the Works Council on the list of nominees unless the Supervisory Board objects to the appointment on the grounds that it expects the person recommended to be unfit to perform the duties of a Supervisory Director, or that the Supervisory Board will not be properly composed if the person recommended is appointed. For a more detailed description of the appointment of the Supervisory Board, see "*Management, Employees and Corporate Governance—Supervisory Board*".

The Supervisory Board has extensive powers under the Dutch full large company regime. Major strategic and organisational decisions taken within a company require the approval of the Supervisory Board. Pursuant to the full large company regime, the Managing Directors are appointed and removed by the Supervisory Board. The Supervisory Board must notify the general meeting of an intended appointment of a Managing Director. The Supervisory Board shall only remove a Managing Director after the general meeting have been given the opportunity to be heard about the proposal removal. For a more detailed description of the appointment of the Management Board, see "*Management, Employees and Corporate Governance—Management Board*".

Share Capital

Authorised and Issued Share Capital

As at the date of this Prospectus, VolkerWessels' issued share capital amounts to €800,000, divided into 80 million Ordinary Shares, each with a nominal value of €0.01. With effect as of the First Trading Date pursuant to a notarial deed of amendment amending the articles of association of the Company, the Company's authorised share capital will amount to €3,000,000, divided into 150 million Ordinary Shares, each with a nominal value of €0.01 and 150 million Preference Shares with a nominal value of €0.01 each. On the date of this Prospectus, no Shares are held by VolkerWessels. At the date of this Prospectus, all outstanding Ordinary Shares are paid up.

Set out below is an overview of the Company's authorised and issued shares in the Company's capital for the dates stated in the overview.

History of Share Capital

	31 December 2016	**31 December 2015**	**31 December 2014**
	issued share capital	**issued share capital**	**issued share capital**
Ordinary shares	80,000,000	2,833,334	2,833,334
Cumulative preference shares A without voting right	0	157,808	0
Cumulative preference shares B without voting right	0	157,808	0
Total	**80,000,000**	**3,148,950**	**2,833,334**

The cumulative preference shares A and cumulative preference shares B were converted into Ordinary Shares on 21 December 2016.

Form of Ordinary Shares

All Ordinary Shares are in registered form.

VolkerWessels' shareholders' register

Pursuant to Dutch law and the articles of association of VolkerWessels, VolkerWessels must keep a register of shareholders. VolkerWessels' shareholders' register records the names and addresses of all holders of Shares and must be kept up to date. The shareholders' register also contains the names and addresses of usufructuaries (*vruchtgebruikers*) or pledgees (*pandhouders*) of Shares, stating whether they hold the rights attached to such Shares pursuant to Section 2:88 paragraphs 2, 3 and 4 of the Dutch Civil Code and, if so, which rights have been conferred upon them. With regard to pledgees, the register shall state that neither the voting right attached to the Shares, nor the rights Dutch law attaches to depositary receipts for Shares issued with VolkerWessels' cooperation, have been conferred upon them. The register shall also state, with regard to each shareholder, pledgee or usufructuary, the date on which they acquired the Shares, their right of pledge or usufruct as well as the date of acknowledgement or service.

If requested, the Management Board will provide a holder of Shares, usufructuary or pledgee of such Shares with an extract from the register relating to its title to a Share free of charge. If the Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall. The shareholders' register is kept by the Management Board.

If Ordinary Shares, as referred to in the Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*) belong to (i) a collective depot as referred to in the Act on Securities Transactions by Giro, of which Ordinary Shares form part, kept by an intermediary, as referred to in the Act on Securities Transactions by Giro or (ii) a giro depot as referred to in the Act on Securities Transactions by Giro of which Ordinary Shares form part, as being kept by a central institute as referred to in the Act on Securities Transactions by Giro, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those Ordinary Shares became part of a collective depot or the giro depot, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each Ordinary Share.

Issue of Shares

Decisions to issue Shares are taken by the general meeting or the Management Board – subject to the Supervisory Board's approval – if the general meeting authorises the Management Board to do so.

The foregoing also applies to the granting of rights to subscribe for Shares, such as options, but do not apply to the issue of Shares to a person exercising a previously acquired right to subscribe for Shares. An authorisation by the general meeting to issue Shares must state the term for which it is valid, which term may not be longer than five years. The authorisation may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorisation, it may not be withdrawn.

Pursuant to a resolution of the general meeting adopted on 24 April 2017, the Management Board has, pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 10% of the issued Ordinary Shares immediately following Settlement.

As of the Settlement Date, the Management Board will be authorised for a period of five years to grant to an outside foundation rights to subscribe for Preference Shares up to a maximum corresponding with 100% of the issued share capital of the Company excluding the Preference Shares outstanding immediately prior to the exercise of the right to subscribe for Preference Shares, less one Ordinary Share, provided that the Management Board shall only grant the foundation rights to subscribe for Preference Shares under the condition precedent that the foundation may only exercise such call option if the Selling Shareholder holds, directly or indirectly, less than 20% of the issued capital of the Company. See "—*Anti-Takeover Measures*" for a description of the anti-takeover measure under the articles of association of VolkerWessels.

Pre-emptive rights

Upon the issue of Ordinary Shares, each shareholder shall have a pre-emptive right in respect of the Ordinary Shares to be issued, in proportion to the number of Ordinary Shares already held by it.

Exceptions to these pre-emptive rights include: (i) the issue of Ordinary Shares against a contribution in kind, (ii) the issue of Ordinary Shares to the Company's employees or the employees of a group company as defined in Section 2:24b of the Dutch Civil Code, and (iii) the issue of Ordinary Shares to persons exercising a previously granted right to subscribe for Ordinary Shares. These pre-emptive rights and such non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for Ordinary Shares.

Pursuant to the articles of association, the pre-emptive right may be restricted or excluded pursuant to a resolution of the general meeting. The proposal to this effect must explain in writing the reasons for the proposal and the intended issue price. Subject to the approval of the Supervisory Board, the pre-emptive right may also be restricted or excluded by the Management Board if the Management Board has been authorised by a decision of the general meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emptive right. A resolution of the general meeting to restrict or exclude the pre-emptive right to Ordinary Shares or to issue an authorisation to restrict or exclude the pre-emptive right requires a majority of at least two-thirds of the votes cast if less than half of the issued share capital is represented at the general meeting.

No pre-emptive rights exist for holders of Ordinary Shares upon the issue of Preference Shares. Holders of Preference Shares do not have a pre-emptive right in respect of Ordinary Shares.

Pursuant to a resolution of the general meeting to be adopted prior to Settlement, the Management Board is authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to restrict or exclude the pre-emptive rights of shareholders in relation to the issue of, or grant of rights to subscribe for, Ordinary Shares for which it was authorised by the general meeting to resolve upon as described above.

Acquisition of own Shares

Subject to the approval of the Supervisory Board, the Management Board is authorised to acquire its own fully paid-up Shares either gratuitously (*om niet*), under universal succession, of title or if: (i) the Company's equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves; (ii) the aggregate nominal value of the Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorised by the general meeting to repurchase Shares. VolkerWessels may, without authorisation by the general meeting, acquire its own Shares for the purpose of transferring such Shares to its employees under a scheme applicable to such employees, provided such Shares are quoted on the price list of a stock exchange.

The general meeting's authorisation is valid for a maximum of 18 months. As part of the authorisation, the general meeting must determine the number of Shares that may be acquired, the manner in which the Shares may be acquired and the limits within which the price must be set. In addition, the approval of the Supervisory Board is required for any such acquisition.

Pursuant to a resolution of the general meeting to be adopted prior to Settlement, the Management Board is, pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to cause the Company to acquire its own Ordinary Shares (including Ordinary Shares issued as stock dividend), subject to the approval of the Supervisory Board, up to a maximum of 10% of the total number of Ordinary Shares issued following the Settlement Date, provided the Company will hold no more Ordinary Shares in stock than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%. Certain aspects of taxation of the acquisition by the company of its Ordinary Shares are described in "*Taxation*".

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Ordinary Shares held by the Company if the Shares are encumbered with a right of usufruct that benefits a party other than the Company or a subsidiary, the voting right attached to those Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Shares belonged to the Company or the subsidiary.

No dividend shall be paid to the Shares held by the Company in its own capital, unless such Shares are subject to a right of usufruct or pledge. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Management Board is authorised, subject to the approval of the Supervisory Board, to dispose of the Company's own Shares held by it.

If Preference Shares are issued to the foundation, the Management Board must convene a general meeting within 22 months after the date Preference Shares have been issued for the first time, or within 60 days after the foundation has submitted a proposal at the general meeting for the repurchase or cancellation of all Preference Shares held by the foundation. The agenda for that meeting must include a resolution relating to the repurchase or cancellation of these Preference Shares. If no resolution to repurchase or cancel the relevant Preference Shares is passed at that meeting, the Management Board must convene another general meeting each time within six months of the previous meeting in which such proposal has been placed on the agenda, and submit the same proposal again, until such time as no more Preference Shares remain outstanding.

Reduction of share capital

Subject to the provisions of Dutch law and the articles of association of VolkerWessels, the general meeting may, but only if proposed by the Management Board after approval by the Supervisory Board, and in compliance with Section 2:99 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by (i) cancelling Shares or (ii) reducing the value of the Shares by amendment of the articles of association. A resolution to cancel Shares may only relate to Shares held by the Company itself or for which it holds depositary receipts or all Preference Shares. A reduction of the nominal value of Ordinary Shares, whether without redemption or against partial repayment on the Ordinary Shares or upon release from the obligation to pay up the Ordinary Shares, must be made *pro rata* on all Ordinary Shares of the same class. This *pro rata* requirement may be waived if all shareholders concerned so agree. A resolution of the general meeting to reduce the share capital requires a majority of at least two-thirds of the votes cast if less than 50% of the issued and outstanding share capital is represented at the general meeting. If more than 50% of the issued and outstanding share capital is represented at the general meeting, the resolution of the general meeting requires an absolute majority. In addition, a resolution to reduce the share capital shall require the prior or simultaneous approval of each group of holders of shares of a similar class (if any) whose rights are prejudiced. This does not apply to Preference Shares.

Preference Shares shall be cancelled against repayment of the amounts paid up on those Preference Shares and any distribution to be paid on those Preference Shares to the extent that they have only been partially paid up. This does not apply to Preference Shares that are paid-up at the expense of the reserves of the Company nor to Preference Shares which at the time of cancellation belong to the Company.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

Certain aspects of taxation of a reduction of share capital are described in "*Taxation*".

Transfer of Shares

A transfer of a Share (not being, for the avoidance of doubt, a Share held through the system of Euroclear Nederland) or of a restricted right (*beperkt recht*) thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the transfer.

If a registered Ordinary Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered Ordinary Share is transferred for inclusion in a giro deposit, the transfer will be accepted by the central institute, being Euroclear Nederland. Upon issue of a new Ordinary Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Ordinary Share in the giro deposit or the collection deposit will be effected without the cooperation of the other participants in the collection deposit or the giro deposit, respectively. Deposit shareholders are not recorded in the shareholders' register of the Company.

Ordinary Shares included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit with due observance of the related provisions of the Act on Securities Transactions by Giro. The transfer by a deposit shareholder of its book-entry rights representing such Ordinary Shares shall be effected in accordance with the provisions of the Act on Securities Transactions by Giro. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

Any transfer of Preference Shares requires the prior approval of the Supervisory Board. An application for approval must be made in writing and include the number of Preference Shares the applicant wishes to transfer and the person to whom the applicant wishes to transfer the Preference Shares concerned.

Dividend Distributions

General

The Company may only make distributions to its shareholders if its equity does not fall below the sum of called-up and paid-in share capital and any statutory reserves. The dividend pay-out can be summarised as follows.

Annual profit distribution

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts (i.e. non-consolidated), and the information therein will determine if the distribution of profits is legally permitted for the respective financial year. Under the articles of association of the Company, any profits must first be applied to pay a dividend on the Preference Shares, if any are outstanding, before distribution of any remaining distributable profits to the other shareholders. No Preference Shares are outstanding at the date of this Prospectus.

Right to reserve

The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year are fully or partially appropriated to increase and/or form reserves. The profits remaining after being allocated to the reserves shall be put at the disposal of the general meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose.

Furthermore, the Management Board may, with the approval of the Supervisory Board, decide that payments to the shareholders shall be at the expense of reserves.

Interim distribution

Subject to Dutch law and the articles of association of VolkerWessels, the Management Board may, with the approval of the Supervisory Board, resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Management Board that the Company's equity does not fall below the sum of called-up and paid-in share capital and any statutory reserves.

Distribution in kind

The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Ordinary Shares shall not take place as a cash payment but as a payment in Ordinary Shares, or decide that shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, provided that the Management Board is designated by the general meeting to do so.

Profit ranking of the Ordinary Shares

All of the Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any profit or other payment that may be declared on the Ordinary Shares.

Payment

Payment of any future dividend on Shares in cash will be made in euro. Any dividends on Ordinary Shares that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of holders of Ordinary Shares who are non-residents of the Netherlands. However, see "*Taxation*" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands.

Payments of profit and other payments are announced in a notice by the Company. A shareholder's claim to payments of profits and other payments lapses five years after the day on which the claim became payable. Any profit or other payments that are not collected within this period revert to the Company.

Different payment release dates may be set for the Ordinary Shares and the Preference Shares.

Exchange Controls and other Provisions relating to non-Dutch shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, shares (except as to cash amounts). There are no special restrictions in the articles of association of VolkerWessels or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold or vote Ordinary Shares.

Meetings of shareholders and voting rights

General meetings

General meetings must be held in Amersfoort, Amsterdam, Rotterdam, The Hague or Utrecht.

The annual general meeting must be held within six months after the close of each financial year. An extraordinary general meeting may be convened, whenever the Company's interests so require, by the Supervisory Board or the Management Board. In addition, shareholders representing alone or in aggregate at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, Dutch law and the articles of association of VolkerWessels, request that a general meeting be convened. If no general meeting has been held within six weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a general meeting.

The convocation of the general meeting must be published through an announcement by electronic means. Notice of a general meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The notice convening any general meeting must include, among other items, the subjects to be dealt with, the venue and time of the general meeting, the requirements for admittance to the general meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the annual general meeting must contain certain subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the general meeting. In addition, the agenda must include such items as have been included therein by the Management Board, the Supervisory Board or shareholders (with due observance of Dutch law as described below). If the agenda of the general meeting contains the item of granting discharge to the Managing Directors and the Supervisory Directors concerning the performance of their duties in the financial year in question, the matter of the discharge must be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request by a motivated request that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the general meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Shareholders who, individually or with other shareholders, hold Ordinary Shares that represent at least one-tenth of the issued and outstanding share capital or a market value of at least €250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a general meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the general meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The general meeting is chaired by the chairman of the Supervisory Board. If the chairman of the Supervisory Board wishes another party to chair the general meeting, or if he/she is absent from the general meeting, the Supervisory Directors present at the general meeting shall appoint a chairman from their midst. The chairman will have all powers necessary to ensure the proper and orderly functioning of the general meeting. Managing Directors and Supervisory Directors may attend a general meeting. In these general meetings, they have an advisory vote. The external auditor of the Company is also authorised to attend the general meeting. The chairman of the general meeting may decide at its discretion to admit other persons to the general meeting.

Each shareholder (as well as other persons with voting rights or meeting rights) may attend the general meeting, address the general meeting and, in so far as they have such right, exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Ordinary Shares on the registration date, which is currently the twenty-eighth day before the day of the general meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Management Board may decide that persons entitled to attend and vote at general meetings may cast their vote electronically or by post in a manner to be decided by the Management Board. Votes cast in accordance with the previous sentence rank as equal to votes cast at the general meeting.

Voting rights

Each shareholder may cast one vote at the general meeting for each Share held. The voting rights of the holders of Offer Shares will rank *pari passu* with each other and with all other Ordinary Shares. Pursuant to Dutch law, no votes may be cast at a general meeting in respect of Shares which are held by the Company. Resolutions of the general meeting are passed by an absolute majority of the valid votes cast at the general meeting, except where Dutch law or the articles of association of VolkerWessels prescribe a greater majority.

Amendment of Articles of Association

The general meeting may pass a resolution to amend the articles of association or to dissolve the Company, with an absolute majority of the votes cast, but only on a proposal of the Management Board that has been approved by the Supervisory Board. Any such proposal must be stated in the notice of the general meeting. In the event of a proposal to the general meeting to amend the articles of association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting. A resolution by the general meeting to amend the articles of association requires an absolute majority of the votes cast. A resolution of the general meeting to amend the articles of association that has the effect of reducing the rights attributable to holders of shares of a particular class, is subject to approval of the meeting of holders of shares of that class.

Dissolution and Liquidation

The Company may be dissolved by a resolution of the general meeting upon proposal by the Management Board. The proposal requires the approval of the Supervisory Board. If the general meeting has resolved to dissolve the Company, the Management Board will be charged with the liquidation of the Company under supervision by the Supervisory Board. During liquidation, the provisions of the articles of association of VolkerWessels will remain in force as far as possible.

The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, first be applied for the payment of all the holders of the Preference Shares of the nominal amount paid-up on their Preference Shares plus the dividend still payable at the time of the liquidation on such Preference Shares. The remaining assets shall then be distributed to the shareholders in proportion to the nominal amount of each shareholder's holding in Ordinary Shares. Once the liquidation has been completed, the books, records and other data carriers of the dissolved VolkerWessels will be held by the person or legal person appointed for that purpose by the general meeting for the period prescribed by law (which as of the date of this Prospectus is seven years).

Certain tax aspects of liquidation proceeds are described in "*Taxation*".

Anti-Takeover Measures

The Company has been authorised to implement an anti-takeover measure within five years after the Offering consisting of the possibility of the issuance of Preference Shares to an outside foundation, in conformity with Dutch law and practice.

The Company may set up a foundation, the objects of which will be to protect the interests of the Company, the business maintained by the Company and the entities with which the Company forms a group and all persons involved therein, in such a way that the interests of the Company and those businesses and all persons involved therein are protected to the best of its abilities, and by making every effort to prevent anything which may affect the independence and/or the continuity and/or the identity of the Company and of those businesses in violation of the interests referred to above. The foundation, once incorporated, shall pursue its objects, *inter alia*, by acquiring and holding Preference Shares in the Company's share capital and by enforcing the rights, in particular the voting rights, attached to those Preference Shares, as well as by exercising (whether or not in legal proceedings) rights attributed to it pursuant to Dutch law, the articles of association of the Company or any agreement. The foundation will only be authorised to sell any Preference Shares it holds after approval granted by the Supervisory Board. The foundation will only be authorised to pledge any Preference Shares it holds to the extent that the voting rights attached to such Preference Shares are not passed on to the pledgee. The possibility of issuing Preference Shares is an anti-takeover measure, as it affords the foundation the power to prevent or bring about resolutions of the general meeting of the Company.

To this end, after its incorporation, the foundation will be granted a call option by the Company. The foundation may exercise the call option subject to the Selling Shareholder holding, directly or indirectly, less than 20% of the issued Ordinary Shares. On each exercise of the call option, the foundation is entitled to subscribe for up to a maximum corresponding with 100% of the issued Ordinary Shares outstanding immediately prior to the exercise of the call option, less one Ordinary Share. Any Preference Shares already held by the foundation at the time of the exercise of the call option will be deducted from this maximum. The foundation may exercise its option right repeatedly, each time up to the aforementioned maximum.

The call option yet to be granted can be exercised by the foundation in order to but, *inter alia*, not limited to:

- prevent, slow down or otherwise complicate an unsolicited takeover bid for and an unsolicited acquisition of Shares by means of an acquisition at the stock market or otherwise; and/or
- prevent and countervail concentration of voting rights in the general meeting of the Company; and/or
- resist unwanted influence by and pressure from shareholders to amend the strategy of the Management Board.

If the foundation exercises the call option, the Company must issue the corresponding number of Preference Shares to the foundation. Upon issuance of Preference Shares, at least one fourth of the nominal value thereof must be paid up. The foundation will be required to pay up any additional amounts only if and when the Company claims such additional payments. If the Company and the foundation so agree, the Preference Shares can be paid up in full at the expense of the reserves of the Company.

If Preference Shares are issued to the foundation, the Management Board must convene a general meeting within 22 months after the date on which the Preference Shares have been issued for the first time, or within 60 days after the foundation has submitted a proposal to the general meeting of the Company for the repurchase or cancellation of all Preference Shares held by the foundation. The agenda for that meeting must include a resolution relating to the repurchase or cancellation of these Preference Shares. If no resolution to repurchase or cancel the relevant Preference Shares is adopted at that meeting, the Management Board must convene another general meeting each time within six months of the previous meeting in which such proposal has been placed on the agenda, and submit the same proposal again, until such time as no more Preference Shares remain outstanding.

If Preference Shares are repurchased or cancelled, this will take place against repayment of the amounts paid-up on these Preference Shares and payment of any distribution still lacking, if any. If the relevant Preference Shares were paid-up in full at expense of the reserves of the Company, the paid-up amount will not be paid to the foundation but will fall to the Company. Once Preference Shares are repurchased or cancelled, they may be called again by the foundation.

The foundation will perform its role, and take all actions required, at its sole discretion. The foundation shall exercise the voting rights attached to the Preference Shares issued to the foundation, independently, in accordance with its objects according to its articles of association. The foundation is to be managed by a board. All members of the board will be independent from the Company. The foundation will thus meet the independence requirement set out in Section 5:71(1)(c) of the Dutch Financial Supervision Act.

Annual and Semi-Annual Financial Reporting

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts. The annual accounts must be accompanied by an independent auditor's statement, a management report and certain other information required under Dutch law. Annually, the Supervisory Board must prepare a report, which will be enclosed with the annual accounts and the management report. All Managing Directors and Supervisory Directors must sign the annual accounts. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The annual accounts must be adopted by the general meeting.

The annual accounts, the annual report and other information required under Dutch law must be made available at the offices of VolkerWessels to the shareholders and other persons entitled to attend and address the general meetings from the date of the notice convening the annual general meeting.

The annual accounts, the annual report, the management report and other information required under Dutch law must be filed with the AFM within five days following adoption.

After the proposal to adopt the annual accounts has been discussed, a proposal shall be made to the general meeting, in connection with the annual accounts and the statements made regarding them at the general meeting, to discharge the Managing Directors for their management and the Supervisory Directors for their supervision in the last financial year.

Within three months after the end of the first six months of each financial year, the Management Board must prepare semi-annual financial statements and make them publicly available. If the semi-annual financial statements are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial statements.

Dutch Financial Reporting Supervision Act

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the "**FRSA**"), the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the issuer's financial reporting meets such standards and (ii) recommend the issuer to make available further explanations. If the

Company does not comply with such a request or recommendation, the AFM may request the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) to order the Company to (A) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (B) prepare its financial reports in accordance with the enterprise chamber's instructions.

Obligations of shareholders to make a public offer

Pursuant to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who directly or indirectly obtains control of a Dutch listed company, such as the Company after Settlement, is required to make a public offer for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time of the company's initial public offering).

In addition, it is prohibited to launch a public offer for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. A public offer may only be launched by way of publication of an approved offer document. The public offer rules are intended to ensure that in the event of a public offer, among others, sufficient information is made available to the holders of the shares, the holders of the shares are treated equally, that there is no abuse of inside information and that there is a proper and timely Offer Period.

Squeeze-out proceedings

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for his own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to him. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the Offer Price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch Financial Markets Supervision Act also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings

Holders of the Shares may be subject to notification obligations under the Dutch Financial Markets Supervision Act. Shareholders are advised to seek professional advice on these obligations.

Obligations of shareholders to disclose holdings

Pursuant to the Dutch Financial Markets Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification must be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest at 31 December at midnight has a different composition than in a previous notification to the AFM must notify the AFM within four weeks.

Controlled entities, within the meaning of the Dutch Financial Markets Supervision Act, do not have notification obligations under the Dutch Financial Markets Supervision Act, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch Financial Markets Supervision Act, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch Financial Markets Supervision Act will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as "shares": (a) shares, (b) depositary receipts for shares (or negotiable instruments similar to such receipts), (c) negotiable instruments for acquiring the instruments under (a) or (b) (such as convertible bonds), and (d) options for acquiring the instruments under (a) or (b).

Notification of short positions

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10 %, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located.

Obligations of Managing Directors and Supervisory Directors to disclose holdings

Pursuant to the Dutch Financial Markets Supervision Act, each Managing Director and Supervisory Director must notify the AFM: (a) immediately following the admission to trading and listing of the Ordinary Shares of the number of Ordinary Shares he/she holds and the number of votes he/she is entitled to cast in respect of the Company's issued share capital, and (b) subsequently of each change in the number of Ordinary Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Managing Director or Supervisory Director has notified a transaction to the AFM under the Dutch Financial Markets Supervision Act as described under "*—Obligations of shareholders to disclose holdings*" above, such notification is sufficient for purposes of the Dutch Financial Markets Supervision Act as described in this paragraph.

Furthermore, pursuant to the Market Abuse Regulation ((EU) No 596/2014), which entered into force on 3 July 2016, persons discharging managerial responsibilities must notify the AFM and the Company of any transactions conducted for his or her own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

Persons discharging managerial responsibilities within the meaning of the Market Abuse Regulation include: (a) Managing Directors and Supervisory Directors; or (b) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with persons discharging managerial responsibilities, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a person discharging managerial responsibilities or a person closely associated to a person discharging managerial responsibilities reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). When calculating whether the threshold is

reached or exceeded, persons discharging managerial responsibilities must add any transactions conducted by persons closely associated with them to their own transactions and vice versa. The first transaction reaching or exceeding the threshold must be notified as set forth above. The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date.

Non-compliance

Non-compliance with the notification obligations Market Abuse Regulation set out in the paragraphs above is an economic offence (*economisch delict*) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. In addition, non-compliance with some of the notification obligations set out in the paragraphs above may lead to civil sanctions, including suspension of the voting rights relating to the shares held by the offender for a period of not more than three years, voiding of a resolution adopted by the general meeting in certain circumstances and ordering the person violating the disclosure obligations to refrain, during a period of up to five years, from acquiring shares and/or voting rights in shares.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch Financial Markets Supervision Act on its website www.afm.nl. Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Identity of shareholders

Dutch listed companies may request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. Such requests may only be made during a period of 60 days up to the day on which the general meeting of shareholders will be held. No information will be given on shareholders with an interest of less than 0.5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the forty-second day before the day on which the general meeting will be held.

Dutch Market Abuse Regime

Reporting of Insider Transactions

The regulatory framework on market abuse is laid down in the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and the Market Abuse Regulation (no. 596/2014) which is directly applicable in the Netherlands.

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (a) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Ordinary Shares, (b) recommend that another person engages in insider dealing or induce another person to engage in insider dealing or (c) unlawfully disclose inside information relating to the Ordinary Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of his or her investment decision). An intermediate step in a protracted process can also

deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to Ordinary Shares or debt instruments of VolkerWessels or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or an annual report of VolkerWessels.

Non-compliance with Market Abuse Rules

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offense and/or a crime (*misdrijf*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

VolkerWessels has adopted a code of conduct in respect of the reporting and regulation of transactions in the Company's securities by Managing Directors and Supervisory Directors and VolkerWessels' employees, which will be effective as at the First Trading Date.

The Company and any person acting on its behalf or on its account is obligated to draw up an insiders' list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

Notification and approval requirements for acquiring and divesting direct or indirect shareholdings in insurance companies

For general damages liability, VolkerWessels operates two captive insurance companies.

Volcap S.A. has its registered office in Switzerland. It is subject to Swiss federal laws on the supervision of insurance companies and is supervised by the Swiss Financial Market Supervisory Authority ("**FINMA**"). Each person who intends to acquire a direct or indirect shareholding in an insurance company with its registered office in Switzerland must notify FINMA if such intended holding equals or exceeds 10%, 20%, 33% or 50% of the capital or voting rights. The same applies to a person who intends to reduce such a shareholding below the thresholds mentioned. FINMA may prohibit an intended transaction or impose conditions if the nature or extent of the shareholding potentially harms the insurance company or the interests of the insured.

Batavia Insurance Limited has its registered company in Guernsey. It is subject to the Insurance Business (Bailiwick of Guernsey) Law, 2002 and is supervised by the Guernsey Financial Services Commission (the "**Commission**"). Each person who becomes a significant shareholder in relation to a licensed insurance company in Guernsey must give notice in writing to the Commission within a period of 14 days following the day of the transaction. Each person who (alone or with other persons) intends to directly or indirectly acquire 15% or more of the voting rights in such a company must notify the Commission of the proposed transaction and obtain the Commission's written approval. Any additional acquisition of 5% of the voting rights is subject to the same notification and approval requirements.

Buying and selling Ordinary Shares implies an indirect acquisition or divestment of shares in these insurance companies, and may therefore trigger the above mentioned obligations.

Transparency Directive

The Netherlands will be the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU), as a consequence of which the Company will be subject to the Dutch Financial Supervision Act in respect of certain ongoing transparency and disclosure obligations.

THE OFFERING

Introduction

The Selling Shareholder is offering up to 28,750,000 Offer Shares. The Offer Shares excluding the Over-Allotment Shares constitute approximately 31.25% of the issued share capital of the Company. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute not more than approximately 35.94% of the issued share capital of the Company.

The Offering consists of: (i) a public offering to institutional and retail investors in the Netherlands and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States, to persons reasonably believed to be QIBs as defined in Rule 144A under the US Securities Act, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws, and outside the United States, in accordance with Regulation S under the US Securities Act.

The Selling Shareholder has granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators (on behalf of the Underwriters) may require the Selling Shareholder to sell at the Offer Price up to 3,750,000 additional Ordinary Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering to cover over-allotments, if any, in connection with the Offering or facilitate stabilisation transactions, if any.

Timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Offering, the timetable below lists certain expected key dates for the Offering. See "*—Acceleration or Extension*" below.

Event	Time (CET) and Date
Start of Offer Period for Dutch retail investors	09:00 – 28 April 2017
Start of Offer Period for institutional investors	09:00 – 2 May 2017
End of Offer Period for Dutch retail investors	17:30 – 10 May 2017
End of Offer Period for institutional investors	14:00 – 11 May 2017
Pricing and Allocation	11 May 2017
Publication of results of the Offering	12 May 2017
First Trading Date (trading on an 'as-if-and-when-delivered' basis)	12 May 2017
Settlement Date (payment and delivery)	16 May 2017

Please note that the Selling Shareholder and the Company, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period. See "*—Acceleration or Extension*" below.

Offer Period

Subject to acceleration or extension of the timetable for the Offering, prospective Dutch retail investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 28 April 2017 until 17:30 CET on 10 May 2017 and prospective institutional investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 2 May 2017 and ending at 14:00 CET on 11 May 2017. In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in euro) for and delivery of the Offer Shares may be advanced or extended accordingly.

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Offer Shares arises or is noted before the end of the Offer Period, a supplement to this Prospectus will be published, the Offer Period will be extended, if so required by this Prospectus Directive, the Dutch Financial Supervision Act or the rules promulgated thereunder, and investors who have already agreed to purchase Offer Shares may withdraw their subscriptions within two business days following the publication of the supplement, provided that the new factor, material mistake of inaccuracy, arose or was noted before

the end of the Offer Period. A supplement to this Prospectus shall be subject to approval by the AFM.

Acceleration or Extension

Any extension of the timetable for the Offering will be published in a press release on VolkerWessels' website at least three hours before the end of the original Offer Period, and will be for at least one full business day. Any acceleration of the timetable for the Offering will be published in a press release on VolkerWessels' website at least three hours before the proposed end of the accelerated Offer Period. In any event, the period between the date of this Prospectus and the end of the Offer Period will be at least six business days.

Offer Price and Number of Offer Shares

The Offer Price and the exact number of Offer Shares will be determined on the basis of a book-building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is expected to be in the range of €21.25 to €25.25 (inclusive) per Offer Share. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, after the Offer Period has ended, taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in the Pricing Statement that will be deposited with the AFM and published through a press release on VolkerWessels' website. Printed copies of the Pricing Statement will be made available at VolkerWessels' registered office address. The Offer Price Range, which is an indicative price range, may be changed and/or the number of Offer Shares being offered may be increased or decreased. See "*—Change of the Offer Price Range or Number of Offer Shares*" below.

Change of the Offer Price Range or Number of Offer Shares

The Offer Price Range is an indicative price range. The Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or increase or decrease the number of Offer Shares being offered prior to allocation of the Offer Shares. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In these cases, if the Offer Period for Dutch retail investors will already have closed, the Offer Period for Dutch retail investors would be reopened. Accordingly, all investors, including Dutch retail investors, will have at least two business days to reconsider their subscriptions. Any such change in the Offer Price Range and/or the number of Offer Shares being offered will be published in a press release on VolkerWessels' website. In the event that either (i) the Offer Price is set above the Offer Price Range; or (ii) the top end of the Offer Price Range is revised upwards, then investors who have already agreed to purchase Offer Shares may withdraw their subscriptions in their entirety following the publication of the press release announcing such change and before the end of the Offer Period, as extended.

Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

Subscription and Allocation

Subscription by Dutch retail investors

Dutch retail investors who wish to purchase Offer Shares should instruct their financial intermediary. The financial intermediary will be responsible for collecting applications from Dutch retail investors and for informing ABN AMRO, acting as the bank coordinating demands sourced by the banks and financial intermediaries participating in the public offering to retail investors in the

Netherlands (the "**Retail Coordinator**"), of their subscription. The Company, the Selling Shareholder, the Underwriters and the Retail Coordinator are not liable for any action or failure to act by a financial intermediary in connection with any subscription for or purchase of, or purported subscription for or purchase of, Offer Shares.

Dutch retail investors can only subscribe on a market order (*bestens*) basis. This means that Dutch retail investors will be bound to purchase and pay for the Offer Shares indicated in their share subscription, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch retail investors can submit their applications through their own bank or financial intermediary. The bank or financial intermediary will be responsible for collecting applications from Dutch retail investors and for submitting their applications to the Retail Coordinator. The Retail Coordinator will consolidate all applications submitted by Dutch retail investors to their bank or other financial intermediary and inform the Joint Global Coordinators. Dutch retail investors are entitled to cancel or amend their subscription, at the bank or financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period for Dutch retail investors (if applicable, as accelerated or extended). All questions concerning the timelines, validity and form of instructions to a bank or financial intermediary in relation to the purchase of Offer Shares will be determined by the bank or financial intermediary in accordance with their usual procedures or as otherwise notified to the Dutch retail investors.

Allocation

Allocation of the Offer Shares is expected to take place after the closing of the Offer Period on or about 11 May 2017, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be made by the Joint Global Coordinators after consultation with the Selling Shareholder and the Company, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may be allocated less than the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Selling Shareholder and the Company, as well as the Joint Global Coordinators, may at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. On the day that allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify institutional investors or the relevant financial intermediary of any allocation of Offers Shares made to them or their clients. Any monies received in respect of subscriptions which are not accepted in whole or in part will be returned to the investors without interest and at the investor's risk.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "*Selling and Transfer Restrictions*". Each investor should consult his/her own advisers as to the legal, tax, business, financial and related aspects of a purchase of Offer Shares.

Preferential Retail Allocation

There will be a preferential allocation of Offer Shares to Dutch retail investors in accordance with applicable law and regulations. Each Dutch retail investor will be allocated the first 250 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch retail investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares (assuming no exercise of the Over-Allotment Option), the preferential allocation to each Dutch retail investor may be reduced *pro rata* to the first 250 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch retail investors may not be allocated all of the first 250 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch retail investors will be determined after of the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for.

For the purpose of the Preferential Retail Allocation, a Dutch retail investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands that is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch retail investors must place their subscriptions during the period commencing on 28 April 2017 at 9:00 CET and ending on 10 May 2017 at 17:30 CET through their bank or other financial intermediaries. Each bank or financial intermediary may set an earlier deadline, in advance of the closing time of the Offer Period.

The Retail Coordinator will communicate to the bank or financial intermediary the aggregate number of Offer Shares allocated to their respective Dutch retail investors. It is up to the bank or financial intermediary to notify Dutch retail investors of their individual allocations.

Payment

Payment for the Offer Shares will take place on the Settlement Date. The Offer Price must be paid in full in euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see "*Taxation*"). Dutch retail investors may be charged expenses by their financial intermediary. The Offer Price must be paid by Dutch retail investors in cash upon remittance of their share subscription or, alternatively, by authorising their financial intermediary to debit their bank account with such amount for value on or around the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, first trading and payment and delivery).

Delivery, Clearing and Settlement

The Ordinary Shares are registered shares which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act. Application has been made for the Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares will take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be 16 May 2017, the second business day following the First Trading Date (T+2). The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived on or prior to such date. See "*Plan of Distribution—Underwriting Arrangements*".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any transactions in Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholder, the Underwriters, the Financial Adviser to the Selling Shareholder, the Listing and Paying Agent nor Euronext Amsterdam N.V. accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

There are certain restrictions on the transfer of Ordinary Shares, as set forth in "*Selling and Transfer Restrictions*".

Listing and Trading

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list all of the Ordinary Shares on Euronext Amsterdam under the symbol "KVW". The ISIN (International Security Identification Number) is NL0012294466 and the common code is 160248572.

Subject to acceleration or extension of the timetable for the Offering, unconditional trading in the Offer Shares on Euronext Amsterdam is expected to commence on the Settlement Date. Trading in the Offer Shares before the closing of the Offering will take place on an 'as-if-and-when-delivered' basis.

Voting Rights

Each Share confers the right to cast one vote in the general meeting, see "*Description of Share Capital and Corporate Structure—Meetings of shareholders and voting rights*". All shareholders have the same voting rights.

Ranking and Dividends

The Offer Shares rank *pari passu* in all respects with the then outstanding Ordinary Shares and will be eligible for any dividends which VolkerWessels may declare on the Ordinary Shares after the Settlement Date. See "*Dividends and Dividend Policy*".

Listing and Paying Agent

ABN AMRO Bank N.V. is the Listing and Paying Agent with respect to the Ordinary Shares on Euronext Amsterdam.

Retail Coordinator

ABN AMRO Bank N.V. is the Retail Coordinator with respect to the Preferential Retail Allocation.

Stabilisation Agent

Morgan Stanley & Co. International plc is the stabilisation agent (the "**Stabilisation Agent**") with respect to the Offer Shares on Euronext Amsterdam.

Fees and Expenses of the Offering and Listing

No expenses or taxes will be charged by the Company or the Selling Shareholder in respect of the Offering.

PLAN OF DISTRIBUTION

Underwriting Arrangements

The Company, the Selling Shareholder and the Underwriters entered into the Underwriting Agreement on 28 April 2017 with respect to the offer and sale of the Offer Shares in connection with the Offering.

The Underwriting Agreement is conditional on, among others, the entry into a pricing agreement between the Company, the Selling Shareholder and the Underwriters setting the Offer Price per Offer Share. Pursuant to, on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholder has agreed to sell the Offer Shares at the Offer Price to purchasers procured by the Underwriters or, failing which, to the Underwriters themselves, and each of the Underwriters has, severally but not jointly, agreed to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves at the Offer Price.

Subject to the satisfaction of conditions precedent, the proportion of total Offer Shares that each Underwriter may severally but not jointly be required to subscribe for and/or purchase is indicated below.

Underwriters	Underwriting commitment of Offer Shares
ABN AMRO Bank N.V.	25%
ING Bank N.V.	19%
Merrill Lynch International	19%
Morgan Stanley & Co. International plc	25%
Coöperatieve Rabobank U.A.	6%
BNP PARIBAS	6%
Total	**100%**

In the Underwriting Agreement, the Company has made certain representations and warranties and given certain undertakings. In addition, the Selling Shareholder and the Company have agreed to indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) receipt of opinions on certain legal matters from counsel, (ii) receipt of customary officers' certificates, (iii) the execution of documents relating to the Offering and such documents and the AFM's approval of this Prospectus being in full force and effect, (iv) the entering into of the pricing agreement, and thereby the determination of the Offer Price and the exact number of the Offer Shares (i.e. underwriting of settlement risk only), (v) the admission of the Ordinary Shares to listing and trading on Euronext Amsterdam occurring no later than 9:00 a.m. CET on the First Trading Date, and (vi) certain other customary conditions, including in respect of the accuracy of representations and warranties by the Company and the Selling Shareholder and each of the Company and the Selling Shareholder having complied with the terms of the Underwriting Agreement.

Upon the occurrence of certain specified events, such as the occurrence of (i) a material adverse change in the business, financial position, results of operations or prospects of the Company and its subsidiaries taken as a whole since the date of the Underwriting Agreement, (ii) a breach of any representation, warranty or undertaking or otherwise of the Underwriting Agreement or (iii) a statement in this Prospectus, the Pricing Statement or any amendment or supplement to this Prospectus being untrue, inaccurate or misleading, the Underwriters may elect to terminate the Underwriting Agreement at any time prior to the Settlement Date (or thereafter, in respect of the Over-Allotment Option only), and the Offering may be withdrawn, in which case all subscriptions for Offer Shares or the Over-Allotment Shares only, as the case may be, will be disregarded, any allotments made will be deemed not to have been made and any subscriptions payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned. See "*The Offering—Delivery, Clearing and Settlement*".

In consideration of the agreement by the Underwriters to procure purchasers for or, failing which, to purchase themselves, the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Selling Shareholder has agreed to pay the Joint Global Coordinators (on behalf of the Underwriters) an aggregate commission of 1.75% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option). In addition, the Selling Shareholder may pay the Joint Global Coordinators (on behalf of the Underwriters) a discretionary commission of up to 1.00% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option). Certain expenses incurred by the Underwriters in connection with the Offering will also be borne by the Selling Shareholder and the Company.

The Offer Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. Any offer or sale of Offer Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered United States broker-dealers, pursuant to applicable United States securities laws.

Potential Conflicts of Interest

The Underwriters and the Financial Adviser to the Selling Shareholder are acting exclusively for the Selling Shareholder and/or the Company (in its selling capacity) and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholder for giving advice in relation to the Offering and for the listing and trading of the Offer Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters, the Financial Adviser to the Selling Shareholder and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholder or any parties related to any of them, in respect of which they have and may in the future, receive customary fees and commissions.

The Company and several of its Dutch subsidiaries, including VWS FS as borrower, have entered into a RCF, which is provided by a syndicate of seven Dutch and non-Dutch lenders, including ABN AMRO, BNP Paribas, the Netherlands Branch, ING, Rabobank and MUFG Bank (Europe) N.V. (an affiliate of Morgan Stanley). The revolving credit facility can also be used for ancillary (bilateral) facilities with an individual lender (including overdraft facilities and stand-by letters of credit). Ancillary facilities are currently in place in the form of overdraft facilities with ABN AMRO, ING and Rabobank. See "*Operating and Financial Review—Liquidity and Capital Resources—Credit Facilities—Revolving credit facility*",

In addition, BNP Paribas, London Branch has extended a GBP bond facility and a revolving credit facility to Volker Wessels UK Limited. See "*Operating and Financial Review—Liquidity and Capital Resources—Credit Facilities—Uncommitted credit facilities*".

Additionally, the Underwriters, the Financial Adviser to the Selling Shareholder and/or their respective affiliates may in the ordinary course of their business, hold the Company's securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offering, each of the Underwriters or the Financial Adviser to the Selling Shareholder and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or the Financial Adviser to the

Selling Shareholder or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or the Financial Adviser to the Selling Shareholder or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters or the Financial Adviser to the Selling Shareholder (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters or the Financial Adviser to the Selling Shareholder intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or with the Company's interests.

Lock-up Arrangements

The Joint Global Coordinators (acting on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive in writing the restrictions, including those on sales, issues or transfers of Ordinary Shares, described below. If the consent of the Joint Global Coordinators (acting on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.

Selling Shareholder lock-up

Pursuant to the Underwriting Agreement, the Selling Shareholder has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or securities of the Company or request or demand that the Company file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or the general meeting or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares in the Offering; (ii) the lending of Ordinary Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Share Lending Agreement; (iii) the transfer of Ordinary Shares to be made available to the members of the Management Board and other key managers of the Company under the share incentive (see "*Management, Employees and Corporate Governance—Share Incentive*"); (iv) the sale, transfer or disposal of Ordinary Shares following the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two business days prior to such acceptance or undertaking, (v) the transfer of all issued Ordinary Shares pursuant to a legal (de)merger or similar business combination with a third party; or (vi) the sale or transfer of shares in the capital of the Selling Shareholder to one or more person, whether natural or legal, who are the direct or indirect beneficial owners of the Selling Shareholder at the date of the Underwriting Agreement, provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period.

Company lock-up

Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date,

it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or securities of the Company or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to the granting of awards in options or Ordinary Shares by the Company or the issuance of Ordinary Shares upon exercise of options granted by the Company in each case pursuant to employee incentive schemes as disclosed in this Prospectus.

Management lock-up

Each of the Managing Directors has agreed to a lock-up with the Selling Shareholder in respect of the Ordinary Shares that will be granted to them under the share incentive (see "*Management, Employees and Corporate Governance—Share incentive*") for the periods detailed below. Pursuant to the Underwriting Agreement, the Selling Shareholder has separately agreed with the Joint Global Coordinators (acting on behalf of the Underwriters) that this lock-up shall not be amended or waived for a period from the date of the Underwriting Agreement until 360 days from the Settlement Date. These Ordinary Shares will be placed in a blocked securities account as from the First Trading Date and will only be released (a) to the chairman of the Management Board (all 70,000 Ordinary Shares) one day after the general meeting of the Company in 2020 on the condition he continues to be employed by the Company on this date or (b) to each other Managing Director as follows: 20,000 Ordinary Shares one day after the later of (x) the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, 20,000 Ordinary Shares one day after the general meeting of the Company in 2019 and the remaining 70,000 Ordinary Shares one day after the general meeting of the Company in 2020, on the condition each continues to be employed by the Company on these dates. In the event a Managing Director voluntarily ceases to be employed by the Company prior to (i) one day after the later of (x) the general meeting of the Company in 2018 or (y) the period of 360 days following the Settlement Date having been lapsed, or (ii) one day after the general meeting of the Company in 2019, he will be entitled to 50% of the Ordinary Shares that would have been available on such date and the remaining Ordinary Shares granted under the share incentive will be transferred back to the Selling Shareholder. The Selling Shareholder has committed to grant 450,000 Ordinary Shares to approximately 150 key managers of the Company as per the First Trading Date under the condition of a lock-up being entered into by these key managers with the Selling Shareholder.

Over-Allotment and Stabilisation

In connection with the Offering, Morgan Stanley & Co. International plc as Stabilisation Agent, or any of its agents, on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Agent will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Agent or any of its agents will not be obligated to effect stabilising transactions, and there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilisation Agent nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The

Underwriting Agreement provides that the Stabilisation Agent may, for purposes of the stabilising transactions, over-allot Ordinary Shares up to 15% of the total number of Offer Shares sold in the Offering (not including Over-Allotment Shares), or up to 3,750,000 Ordinary Shares assuming the maximum number of Offer Shares is offered and sold in the Offering.

In connection with the Over-Allotment Option, up to 15% of the total number of Offer Shares (excluding Over-Allotment Shares) will be made available by the Selling Shareholder to the Stabilisation Agent for the account of the Underwriters, through a securities loan to be entered into on or around the date of the pricing agreement (the "**Share Lending Agreement**").

None of the Company, the Selling Shareholder or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Ordinary Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholder or any of the Underwriters makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by the Company, the Selling Shareholder or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other Offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

If an 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 Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares 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 the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an 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.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares 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.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

None of the Company, the Selling Shareholder or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

European Economic Area

In relation to each Relevant Member State no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(i) to legal entities which are qualified investors as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression an 'offer of any shares to the public' in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State.

Each person in a Relevant Member State other than the Netherlands who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholder and the Company that:

(i) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(ii) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (b) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

The Company, the Selling Shareholder, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Offer Shares in the Offering.

United Kingdom

Offers of Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are 'qualified investors' within the meaning of section 86 of the FSMA or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with (i) persons falling within the definition of 'investment professionals' in Article 19(5); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (d), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (in this paragraph, together, "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not act or rely on it.

United States

This Prospectus is not a public offering (within the meaning of the US Securities Act) of securities in the United States. The Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless the Ordinary Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the US Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the US Securities Act and applicable state securities laws. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the US Securities Act and in accordance with applicable law.

In addition, until the end of the fortieth calendar day after commencement of the Offering, an offering or sale of Ordinary Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the US Securities Act.

The Offering of the Offer Shares is being made in the United States through United States broker-dealer affiliates of the Underwriters.

Notice to Rule 144A Investors

Each purchaser of the Ordinary Shares within the United States will be deemed to have represented and agreed that:

(i) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(ii) the purchaser understands and acknowledges that the Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the United States, that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the US Securities Act provided by Rule 144A thereunder and that the Offer Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, other than in accordance with paragraph (vi) below;

(iii) such purchaser (a) is, and the time of its purchase of any Offer Shares will be, a QIB, and (b) is acquiring the Offer Shares for its own account or for the accounts of one or more QIBs for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any such Ordinary Shares;

(iv) the purchaser understands and agrees that the Offer Shares are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the US Securities Act or which are exempt from the registration requirements of the US Securities Act;

(v) the Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Ordinary Shares;

(vi) if, in the future, such purchaser or any such other QIB for which it is acting, as described in paragraph (ix) below, or any other fiduciary or agent representing such investor decides to offer, resell, deliver, hypothecate, pledge or otherwise transfer such Offer Shares, such Offer Shares may be offered, sold, delivered, hypothecated, pledged or otherwise transferred only (a) pursuant to an effective registration statement under the US Securities Act, (b) to a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in an "offshore transaction" pursuant to Rule 903 or Rule 904 of Regulation S (and not in a pre-arranged transaction resulting in the resale of such Ordinary Shares into the United States), or (d) in accordance with Rule 144 under the US Securities Act, and, in each case, in accordance with all applicable securities laws of the United States or any other jurisdiction;

(vii) the purchaser understands that for so long as the Offer Shares are "restricted securities" within the meaning of the United States federal securities laws, no such Ordinary Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, and that such Ordinary Shares will not settle or trade through the facilities of the Depositary Trust Company or any other United States clearing system;

(viii) the purchaser has received a copy of this Prospectus and has had access to such financial and other information concerning the Company as it deems necessary in connection with making its own investment decisions to purchase Ordinary Shares. The purchaser acknowledges that none of the Company, the Joint Global Coordinators, Joint Bookrunners or any of their respective representatives has made any representations to it with respect to the Company or the allocation, offering or sale of any Ordinary Shares other than as set forth in this Prospectus, which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares. The purchaser also acknowledges that it has made its own assessment regarding the United States federal tax consequences of any investment in the Offer Shares. The purchaser has

held and will hold any Offering materials, including this Prospectus, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it;

(ix) the purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators, the Joint Bookrunners and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The purchaser irrevocably authorises the Company, the Joint Global Coordinators and the Joint Bookrunners to produce this Prospectus to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein;

(x) the purchaser undertakes promptly to notify the Company, the Joint Global Coordinators and the Joint Bookrunners if, at any time prior to the purchase of the Offer Shares, any of the foregoing ceases to be true;

(xi) the Company shall not recognise any offer, sale, pledge, delivery, hypothecation or other transfer of the Ordinary Shares made other than in compliance with the above-stated restrictions; and

(xii) the purchaser acknowledges that the Company, the Joint Global Coordinators, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Notice to Regulation S investors

Each purchaser of the Offer Shares pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(i) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(ii) the Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States;

(iii) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(iv) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(v) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(vi) the purchaser is aware of the restrictions on the offer and sale of the Ordinary Shares pursuant to Regulation S described in this Prospectus;

(vii) the Company shall not recognise any offer, sale, pledge, delivery, hypothecation or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(viii) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account; and

(ix) the purchaser acknowledges that the Company, the Joint Global Coordinators, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Canada

The Offer Shares may not, directly or indirectly, be offered, sold or distributed within Canada, or to, or for the benefit or account of, any resident of Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada and with the prior approval of the Joint Global Coordinators. This Prospectus, or any other material relating to the Offer Shares, may not be distributed or delivered in Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada.

Any offer and sale of the Offer Shares in Canada will only be made in the Provinces of Alberta, British Columbia, Ontario and Québec or to residents thereof and not in, or to the residents of, any other Province or Territory of Canada. Such offers and sales will be made only pursuant to this Prospectus.

Japan

The Offer Shares offered by this Prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**Financial Instruments and Exchange Law**"). Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (including Japanese corporations) except with the prior approval of the Joint Global Coordinators and pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and relevant regulations of Japan.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 6.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("**ASIC**"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("**Exempt Investors**") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are 'wholesale clients' for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other Offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting a subscription for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholder, the Underwriters and their affiliates that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the "**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for the issuance of prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Company or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Offer Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (the "**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offer Shares.

Singapore

This Prospectus or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289, of Singapore (the "**Securities and Futures Act**");

(b) to a relevant person or any pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Offer Shares are subscribed for or purchased under Section 275 by a relevant person which is:

(i) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Offer Shares (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 except to an institutional investor or to a relevant person as defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act:

(A) where no consideration is or will be given for the transfer;

(B) where the transfer is by operation of law; or

(C) as specified in Section 276(7) of the Securities and Futures Act.

Hong Kong

No Offer Shares have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares, which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' as defined in the Securities and Future Ordinance and any rules made under the Securities and Future Ordinance.

DFIC

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for this Prospectus. The Offer Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares offered conduct their own due diligence on the Offer Shares. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

TAXATION

Taxation in the Netherlands

The following summary outlines certain principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Ordinary Shares, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Ordinary Shares may include an individual or entity who does not have the legal title of these Ordinary Shares, but to whom nevertheless the Ordinary Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Ordinary Shares or the income thereof. 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 the acquisition, holding, redemption and disposal of Ordinary Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

(i) investment institutions (*fiscale beleggingsinstellingen*);

(ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Netherlands tax resident entities that are not subject to or exempt from Netherlands corporate income tax;

(iii) corporate holders of Ordinary Shares which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate holders of Ordinary Shares been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;

(iv) holders of Ordinary Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Ordinary Shares of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (a) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company, (b) rights to acquire, directly or indirectly, such interest or (c) certain profit-sharing rights in the Company;

(v) persons to whom the Ordinary Shares and the income from the Ordinary Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

(vi) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Ordinary Shares are attributable to such permanent establishment or permanent representative;

(vii) holders of Ordinary Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Ordinary Shares or the benefits derived from or realised in respect of these Ordinary Shares; and

(viii) individuals to whom Ordinary Shares or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Dividend Withholding Tax

Withholding Requirement

The Company is required to withhold 15% Netherlands dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, the Netherlands dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Netherlands Dividend withholding tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from Ordinary Shares, which include:

(i) direct or indirect distributions of profit, regardless of their name or form;

(ii) liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary 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 Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-in capital as recognised for Netherlands dividend withholding tax purposes; and

(iv) partial repayments of paid-in capital recognised for Netherlands dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the general meeting of the shareholders of the Company has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the articles of association and the paid-in capital is recognised as capital for Netherlands dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

Residents of the Netherlands

If a holder of Ordinary Shares is a resident or deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, Netherlands dividend withholding tax which is withheld with respect to proceeds from the Ordinary Shares will generally be creditable for Netherlands corporate income tax or Netherlands income tax purposes.

Non-residents of the Netherlands

If a holder of Ordinary Shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Netherlands dividend withholding tax.

A refund of the Netherlands dividend withholding tax is available to entities resident in another EU member state, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there and (ii) these entities would not be subject to Netherlands corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to entities resident in other countries, under the additional condition that (i) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

A (partial) refund of Netherlands dividend withholding tax is available to a holder of Ordinary Shares resident in another EU member state, Norway, Iceland or Liechtenstein if (i) this holder of

Ordinary Shares is not subject to Netherlands individual income tax or Netherlands corporate income tax with respect to the income from the Ordinary Shares and (ii) such Netherlands dividend withholding tax is higher than the Netherlands individual income tax or Netherlands corporate income tax would have been had this holder of Ordinary Shares been tax resident in the Netherlands, after taking into account a possible refund based on the Netherlands Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income and (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld. and (iv) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to a holder of Ordinary Shares resident in another country, under the additional conditions that (A) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union and (B) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information and (C) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld and (D) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

Beneficial Owner

A recipient of proceeds from the Ordinary Shares will not be entitled to any exemption, reduction, refund or credit of Netherlands dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

(i) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:

  (A) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or

  (B) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and

(ii) that such person or legal entity has, directly or indirectly, retained or acquired an interest in Ordinary Shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

Netherlands Dividend Withholding Tax upon Redistribution of Foreign Dividends

The Company must pay to the Dutch tax authorities all Netherlands dividend withholding tax it withholds on dividends it distributed with respect to the Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Netherlands subsidiaries, provided these dividends the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Netherlands dividend withholding tax that the Company must pay to the Netherlands tax authorities and not to the amount of the Netherlands dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

(i) 3% of the amount of the dividends distributed by the Company that are subject to Netherlands dividend tax; and

(ii) 3% of the gross amount of the dividends received during a certain period from the qualifying non-Netherlands subsidiaries.

Exempt entities

A holder of Ordinary Shares who is a resident in the United States and is entitled to the benefits of the 1992 double tax treaty entered into by the United States and the Netherlands, as amended most recently by the Protocol signed on 8 March 2004 ("**US-NL treaty**") will be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of Ordinary Shares is an exempt pension trust as described in article 35 of the US-NL treaty, or an exempt organisation as described in article 36 of the US-NL treaty.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Ordinary Shares are attributable, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001), if:

(i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Ordinary Shares are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the holder of the Ordinary Shares, taxable income with regard to the Ordinary Shares 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. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares, unless:

(i) The person is not an individual and such person (1) has 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 a permanent representative the Ordinary Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

(ii) The person is an individual and such individual (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 Ordinary Shares are attributable, or (2) realises income or gains with respect to the Ordinary Shares that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Ordinary Shares that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

Income derived from the Ordinary Shares as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 52%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "*—Dividend Withholding Tax—Residents of the Netherlands*").

Gift and Inheritance tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares by way of gift by, or on the death of, a holder of the Ordinary Shares, unless:

(i) the holder of the Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares or in respect of a cash payment made under the Ordinary Shares, or in respect of a transfer of Ordinary Shares.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, 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 Ordinary Shares.

Residence

A holder of Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares.

Certain United States Federal Income Tax Consequences

This disclosure is limited to the United States federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the Offer Shares. Prospective investors should seek their own advice based on their particular circumstances from independent tax advisers.

The following describes certain United States federal income tax consequences of the purchase, ownership and disposition of the Ordinary Shares as of the date hereof to United States Holders and Non-United States Holders (as defined below). Except where noted, this discussion deals only with initial purchasers of Ordinary Shares that are United States Holders and that will hold the Ordinary Shares as capital assets by a United States Holder. As used herein, the term "United States Holder" means a beneficial owner of Ordinary Shares that is for United States federal income tax purposes:

(i) an individual citizen or resident of the United States;

(ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;

(iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or

(iv) a trust if it (A) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A "Non-United States Holder" is a beneficial owner of Ordinary Shares that is neither a partnership nor a United States Holder.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organisation;
- a person holding the Ordinary Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person who owns or is deemed to own 5% or more of the Company's voting stock;
- a person that has ceased to be a US citizen or a lawful permanent resident of the United States;
- a US citizen or a lawful permanent resident living abroad; or
- a United States Holder whose 'functional currency' is not the United States dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and regulations, rulings and judicial decisions thereunder as of the date hereof as well as on the income tax treaty between the United States and the Netherlands as currently in force (the "**Treaty**"), and such authorities may be replaced, revoked or modified so as to result in United States federal income tax consequences different from those discussed below.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the Ordinary Shares, the tax treatment of a partner in the entity or arrangement treated as a partnership for United States federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the Shares, you should consult your tax advisers.

This discussion does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the alternative minimum tax or Medicare tax on net investment income or the effects of any state, local or non-United States tax laws. If you are considering the purchase, ownership or disposition of the Ordinary Shares, you should consult your own tax advisers concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

Taxation of Dividends

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, the gross amount of distributions on the Ordinary Shares (including any amounts withheld to reflect Dutch

withholding taxes) will be taxable as dividends to the extent paid out of the current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) generally will be includable in your gross income as ordinary income on the day actually or constructively received by you. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

To the extent that the amount of any distribution exceeds the Company's current and accumulated earnings and profits for a taxable year, as determined under United States federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the Ordinary Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain recognised on a sale or exchange. The Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend (as discussed above).

With respect to certain non-corporate United States Holders, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is (i) eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision and (ii) not a PFIC in the taxable year of the distribution and in the preceding year. The United States Treasury Department has determined that the Treaty meets these requirements, and the Company believes it is eligible for the benefits of that Treaty. In addition, as discussed below, the Company does not believe that it is, for United States federal income tax purposes, a PFIC, and the Company expects to operate in such a manner so as not to become a PFIC. However, non-corporate United States Holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

The amount of any dividend paid in euros will equal the United States dollar value of the euros received calculated by reference to the exchange rate in effect on the date the dividend is received by you, regardless of whether the euros are converted into United States dollars. If the euros received as a dividend are converted into United States dollars on the date they are received, you generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the euros received as a dividend are not converted into United States dollars on the date of receipt, you will have a basis in the euros equal to their United States dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the euros will be treated as United States source ordinary income or loss.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against, or deduction in computing, your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the Ordinary Shares will be treated as income from sources outside the United States and will generally constitute passive category income. However, in certain circumstances, if you have held the Ordinary Shares for less than a specified minimum period during which you are not protected from risk of loss, or you are obligated to make payments related to the dividends, you will not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on the Ordinary Shares. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisers regarding the availability of the foreign tax credit under your particular circumstances.

Passive Foreign Investment Company Rules

The Company does not believe that it is, for United States federal income tax purposes, a PFIC, and the Company expects to operate in such a manner so as not to become a PFIC. If, however, the Company is or becomes a PFIC, you could be subject to additional United States federal income taxes on gain recognised with respect to the Ordinary Shares and on certain distributions, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules. Non-corporate United States Holders will not be eligible for reduced rates of taxation on any

dividends received from the Company if the Company is a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

Taxation of Capital Gains

Subject to the PFIC rules discussed above, for United States federal income tax purposes, you generally will recognise taxable gain or loss on any sale or exchange of the Ordinary Shares in an amount equal to the difference between the amount realised for the Ordinary Shares and your tax basis in the Ordinary Shares. Such gain or loss will generally be capital gain or loss. Capital gains of certain non-corporate United States Holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by you will generally be treated as United States source gain or loss. Accordingly, you may not be able to use the foreign tax credit arising from any foreign tax imposed on the sale or exchange of the Ordinary Shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A United States Holder that receives non-United States currency from a sale or disposition of Ordinary Shares generally will realise an amount equal to the United States dollar value of the non-United States currency on the date of sale or disposition or, if such United States Holder is a cash basis or electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an "established securities market" for this purpose, the Settlement Date. If the Ordinary Shares are so treated and the non-United States currency received is converted into United States dollars on the Settlement Date, a cash basis or electing accrual basis United States Holder will not recognise foreign currency gain or loss on the conversion. If the non-United States currency received is not converted into United States dollars on the Settlement Date, the United States Holder will have a basis in the non-United States currency equal to the United States dollar value on the Settlement Date. Any gain or loss on a subsequent conversion or other disposition of the non-United States currency generally will be treated as ordinary income or loss to such United States Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Investors should consult their own tax advisers concerning any potential foreign currency gain or loss in connection with the sale or exchange of the Ordinary Shares for a cash amount paid in euros or other non-United States currency.

Non-United States Holders

A Non-United States Holder generally should not be subject to United States federal income or withholding tax on any payments on the Ordinary Shares or gain from the sale, redemption or other disposition of the Ordinary Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-United States Holder of a trade or business in the United States, and if required by an applicable income tax treaty, that payment and/or gain is attributable to a permanent establishment or fixed base that such Non-United States Holder maintains in the United States; or (ii) in the case of any gain realised on the sale or exchange of a share by an individual Non-United States Holder, that Non-United States Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Backup Withholding and Information Reporting

In general, information reporting will apply to dividends in respect of the Ordinary Shares and the proceeds from the sale, exchange or redemption of the Ordinary Shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to otherwise comply with the backup withholding requirements. Non-United States Holders may be required to comply with applicable certification procedures to establish that they are not United States Holders in order to avoid the application of such information reporting requirements and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the United States Internal Revenue Service.

Certain United States Holders that own "specified foreign financial assets" that meet certain United States dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial institutions. United States Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Ordinary Shares.

GENERAL INFORMATION

Domicile, Legal Form and Incorporation

The Company is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company was incorporated in the Netherlands on 3 April 2007. The Company's statutory seat (*statutaire zetel*) is in Rotterdam, the Netherlands, and its registered office is at Podium 9, 3826 PA Amersfoort, the Netherlands. The Company is registered with the Business Register of the Netherlands Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) under number 34270985, and its telephone number is 088-1866186.

Corporate Resolutions

Prior to Settlement, it is expected that the Management Board will, pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, be authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire Ordinary Shares up to a maximum of 10% of the number of Ordinary Shares issued immediately following the Settlement Date, and to exclude pre-emptive rights in relation thereto. In addition, it is expected that the Management Board will, pursuant to the execution of the deed of conversion and amendment of the Company's articles of association, be authorised for a period of 18 months following Settlement, to acquire Ordinary Shares, subject to the approval of the Supervisory Board, its own Ordinary Shares (including Ordinary Shares issued as stock dividend), up to a maximum of 10% of the issued capital at the date of acquisition, provided the Company will hold no more Ordinary Shares in stock than at maximum of 50% of the issued capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

Independent Auditors

VolkerWessels' consolidated special purpose financial statements for the years ended 2014, 2015 and 2016 have been audited by Deloitte. The auditor signing the auditor's reports on behalf of Deloitte is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Deloitte is located at Gustav Mahlerlaan 2970, 1081 LA Amsterdam, the Netherlands.

Deloitte has issued unqualified independent auditor's reports on the consolidated financial statements for the years ended 2014, 2015 and 2016, dated 24 April 2017.

No Significant Change

There has been no significant change in the financial or trading position of VolkerWessels since 31 December 2016.

Expenses of the Offering

Based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares and no exercise of the Over-Allotment Option, the expenses related to the Offering are estimated at €19.5 million and include, among other items, the fees due to AFM and Euronext Amsterdam N.V., the commission for the Underwriters, refinancing costs and legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "*Reasons for the Offering and Use of Proceeds*" and "*Plan of Distribution*".

Available Documents

Subject to any applicable selling and transfer restrictions (see "*Selling and Transfer Restrictions*"), copies of this Prospectus are available and can be obtained free of charge from the date of publication of this Prospectus from VolkerWessels' website at www.volkerwessels.com.

Copies of the articles of association of the Company (in Dutch, and an unofficial English translation) are available in electronic form from VolkerWessels' website at www.volkerwessels.com.

In addition, copies of these documents will be available free of charge at VolkerWessels' offices during normal business hours from the date of this Prospectus until at least the Settlement Date.

Provision of Information

VolkerWessels has agreed that, for so long as any of the Offer Shares are outstanding and are 'restricted securities' within the meaning of Rule 144(a)(3) under the US Securities Act, it will, during any period in which the Company is neither subject to Section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Offer Shares or to any prospective purchaser of such restricted Offer Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

VolkerWessels is not currently subject to the periodic reporting and other informational requirements of the US Exchange Act.

No Incorporation of Website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website or any websites of individual VolkerWessels group company, division or segment, do not form part of and are not incorporated by reference into this Prospectus.

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

AFM	Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*)
Audit Committee	the audit committee of the Supervisory Board
CET	Central European Time
Company	Koninklijke VolkerWessels N.V. (at the date of this Prospectus still a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) named VolkerWessels B.V., expected to be converted into a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date
Cushman & Wakefield	DTZ Zadelhoff v.o.f., part of the Cushman & Wakefield group
Dutch Financial Supervision Act	the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder
Dutch Resident Entity	an entity that is resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes
Dutch Resident Individual	an individual who is resident or deemed to be resident in the Netherlands for purposes of Dutch taxation
Enterprise Chamber	the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*)
Euroclear Nederland	the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland
Euronext Amsterdam	Euronext in Amsterdam, a regulated market operated by Euronext Amsterdam N.V.
EUR or **€**	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
Financial Adviser to the Selling Shareholder	Kempen & Co N.V.
Financial Statements	the consolidated special purpose financial statements
First Trading Date	the date on which trading in the Ordinary Shares on an "as-if-and-when-delivered" basis on Euronext Amsterdam commences which, subject to acceleration or extension of the timetable for the Offering, is expected to be on or around 12 May 2017
FSMA	the UK Financial Services and Markets Act 2000
Joint Global Coordinators	ABN AMRO Bank N.V., ING Bank N.V., acting through its Corporate Finance Division, Merrill Lynch International and Morgan Stanley & Co. International plc
Joint Bookrunners	ABN AMRO Bank N.V., ING Bank N.V., acting through its Corporate Finance Division, Merrill Lynch International and Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. and BNP PARIBAS
Listing and Paying Agent	ABN AMRO Bank N.V.
Management Board	the management board (*raad van bestuur*) of the Company
Managing Director	a member of the Management Board

Netherlands-US Convention	the Convention Between the Kingdom of the Netherlands and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, executed in Washington on 18 December 1992, as amended from time to time
Non-Dutch Residents	a holder of Ordinary Shares who is not, nor is deemed to be, a Dutch Resident Individual or a Dutch Resident Entity
Offer Period	the period during which the Offering will take place, commencing on 28 April 2017 at 9:00 CET and ending on 10 May 2017 at 17:30 CET for prospective retail investors in the Netherlands and commencing on 2 May 2017 at 9:00:00 CET and ending on 11 May 2017 at 14:00 CET for prospective institutional investors, subject to acceleration or extension of the timetable for the Offering
Offer Price	the price of the Offer Shares to be determined after the Offer Period has ended
Offer Price Range	the range of the Offer Price from €21.25 to €25.25 (inclusive) per Offer Share
Offer Shares	up to 28,750,000 existing Ordinary Shares held and to be offered by the Selling Shareholder and, unless the context indicates otherwise, includes the Over-Allotment Shares
Offering	the public offering of the Offer Shares to institutional and retail investors in the Netherlands and through private placements to certain institutional investors in various other jurisdictions
Ordinary Shares	the ordinary shares in the capital of the Company with a nominal value of €0.01 each
Over-Allotment Option	the option granted to the Joint Global Coordinators (on behalf of the Underwriters), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholder to sell at the Offer Price Over-Allotment Shares held by the Selling Shareholder
Over-Allotment Shares	the additional Ordinary Shares that may be made available by the Selling Shareholder pursuant to the Over-Allotment Option
PFIC	passive foreign investment company
Preference Shares	the preference shares in the capital of the Company with a nominal value of €0.01 each
Preferential Retail Allocation	the preferential allocation of Offer Shares to Dutch retail investors
Pricing Statement	the pricing statement in which the offer price and the exact number of Offer Shares offered in the Offering will be set out
Prospectus	this prospectus dated 28 April 2017
Prospectus Directive	Directive 2003/71/EC of the European Union, and any amendments thereto, including Directive 2010/73/EU
QIBs	qualified institutional buyers, as defined in Rule 144A
Recipient	a holder of Ordinary Shares who is the recipient of dividends
Regulation S	Regulation S under the US Securities Act
Relationship Agreement	the relationship agreement between the Company and the Selling Shareholder dated 28 April 2017
Relevant Member State	each member state of the European Economic Area that has implemented the Prospectus Directive

Remuneration Committee	the remuneration committee of the Supervisory Board
Retail Coordinator	ABN AMRO Bank N.V.
Rule 144A	Rule 144A under the US Securities Act
Selection and Appointment Committee	the selection and appointment committee of the Supervisory Board
Selling Shareholder	Reggeborgh Holding B.V., which is wholly-owned by the Wessels family
Settlement	payment for and delivery of the Offer Shares
Settlement Date	the date on which Settlement occurs, which, subject to acceleration or extension of the timetable of the Offering, is expected to be on or around 16 May 2016
Share Lending Agreement	the share lending agreement dated on or about the date of the pricing agreement between the Selling Shareholder and the Stabilisation Agent
Shares	Ordinary Shares and Preference Shares
Stabilisation Agent	Morgan Stanley & Co. International plc
Supervisory Board	the supervisory board (*raad van commissarissen*) of the Company
Supervisory Director	a member of the Supervisory Board
Underwriters	ABN AMRO Bank N.V., ING Bank N.V., acting through its Corporate Finance Division, Merrill Lynch International and Morgan Stanley & Co. International plc, BNP PARIBAS and Coöperatieve Rabobank U.A.
Underwriting Agreement	underwriting agreement between the Company, the Selling Shareholder and the Underwriters dated 28 April 2017
United States or **US**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USD or **$**	the lawful currency of the United States
US-NL treaty	the current income tax treaty between the United States of America and the Netherlands
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US Securities Act	the US Securities Act of 1933, as amended
VolkerWessels	the Company and its subsidiaries
Works Council	the Company's central works council

FINANCIAL STATEMENTS

SPECIAL PURPOSE FINANCIAL STATEMENTS OF VOLKERWESSELS BV

prepared in accordance with IFRS-EU as of and for the years ended

31 December 2016, 31 December 2015 and 31 December 2014

Date: 24 April 2017

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CONSOLIDATED INCOME STATEMENT

Amounts in millions of euros

	Note		2016		2015		2014
Continuing operations							
Revenue	7		5,490		5,318		5,000
Operating expenses							
Costs of raw materials and consumables		–1,251		–1,265		–1,121	
Costs of outsourced work and other external costs		–2,653		–2,496		–2,415	
Personnel expenses	8	–1,111		–1,086		–1,028	
Depreciation and impairment on tangible fixed assets	10	–73		–77		–74	
Amortisation and impairment on intangible assets	10	–16		–9		–12	
Other operating costs	9	–231		–245		–235	
			–5,335		–5,178		–4,885
Result from sale of participating interest(s)	40	1		12		14	
Share of result from associates and joint ventures	19	9		8		8	
Share of impairments from associates and joint ventures	19	–		–		–	
Share in results of associates and joint ventures (after income tax)			10		20		22
Operating result			165		160		137
Financial income		26		23		19	
Financial expenses		–52		–56		–96	
Net financial result	11		–26		–33		–77
Result before tax			139		127		60
Income tax	12		–36		–30		–17
Result from continuing operations			103		97		43
Result from discontinued operations (after income tax)	15		38		16		18
Result for the financial year			141		113		61
Attributable to:							
Shareholders of the Company			139		107		60
Minority interests			2		6		1
Result for the financial year			141		113		61

EARNINGS PER SHARE

Amounts in euros

	Note	2016	2015	2014
Basic				
Continuing operations	13	20.45	32.02	21.74
Discontinued operations	13	7.66	5.61	8.78
		28.11	37.63	30.52

	Note	2016	2015	2014
Diluted				
Continuing operations	13	20.45	32.02	21.74
Discontinued operations	13	7.66	5.61	8.78
		28.11	37.63	30.52

In accordance with IAS 33, the earnings per share are calculated based on the weighted average number of shares outstanding during the year which amounts to 4,941,713 shares. As a result of the share issuance as at 21 December 2016, the total number of shares outstanding increased to 80,000,000 as at 31 December 2016. Because the additional shares issued are only included in the weighted average number of shares for a limited period, the amounts of the earnings per share for 2016 do not have a predictive value for next year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in millions of euros

	Note		2016		2015		2014
Result for the financial year			141		113		61
Other comprehensive income							
Items which will never be transferred to the income statement							
Revaluations of commitments (assets) in connection with defined pension plans		–		1		–	
Income tax		–		–		–	
			–		1		–
Items which have been or may be transferred to the income statement							
Foreign currency exchange differences for foreign operations		9		–3		23	
Reclassification of currency exchange differences on sale of group companies		–1		–		–	
Share of unrealised result from associates and joint ventures		–7		1		–14	
Effective portion of changes in fair value of cash flow hedges		5		5		5	
Net change in fair value of cash flow hedges transferred to income statement		–		–		–	
Income tax		–1		–1		–1	
Other comprehensive income after income tax			5		2		13
Total comprehensive income for the financial year			146		116		74
Attributable to:							
Shareholders of the Company			145		110		72
Minority interests			1		6		2
Total comprehensive income for the financial year			146		116		74
Total comprehensive income attributable to shareholders of the Company arises from:							
Continuing operations			108		93		55
Discontinued operations			37		17		17
Total comprehensive income attributable to shareholders of the Company			145		110		72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of euros

	Note	31 December 2016		31 December 2015		31 December 2014		1 January 2014	
Land and buildings		253		252		257		120	
Machinery and equipment		184		253		252		222	
Other fixed operating assets		43		40		47		51	
Property, plant and equipment under construction		8		5		6		1	
Tangible fixed assets	17		488		550		562		394
Goodwill		406		443		430		432	
Other intangible assets		26		20		17		11	
Intangible assets	18		432		463		447		443
Investments in associates and joint ventures	19		133		147		157		154
Non-current receivables	20		116		122		113		113
Other non-current assets	21		5		5		7		7
Deferred tax assets	22		46		62		78		103
Total non-current assets			1,220		1,349		1,364		1,214
Land	23	230		253		260		252	
Property for sale	24	112		88		104		81	
Inventories	25	174		190		115		126	
Work in progress	26	523		596		556		517	
Trade and other receivables	27	894		910		947		899	
Income tax receivable		7		9		2		–	
Assets held for sale	28	10		11		10		44	
Cash and cash equivalents	29	412		407		309		245	
Total current assets			2,362		2,464		2,303		2,164
Total assets			3,582		3,813		3,667		3,378

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of euros

	Note	31 December 2016	31 December 2015	31 December 2014	1 January 2014
Equity attributable to shareholders of the Company		1,116	426	–78	–430
Minority interests		12	11	10	8
Total equity	30	1,128	437	–68	–422
Subordinated loans	31	–	498	872	1,146
Payable to shareholder	16	–	–	109	109
Loans and other financing obligations	32	94	293	230	222
Derivatives	33	–	16	25	20
Employee benefits	34	59	35	32	31
Provisions	35	149	139	158	112
Deferred tax liabilities	22	16	14	13	23
Total non-current liabilities		318	995	1,439	1,663
Bank overdrafts	36	26	50	69	59
Payable to shareholder	16	–	109	–	–
Loans and other financing obligations	32, 33	103	110	229	82
Work in progress	26	421	462	495	466
Trade and other payables	37	1,506	1,552	1,446	1,435
Employee benefits	34	11	13	5	3
Provisions	35	48	68	35	83
Income tax payable		13	12	12	5
Liabilities held for sale	28	8	5	5	4
Total current liabilities		2,136	2,381	2,296	2,137
Total equity and liabilities		3,582	3,813	3,667	3,378

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of euros

	Note		2016		2015		2014
Cash flow from operating activities							
Profit after tax for the financial year		101		91		43	
Adjustments for:							
– Depreciation and impairment on tangible fixed assets	10	73		77		74	
– Amortisation and impairment on intangible assets	10	16		9		12	
– Proceeds from sale of tangible fixed assets		–3		–4		–5	
– Result from the sale of participating interests		–		–13		–14	
– Share of result, less dividend paid, from associates and joint ventures	19	9		8		8	
– Finance income	11	–26		–23		–19	
– Finance expense	11	52		56		96	
– Income tax		36		30		17	
Operating cash flow before changes in working capital and provisions			258		231		212
Changes in land, property classified as held for sale, inventories and work in progress		64		–73		–24	
Changes in trade and other receivables		–2		62		–32	
Changes in trade and other payables		–9		17		28	
Changes in provisions and employee benefits		–3		21		–31	
			50		27		–59
Cash flow from operating activities			308		258		153
Interest paid			–37		–29		–47
Interest received			23		13		14
Income tax paid			–8		–21		–2
Income tax received			–		–		–
Net cash flow from continuing operating activities			286		221		118
Net cash flow from discontinued operating activities	15		4		71		12
Net cash flow from operating activities			290		292		130

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of euros

	Note		2016		2015		2014
Cash flow from investment activities							
Acquisition of subsidiaries, net of cash		–15		–23		1	
Investment in tangible fixed assets		–70		–58		–85	
Investment in intangible assets		–11		–11		–14	
Proceeds from the sale of tangible fixed assets		9		17		22	
Granted borrowings		–52		–46		–38	
Repayments of borrowings		41		28		42	
Investments in other financial assets	21	–		–		–	
Investments in financial assets		–5		–11		–4	
Acquisition transaction under common control	16	–109		–		–	
Other movements		–		1		–1	
Net cash flow from continuing investment activities			–212		–103		–77
Net cash flow from discontinued investment activities	15		133		6		9
Net cash flow from investment activities			–79		–97		–68
Cash flow from financing activities							
Receipts from non-current loans and borrowings		91		335		124	
Repayment of non-current loans and borrowings		–224		–405		–97	
Payment arising from finance lease liabilities		–18		–21		–18	
Purchase of own shares	30	–		–		–41	
Other movements		–1		–		–	
Net cash flow from continuing financing activities			–152		–91		–32
Net cash flow from discontinued financing activities	15		–21		9		12
Net cash flow from financing activities			–173		–82		–20

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of euros

	Note	2016	2015	2014
Change in cash and cash equivalents				
Cash and cash equivalents as at 1 January		357	240	186
Effect of exchange rate differences on cash, cash equivalents and current account banks		–9	4	12
Net cash flow from operating activities		290	292	130
Net cash flow from investment activities		–79	–97	–68
Net cash flow from financing activities		–173	–82	–20
Cash and cash equivalents as at 31 December		386	357	240
Composition of cash position as at 31 December				
Cash and cash equivalents	29	412	407	309
Bank overdrafts	36	–26	–50	–69
Total cash and cash equivalents as at 31 December		386	357	240

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in millions of euros

			Statutory reserves			Other reserves					
	Issued share capital	Share premium reserve	Translation reserve	Participating interests reserve	Hedging reserve	Actuarial reserve	Other reserves	Result for the year	Total	Minority interests	Total equity
Balance as at 1 January 2016	–	723	8	1	–21	–5	–387	107	426	11	437
Total comprehensive income for the financial year											
Other comprehensive income for the financial year	–	–	9	–	–3	–	–	–	6	–1	5
Result for the financial year	–	–	–	–	–	–	–	139	139	2	141
Other movements	–	–	–	–1	–	–2	3	–	–	–	–
Total comprehensive income for the financial year	–	–	9	–1	–3	–2	3	139	145	1	146
Transactions with shareholders, recognised directly in equity											
Contributions from and payments to shareholders of the Company											
Appropriation of profit for 2015	–	–	–	–	–	–	107	–107	–	–	–
Conversion subordinated loans	1	555	–	–	–	–	–12	–	544	–	544
Other movements	–	–	–	–	–	–	1	–	1	–	1
Total transactions with shareholders of the Company	1	555	–	–	–	–	96	–107	545	–	545
Balance as at 31 December 2016	1	1,278	17	–	–24	–7	–288	139	1,116	12	1,128

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in millions of euros

			Statutory reserves			Other reserves					
	Issued share capital	Share premium reserve	Trans-lation reserve	Partici-pating interests reserve	Hedging reserve	Actuarial reserve	Other reserves	Result for the year	Total	Minority interests	Total equity
Balance as at 1 January 2015	–	323	12	–	–25	–8	–440	60	–78	10	–68
Total comprehensive income for the financial year											
Other comprehensive income for the financial year	–	–	–3	–	5	1	–	–	3	–	3
Result for the financial year	–	–	–	–	–	–	–	107	107	6	113
Other movements	–	–	–1	1	–	2	–2	–	–	–	–
Total comprehensive income for the financial year	–	–	–4	1	5	3	–2	107	110	6	116
Transactions with shareholders, recognised directly in equity											
Contributions from and payments to shareholders of the Company											
Dividend	–	–	–	–	–	–	–	–	–	–5	–5
Conversion subordinated loans	–	400	–	–	–	–	–	–	400	–	400
Appropriation of profit for 2014	–	–	–	–	–	–	60	–60	–	–	–
Other movements	–	–	–	–	–1	–	–5	–	–6	–	–6
Total transactions with shareholders of the Company	–	400	–	–	–1	–	55	–60	394	–5	389
Balance as at 31 December 2015	–	723	8	1	–21	–5	–387	107	426	11	437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in millions of euros

			Statutory reserves			Other reserves					
	Issued share capital	Share premium reserve	Trans-lation reserve	Partici-pating interests reserve	Hedging reserve	Actuarial reserve	Other reserves	Result for the year	Total	Minority interests	Total equity
Balance as at 1 January 2014	–	43	–10	6	–15	–12	–452	10	–430	8	–422
Total comprehensive income for the financial year											
Other comprehensive income for the financial year	–	–	22	–	–10	–	–	–	12	1	13
Result for the financial year	–	–	–	–	–	–	–	60	60	1	61
Other movements	–	–	–	–6	–	4	2	–	–	–	–
Total comprehensive income for the financial year	–	–	22	–6	–10	4	2	60	72	2	74
Transactions with shareholders, recognised directly in equity											
Contributions from and payments to shareholders of the Company											
Conversion preference shares into ordinary shares	–	330	–	–	–	–	–	–	330	–	330
Purchase of own shares	–	–50	–	–	–	–	–	–	–50	–	–50
Appropriation of profit for 2013	–	–	–	–	–	–	10	–10	–	–	–
Other movements	–	–	–	–	–	–	–	–	–	–	–
Total transactions with shareholders of the Company	–	280	–	–	–	–	10	–10	280	–	280
Balance as at 31 December 2014	–	323	12	–	–25	–8	–440	60	–78	10	–68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) General

Reporting entity
VolkerWessels BV has its registered office in Rotterdam, the Netherlands with its head office located at Podium 9, Amersfoort, the Netherlands. The consolidated financial statements of the Company for the 2016 financial year comprise the Company and its subsidiaries (collectively referred to as 'VolkerWessels' or 'the Company' or 'the Group'). Storm Investments BV was renamed VolkerWessels BV in the financial year.
The shares of VolkerWessels BV (Chamber of Commerce number 34270985) are held by Reggeborgh Holding BV.

VolkerWessels is the preferred partner for its stakeholders to shape a sustainable society in terms of construction, transport, energy and communications.

Statement of compliance
These special purpose financial statements for 2014-2016 have been prepared for inclusion in the offering circular. This report is required in compliance with the Prospectus Directive Regulation (EC/809/2004) and is provided for the sole purpose of complying with that Regulation.

The special purpose financial statements for 2014-2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as applicable for financial years commencing on 1 January 2016.
These special purpose financial statements were authorised for issue by the Board of Management on 24 April 2017.
These special purpose financial statements are not the statutory financial statements of the Company. The Company filed financial statements under NL GAAP as at and for the fiscal years ended 31 December 2014, and 31 December 2015 with the Chamber of Commerce of Rotterdam. Note 3 shows the reconciliation between the statutory financial statements and these special purpose financial statements of capital and reserves as at 31 December 2014 and 31 December 2015 and of net result for the years then ended.

Group relationships
The Group consists of a closely related group of operating companies located in the Netherlands and abroad, of which VolkerWessels BV, based in Amersfoort, acts as head of the Group.
An overview of the Group and its subsidiaries has been filed separately with the Chamber of Commerce in accordance with Articles 379 and 414 of Book 2 of the Dutch Civil Code. Entities that are of negligible significance to the Group, individually and in the aggregate, are not included in the consolidation, which is similar to the treatment of joint ventures and associates.

Use of estimates and judgements
The preparation of the financial statements in accordance with EU-IFRS requires management to make judgements, estimates and assumptions that affect the application of principles and reported values of assets and liabilities, and of income and expenses. Based on past experience the Group makes estimates and assumptions with regard to the future, that could reasonably be expected to occur. The outcome may differ from these estimates.

The estimates and underlying assumptions are constantly re-evaluated. Revisions of accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical assessments in the application of the accounting principles are particularly important if they have a significant impact on the amounts included in the financial statements.
The Group acknowledges the following areas:
- the valuation of trade receivables;
- the percentage of completion of work in progress and the expected costs and revenue to complete the work in progress;
- the height of potential liabilities arising from guarantees, claims, legal cases, and environmental and remediation costs;
- the useful life estimate of assets;
- fair value measurements and valuation processes.

The nature of the judgements and estimates including the assumptions are included in the notes of the related accounts if they contribute to the presentation requirements of IAS 1.122 and IAS 1.125

(2) Principles for consolidation

Subsidiaries
The consolidated financial statements of the Group include the financial data of companies belonging to the Group and other legal entities over which control can predominantly be exercised. The Group has control over an entity if the Group is exposed to, or has the rights to variable returns from its involvement with the entity and is able to use its power to affect the amount of the investor's returns. Subsidiaries and other entities over which the Group has control, are fully consolidated from the date on which control is transferred to the Group. The non-controlling interest in equity and comprehensive income is presented separately.

The financial data of the subsidiaries and other entities included in the consolidation have been included in full, to the exclusion of intercompany relationships, intercompany profit and intercompany receivables and liabilities between subsidiaries and other entities included in the consolidation, to the extent that the results are not realised by a third party outside the Group. Unrealised losses on intercompany transactions are eliminated unless they concern impairments.

Acquisitions and disposals of subsidiaries
The acquisition of subsidiaries by the Group is accounted for using the acquisition method. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Negative goodwill arising from an acquisition is recognised directly in the income statement.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred and the liabilities incurred to the former shareholders of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in the income statement.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Transaction costs are directly recognised in the income statement. Non-controlling interests that are acquired are accounted for as transactions with shareholders in their capacity as shareholders and for such transactions no goodwill is recognised.
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the income statement.

Joint arrangements
Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations.

Joint ventures are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint venture. The parties to the arrangement have contractually agreed that control is shared and decisions regarding relevant activities require unanimous consent of the parties which have joint control of the joint venture. Joint ventures are accounted for using the equity method. This method is explained in the paragraph related to associates.

Joint operations are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the joint operation. The Group recognises its share in the joint operations' individual revenues and expenses, assets and liabilities and combines it on a line-by-line basis with corresponding items in the Group's financial statements.

Associates
Associates are those entities over which the Group exerts significant influence on, but no control over the financial and operating policy. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investors share of the profit or loss of the investee after the date of acquisition.
The Group's investment in associates includes goodwill identified on acquisition.
If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement, where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment on the asset transferred.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the shareholders in their capacity as shareholders. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

If the Group ceases to have control of an entity, any retained interest in the entity is remeasured to fair value at the date when control is lost with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or other financial asset. Amounts previously recognised in other comprehensive income are reclassified to profit or loss. Deconsolidation occurs when the Group no longer controls a subsidiary.

(3) First-time adoption of IFRS

VolkerWessels has prepared the consolidated financial statements for the year ending 31 December 2016 in accordance with International Financial Reporting Standards and the interpretations published by the IFRS Interpretations Committee ('IFRIC'), as adopted by the European Union (EU-IFRS).
In 2015 VolkerWessels prepared the consolidated financial statements in accordance with Part 9, Book 2 of the Dutch Civil Code.
For comparison reasons, the financial statements for the years ending 31 December 2014 and 2015 have also been prepared in accordance with IFRS. The transition date to IFRS is 1 January 2014.

In general, a company is required to determine its IFRS accounting policies and to apply these retrospectively to determine its opening balance sheet under IFRS. However, IFRS 1, First-time Adoption of International Financial Reporting Standards, allows a number of exemptions to this general principle upon adoption of IFRS. VolkerWessels applied the following of these exemptions and exceptions:

Business combinations
VolkerWessels applied the accounting principles of IFRS 3, Business Combinations, for business combinations as per 1 January 2014.

Estimates
Estimates previously made under NL GAAP are consistently applied under IFRS at the transition date. This means that valuations that impact the opening balance sheet of VolkerWessels are not based on the knowledge that balances have been adjusted retrospectively.

Reconciliation of equity according to Part 9, Book 2 of the Dutch Civil Code and IFRS at year-end
The following tables represent the effect of the transition to IFRS for total equity and comprehensive income. The nature of the significant differences is explained below the tables.

Amounts in millions of euros	31 Dec 2015	31 Dec 2014	1 Jan 2014
Shareholders' equity NL GAAP	394	–64	–420
Reversal amortisation goodwill	77	34	–
Present value provisions	8	7	5
Business combinations	8	–	–
Financial instruments	–18	–24	–17
Restructuring expenses	1	1	7
Valuation of participating interests	–2	–2	32
Pension costs	6	7	4
Other differences	–5	7	15
Total differences	75	30	46
Income tax	1	4	1
Total impact IFRS conversion	76	34	47
Kondor Wessels Holding GmbH	–44	–48	–57
Shareholders' equity IFRS	426	–78	–430

Amounts in millions of euros	2015	2014
Result after tax NL GAAP	58	33
Reversal amortisation goodwill	43	39
Present value provisions	–	3
Business combinations	8	–
Financial instruments	–	–5
Restructuring expenses	1	–6
Other differences	–7	–14
Total differences	45	17
Income tax	–	–
Total impact IFRS conversion	45	17
Kondor Wessels Holding GmbH	4	10
Result after tax IFRS	107	60

The items affected by the change in accounting principles are:

Reversal amortisation goodwill
Under NL GAAP, goodwill was amortised using the straight-line method over expected useful life. Under IFRS goodwill is not amortised but tested annually for impairment.

Present value provisions
Under NL GAAP, provisions were reported at nominal value. Under IFRS, provisions are recorded at fair value.

Business combinations
In accordance with IFRS 3, in case of a step acquisition all assets and liabilities of the acquiree at the acquisition date are included for 100% in the consolidation at fair value. The existing interest is referred to as part of the purchase price of the acquired company. Under NL GAAP this existing interest is not adjusted. Contrary to this step-up, the yearly result decreases as a result of the higher book value.

Financial instruments
When NL GAAP was applied, cost price hedge accounting was adopted. Using this method, the derivative is reported at cost (usually nil) and the ineffective share is then incorporated in the income statement if and insofar as the quantitative ineffectiveness measurement (cumulatively) shows a loss. Under IFRS, derivatives are valued at fair value and cash flow hedge accounting is applied to prevent fluctuations in the result.

Restructuring expenses
IFRS is strict on the timing of the recognition of the provision. A provision can only be recognised at the end of each reporting period if the criteria are met at the balance sheet date. NL GAAP is less strict than IFRS on the timing of the recognition of the provision. Under NL GAAP a provision can still be recognised at the end of the reporting period if a detailed plan is in place at the balance sheet date and the valid expectation criterion is met after the balance sheet date but prior to the approval of the financial statements.

Valuation of participating interests
Under IFRS, when a majority interest is sold, the remaining interest is valued at its current value. As a result, under IFRS the valuation of the participating interest includes unrealised profit. Under NL GAAP, this unrealised profit is reversed because the remaining interest is not revalued at fair value.

Pension costs
Under IFRS, for post-employment benefits that are provided to employees through a defined benefit plan, the difference between the present value of the defined benefit obligation and the fair value of the plan assets must be recognised on the balance sheet. NL GAAP applies a liability approach to pension accounting. The pension contributions payable by the employer to the pension fund are expensed.

Other differences
The other differences contain errors relating to previously reported figures under NL GAAP. This has been adjusted in the reported figures under IFRS. These errors mainly relate to tax, financial lease and other items.

Income tax
Income tax effect on the changes in accounting principles.

Impact IFRS
The impact of the change in accounting principles on the result after tax was approximately +€17 million for 2014 and +€45 million for 2015. The impact on equity was approximately +€34 million at the end of 2014 and approximately +€76 million at the end of 2015.

Kondor Wessels Holding GmbH
In December 2016, VolkerWessels acquired 94.88% of the shares of Kondor Wessels Holding GmbH. The acquisition has been treated as a transaction under common control and predecessor accounting has been applied. The results and balance sheet of Kondor Wessels Holding GmbH are incorporated into VolkerWessels as if both entities had always been combined.
Accordingly, we retrospectively consolidated Kondor Wessels Holding GmbH from 1 January 2014, with € 57 million (being the difference between the acquisition price of € 109 million and the book value of € 52 million at 1 January 2014) being deducted from the share premium reserve.

(4) Notes to the consolidated financial statements

General

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the relevant interpretations that were issued by the IFRS Interpretations Committee ('IFRIC') as endorsed by the European Union (EU-IFRS).

The consolidated financial statements are prepared on the basis of historical cost, with the exception of the following material assets and liabilities:

- derivative financial instruments are shown at their fair value;
- assets held for sale and groups of assets that are divested are valued at the lower of book value and fair value after deduction of estimated sale costs;
- plan assets related to defined benefit obligations are valued at their fair value.

If deemed necessary, the accounting policies of consolidated subsidiaries and other entities are revised in accordance with the Group accounting policies.

The result of associates and joint ventures after tax constitute part of the operating result. This affords a greater insight into the Group's result and is in line with common practice in the industry.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (€), which is the Group's presentation currency.

Transactions in foreign currency

Transactions in foreign currency are translated into euros at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into euros as at the reporting date at the exchange rate prevailing on that date. The differences that arise from the translation are recognised in the income statement. Non-monetary assets and liabilities that are denominated in a foreign currency and valued on the basis of historical cost are translated at the exchange rate on the transaction date.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the exchange rate valid on the reporting date. Revenues and expenses of foreign operations are translated into euros at the rate which approximates to the exchange rate on the transaction date. Currency translation differences are included directly in the translation reserve. When a foreign operation is wholly or partially sold, the corresponding amount is transferred from the translation reserve to the income statement.

Currency rates

The euro exchange rate against the significant currencies for the Group are as follows:

	Average exchange rate			Closing rate		
	2016	2015	2014	2016	2015	2014
GBP	1.22	1.38	1.24	1.17	1.36	1.29
CAD	0.68	0.70	0.68	0.71	0.67	0.71
USD	0.90	0.90	0.75	0.95	0.92	0.83

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and payables, and financial derivatives. For the accounting principles for primary financial instruments, reference is made to the recognition per balance sheet item.
The Group uses derivative financial instruments to hedge interest rate risks and foreign exchange risks arising from its operating, financing and investment activities. In accordance with its treasury policy the Group does not hold or issue derivatives for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are measured at fair value. The gain or loss from revaluation to fair value is recognised immediately in the income statement. However, if derivatives qualify for hedge accounting, the recognition of any result, gain or loss, depends on the nature of the item being hedged.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the exposure to the variability of cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income and shown in the hedging reserve in equity.

Any ineffective portion of changes in the fair value of the derivative instrument is incorporated directly in the income statement. If the expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the related cumulative gain or loss is removed from equity and included in the initial cost of the non-financial asset or liability. If a hedge of an expected transaction results in the recognition of a financial asset or liability, then the associated gains or losses, which were recognised directly in equity, are transferred to the income statement in the same period or periods in which the asset acquired or the liability assumed affects the income statement.

If a hedge instrument no longer satisfies the conditions for hedge accounting or is sold, terminated or exercised, hedge accounting is prospectively terminated. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss that is

recognised in equity is immediately transferred to the income statement.

Hedging of monetary assets and liabilities

Where a derivative financial instrument is used as an economic hedge for the currency exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is accounted for in the income statement.

Hedging of net investment in a foreign operation

The portion of the gain or loss on an instrument that is used to hedge a net investment in a foreign operation which has been established as an effective hedge is recognised directly in equity.
The non-effective portion is recognised in the income statement. When the hedged portion of the net investment is sold, the portion of the translation reserve relating to this net investment is transferred to the income statement as a component of the gain or loss on the sale.

New standards and interpretations

A number of new standards and interpretations are effective for annual periods beginning after 1 January 2017. These standards and interpretations have not been applied in preparing these consolidated statements.

Nature of change	Impact	Mandatory application date
IFRS 9 Financial Instruments IFRS 9 addresses the classification, valuation and initial recognition of financial instruments. IFRS 9 replaces IAS 39. IFRS 9 applies the concept of business models to determine the classification of a financial instrument. In addition, a new model is introduced for the calculation of impairments. The assumptions are based on expected credit losses. IFRS 9 introduces more flexible requirements for hedge effectiveness tests.	The Group is currently assessing the impact of IFRS 9. The Group expects to adopt the standard as from 1 January 2018.	The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. (Endorsed by the EU)

Nature of change	Impact	Mandatory application date
IFRS 15 Revenue from Contracts with Customers IFRS 15 deals with revenue recognition. The standard replaces IAS 18, Revenue, and IAS 11, Construction contracts and related interpretations. IFRS 15 includes a five-step approach for determining revenue recognition. Revenue is recognised when a customer obtains control over a good or service and has the ability to direct the use of and obtain the economic benefits from the good or service. IFRS 15 contains additional disclosure requirements for the assumptions applied and estimates made.	The Group is currently assessing the impact of IFRS 15. The Group expects to adopt the standard as from 1 January 2018.	The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. (Endorsed by the EU)

Nature of change	Impact	Mandatory application date
IFRS 16 Leasing IFRS 16 is effective for accounting periods beginning on or after 1 January 2019. Under the new standard nearly all liabilities resulting from lease, rental and leasehold agreements shall be recognised on the balance sheet. The current accounting standard for leases allows entities to present some of the lease agreements off balance sheet. The new standard allows exemptions for on-balance sheet recognition of short-term contracts and products with a low value.	The Group is currently assessing the impact of IFRS 16 and expects an increase in assets and liabilities and EBITDA. The effect on the net result is expected to be limited. The Group expects to adopt the standard as from 1 January 2019.	The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted in combination with IFRS 15 only. (Subject to EU endorsement)

(5) Accounting principles

(a) Accounting principles for assets and liabilities

Intangible fixed assets

Intangible fixed assets are valued at historical cost after deduction of accumulated depreciation and any impairments. Depreciation is calculated on a straight-line basis as a percentage of the purchase cost. The expected useful life and the depreciation method are reviewed each reporting period.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. For associates and joint ventures, the book value of goodwill is included in the book value of the investment.

Goodwill is valued at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and not systematically amortised.

Other intangible assets

Acquired intangible assets with a finite useful life, are valued at cost less cumulative amortisation and cumulative impairment losses.

Expenditure after initial recognition

Expenditure on intangible assets, excluding goodwill, is capitalised after initial recognition only if it is expected that this will increase future economic benefits. These benefits are embodied in the specific asset to which the expenditure relates. All other expenditure is recognised in the income statement when it is incurred.

Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful economic life of the intangible assets, unless this life is indefinite. Amortisation commences as soon as the assets are ready for use. The estimated useful economic life is as follows:

Software	3 – 10 years
Customer files/contracts	5 – 10 years
Capitalised development costs	5 – 10 years
Brands	10 years

Goodwill and intangible assets with an indefinite useful life are tested systematically each year on the reporting date to ascertain whether an impairment has arisen.

Tangible fixed assets

Owned assets

Tangible fixed assets are valued at cost less accumulated depreciation and any impairment losses. The cost includes costs directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material costs, direct labour costs, financing costs and any other costs that are directly attributable to ensuring that the asset can be used. When tangible fixed assets consist of components with differing useful lives, the component approach is used. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other costs are charged to the income statement during the financial period in which they are incurred.

In the book value of an item of tangible fixed assets, the Group recognises the cost of replacing a portion of the asset where such costs are incurred. This happens when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably determined. All other costs are recognised in the income statement when they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 – 30 years
Machinery and equipment	5 – 20 years
Other fixed operating assets	3 – 5 years

The tangible fixed assets acquired under a financial lease agreement are capitalised. Commitments arising from the financial lease agreement are accounted for as a liability. The interest in future lease instalments is charged over the result over the term of the financial lease agreement.

The costs of future replacement are capitalised based on the component approach. Under this approach the total costs are allocated to the 'component assets'. Government grants on investments are deducted from the purchase price or manufacturing price of the assets to which the government grants relate.

A provision is taken into account for obligations to recover or remove assets after usage (demolition costs) for the expected amount at the moment of capitalisation. This amount is included in the carrying amount of the asset to which the provision relates.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating expenses' in the income statement.

Impairments on non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. A test for impairment will also take place if there is an indication for impairment.

An impairment loss is the difference between the asset's carrying amount and its recoverable amount. An impairment loss is directly recognised as an expense.

The recoverable amount is the highest of an asset's fair value less costs of disposal and value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are largely independent

cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Assets held for sale and discontinued operations
Immediately before classification as an asset held for sale, the valuation of assets (and all assets and liabilities of a disposal group) is brought in line with the relevant EU-IFRS standards. Subsequently, fixed assets and disposal groups, on initial recognition as held for sale, are valued at the lower of the book value and the fair value less the sale costs. Impairment losses on initial classification as held for sale are recognised as a loss in the income statement. Once recognised as held for sale, intangible assets and property, plant and equipment are not amortised or impaired.

Classification as discontinued operations occurs upon disposal or liquidation, or earlier, if the operations meet the criteria for classification as discontinued operations. The results of discontinued operations must be presented separately in the income statement and the comparative figures are adjusted accordingly. In the disclosures to the income statement the amounts are presented excluding the discontinued operations.

Financial fixed assets
The Group classifies financial assets in the following categories: loans and receivables and financial fixed assets carried at fair value with changes in fair value recognised in other comprehensive income.

Loans and receivables
Receivables and loans to subsidiaries and other receivables are recognised initially at fair value and subsequently at amortised cost after deduction of provisions deemed necessary.

Other non-current assets (other investments)
Other investments comprise equity interests in entities where the Group has no control or significant influence. These investments are accounted for as securities available for sale and are recognised at fair value with changes in the fair value through other comprehensive income. Upon disposal the accumulated fair-value adjustments on the investments concerned are eliminated from equity and included in the income statement. If no reliable fair value can be determined, the remaining investment is valued at cost. Dividends, as well as the book profit or book loss made on the sale of these other investments, are accounted for in the income statement.

The deferred tax assets are stated under financial fixed assets if and to the extent it is probable that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and are long term by nature.

Land and property for sale
Land and property for sale are reported at the lower of cost and net realisable value. Interest is not capitalised until the time at which planning permission is sought. A substantial period of time may elapse between the point of acquisition and the submission of the planning application. The non-capitalisation of interest in this period reduces our risk profile on these positions. If no development and construction activities take place for an extended period, interest is no longer capitalised. As soon as the building permit has been received and the construction activities have been started, the landbank positions will be transferred to property development or work in progress.

Inventories
Inventories are valued at the lower of cost and 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 sale. The cost of inventories is based on the first-in, first-out principle (FIFO) and includes expenses incurred in acquiring the inventories and related purchase costs. The cost of inventories of finished products includes a reasonable share of the indirect overhead based on normal production capacity.

Sand and gravel pits are valued at purchase price plus directly attributable costs. A provision is made if there is a refurbishment obligation on the acquired sand or gravel pit.

Housing and other projects not covered by the definition of work in progress on construction contracts are classified under inventories.

Work in progress
Work in progress on construction contracts is valued at cost plus the profit recognised to date less a provision for foreseeable losses and less progress billings. The cost includes all expenses directly related to specific projects and an allocation of fixed costs and variable indirect costs made in relation to the contract activities based on normal operating capacity.

The progress percentage applied consists of the proportion of recognised costs against the total expected costs for each individual project. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of the contract cost incurred that is likely to be recoverable.

Pre-contract costs for major projects are capitalised as work in progress when the project is awarded or if the Group is designated as preferred bidder.

For residential projects for which the transfer of risks and rewards is based on the stage of completion, revenue and costs are recognised in line with the stage of completion. These projects are included in the financial statements as the total of progress billings, costs, recognised profit in line with the stage of completion and expected losses.

Work in progress includes projects resulting from property development, to the extent that an unconditional sale has been agreed upon for parts of the project before or during the construction.

If the amount of progress billings on a project is smaller than the costs incurred plus recognised profit, the balance is recognised in the statement of financial position under the current assets as work in progress. If the amount of progress billings on a project is greater than the costs incurred plus

recognised profit, the balance will be recognised in the statement of financial position under the current liabilities as work in progress.

Trade and other receivables
Trade and other receivables are initially recognised at fair value and subsequently at amortised cost. At initial recognition the fair value and amortised cost price are equal to the nominal value.

If bad debts are certain, the impairment is deducted directly from the original receivable. The impairment is determined based on an individual assessment of each receivable.

Cash and cash equivalents
Cash and cash equivalents are recognised at nominal value. Cash and cash equivalents include cash at banks, cash in hand and bank deposits. The deposits have a residual term of no more than one month and are callable at any time. In the cash flow statement cash and cash equivalents comprises cash at banks, cash in hand and bank deposits.

Impairments of financial assets
At the end of each reporting period the Group assesses whether there is objective evidence that a financial asset or group of assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the effect of the event on the estimated future cash flows can be estimated reliably.

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in the income statements.

If in a subsequent period the amount of the impairment loss decreases, a reversal of a previously recognised impairment loss is recognised in the income statement.

Equity
Share capital
Ordinary shares and cumulative preferential shares are classified as equity. The cumulative preferential shares are valued at nominal value increased with additional paid-in capital relating to these shares and unpaid dividends.

Reserves
The reserves consist of a share premium reserve, a translation reserve, a statutory reserve for participating interests, an actuarial reserve and a hedging reserve.

Other reserves
These include the cumulative results from prior financial years net of the dividend set and changes in the statutory reserves.

Non-controlling interest
The share of third parties concerns the non-controlling interest of third parties in total equity from consolidated entities. The non-controlling interest in the result of consolidated entities is presented separately in the balance sheet and income statement.

The entity shall attribute the total comprehensive income to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Dividend
Dividends are recognised as a liability in the period in which they are declared.

Non-current and current liabilities
Loans and liabilities are initially recognised at fair value and subsequently at amortised cost. Transaction costs that are directly attributable to the acquisition of long-term liabilities are included in the initial valuation. Non-current liabilities are valued at amortised cost after initial recognition, which is equivalent to the amount that includes any discount or premium, less transaction costs. The difference between the carrying value and redemption value is recognised as interest expense in the income statement over the period of the borrowings using the effective interest method.

Provisions
General
A provision is recognised in the statement of financial position if the Group has a legal or constructive obligation as a result of a past event, if it is likely that the settlement of such an obligation will require an outflow of resources, and if such obligation can be reliably estimated. If the effect of this is material, provisions are calculated by discounting the expected future cash flows using a discount rate before tax that reflects current market assessments of the time value of money and, where appropriate, the specific risks related to the liability. Interest accruals on the provision is recognised as a financial expense.

Provision for deferred tax liabilities
If the carrying amount of the asset exceeds the tax base, the amount of taxable economic benefits exceeds the amount that will be allowed as a deduction for tax purposes. The difference is recognised as a deferred tax liability based on the total of the differences multiplied by the applicable tax rate. The deferred tax liability is deducted with carry forward losses to the extent that it is likely that fiscal profits will be available in the future for compensation.

Deferred taxes are recognised at nominal value.

Warranty provisions
Provisions for warranties are recognised for the expected outflow of resources (costs) that will be required to settle the present obligation (i.e. warranty obligations based on delivered goods and/or services) at balance sheet date. Granted warranty claims are paid out of the warranty provision.

Restructuring provision
Restructuring provisions are recognised if the Group has a detailed and formal restructuring plan and the restructuring has commenced or has been publicly announced. No provision has been made for future operating expenses.

Environmental and remediation costs
The provision for environmental and remediation costs is intended to cover possible expenditure on environmental modifications.

Provision for associates and joint ventures

If the Group's share in losses exceeds the carrying amount of the investment (including separately presented goodwill and other uninsured receivables), further losses will not be recognised, unless the Group has provided securities to the associate or joint venture, committed to liabilities or payment on behalf of the associate and joint venture. In that case, the excess will be provided for.

Decommissioning provision

Decommissioning provisions are recognised for the expected outflow of resources (costs) that will be required to settle the present obligation at balance sheet date related to restoration obligations.

Onerous contracts

A provision for onerous contracts is included in the statement of financial position if the economic benefits the Group expects to derive from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Employee benefits

Defined contribution plans

For defined contribution plans, the Group pays contributions on a mandatory, contractual or voluntary basis to pension funds or insurance companies. Apart from the payment of premiums, the Group has no obligations. Obligations concerning contributions to pension schemes based on defined contributions are recognised as an expense in the income statement when the contributions are due.

Defined benefit plans

Defined benefit plans are all post-employment benefit plans other than defined contribution plans. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have accrued in return for their service in current and prior periods. The present value of these benefits is determined and the fair value of the plan assets is deducted from this. The discount rate is the yield, at the reporting date, of high-quality corporate bonds where the maturity date is approaching that of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. This method takes into account future salary increases as a result of career opportunities for employees and general wage developments including adjustments for inflation. If the pension entitlement under a plan improves, the portion of the increased pension entitlement that relates to past service by employees is recognised directly as an expense in the income statement.

The Group recognises all remeasurements related to defined benefit plans in other comprehensive income.
These remeasurements comprise: actuarial gains and losses, the return on plan assets (excluding amounts included in net interest) and any change in the effect of the asset ceiling (excluding amounts included in net interest).

Other non-current employee benefits

The Group's net liability in respect of non-current employee benefits, other than pension schemes, is the amount of future entitlements, such as long-service awards, bonuses and ex gratia payments that employees have earned in exchange for their service during the reporting period and previous periods. The liabilities are calculated using the projected unit credit method and are discounted to net present value.
The discount rate is the yield at the reporting date of high quality corporate bonds where the maturity date is approaching that of the Group's obligations. Any actuarial gains or losses are recognised in the income statement in the period in which they occur.

Trade and other payables

Trade and other payables are valued at amortised cost. The initial recognition is at fair value less attributable transaction costs.

(b) Accounting principles for the determination of the result

Revenue recognition

Construction contracts

If the outcome of a construction contract can be estimated reliably and if it is probable that the contract will be profitable, contract revenue and costs are recognised in the income statement in proportion to the stage of completion of the project using the percentage of completion method. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that is likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being measured reliably.

Property development

The sale of property development is recognised in respect of contracts exchanged during the year, provided that no material conditions remain outstanding on the balance sheet date and all conditions are fully satisfied by the date on which the contract is signed. Rental income from incidental operations in connection with property development is recognised in the income statement on an accruals basis.

The profit on the disposal of property development is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the reporting period including additions in the period and any residual commitments. Expected losses are directly recognised in the income statement.

If the buyer is able to specify major structural elements of the design of property development before construction begins and/or specify major structural changes once construction is in progress, revenue is recognised in accordance with construction contracts. If the Group transfers control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses to the buyer, revenue is recognised in accordance with the construction contracts. This may be the case in real estate property projects as from the moment that the land and buildings, have been legally transferred to the buyer.

Service and maintenance

Revenue in connection with service and maintenance comprises construction and/or upgrade activities as well as operating, maintenance and exploitation activities. Revenue from construction contracts and/or upgrade activities is recognised in accordance with the revenue recognition principles of construction contracts. Revenue from operating, maintenance and exploitation activities is recognised in the period in which the related services are rendered.

Goods sold and services rendered

Revenue from the sale of goods is recognised when the most significant risks and benefits of ownership have been transferred to the buyer, which is the moment of delivery. Revenues generated through services rendered are recognised in the income statement in proportion to the stage of completion of the transaction on the reporting date. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Expenditure related to these services is allocated to the same period.

Segment information

Operational segments are reported in line with the internal management report of the Board of Management. The Board of Management considers the business from a geographical perspective and identifies Construction & Real Estate Development the Netherlands, Infrastructure the Netherlands, Energy & Telecom Infrastructure the Netherlands, United Kingdom, North America and Germany as operating segments. In the Netherlands the segments are combined based on the nature of the activities.

Government grants

Grants to offset costs incurred by the Group are systematically recognised as revenue in the income statement in the same period in which the costs are incurred. Subsidies to compensate the Group for the costs of an asset are systematically recognised as revenue in the income statement over the useful life of the asset.

Lease agreements

At the inception of an agreement, the Group assesses if the agreement contains a lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of lease.

The Group leases certain property, plant and/or equipment. Leases of property, plant and/or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charge. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and/or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Financial income and expenses

The net financial result is the balance of financial expenses and income. Financial income includes interest income on invested funds, foreign currency gains, and the expected return on plan assets and results on hedging instruments that are recognised in the income statement. Financial expenses include interest incurred on borrowings calculated using the effective interest method, interest accruals for provisions, foreign currency losses and losses on hedging instruments that are recognised in the income statement.

Financing expenses that are directly attributable to the acquisition, construction or production of a qualifying asset must be attributed to all qualifying assets such as work in progress.

Currency translation differences

Exchange differences arising on the settlement of monetary items shall be recognised in the income statement in the period in which they arise, unless hedge-accounting is applied.

Dividends

Dividends to be received from associates and other interests that are not accounted for based on the equity method are recognised when the Group grants the rights to the dividends.

Taxes

The charge for current tax is calculated based on the income reported by the Group, as adjusted for items that are non-taxable or disallowed and using rates that have been enacted or substantively enacted by the balance sheet date. Using the liability method, deferred tax is determined on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statement of Financial Position and on unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

Share in the results of associated companies

The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

Dividends from associates of which the Group has no significant influence over the financial and operating policy are recognised as result. These dividends are included in the results within financial income and expenses.

(c) Accounting principles for the statement of cash flows

The statement of cash flows is prepared using the indirect method.

The net cash position in the statement of cash flows consists of cash and cash equivalents and deposits. The deposits have a remaining maximum duration of one month and are available at all times.

Cash flows in foreign currencies are converted using the average exchange rate. Exchange rate differences on the net cash position are presented separately in the statement of cash flow.

Income tax, interest received and paid, and dividends received are included in the cash flow from operations.

The purchase price of acquisitions of subsidiaries are included in the cash flow from investing activities insofar as payments have taken place. Cash and cash equivalents in the subsidiaries are deducted from the purchase price.

Non-cash transactions are not included in the statement of cash flows.

(6) Segment information

VolkerWessels BV mainly operates in four geographical areas: the Netherlands, the United Kingdom, North America and Germany.
The segment 'Other' includes real estate companies of which a large part is rented internally, holding companies, discontinued road construction activities in Germany and eliminations.
The operational segments are primarily driven by EBITDA. EBITDA consists of operating result before depreciation and impairment on tangible fixed assets and amortisation and impairment on intangible assets.

	The Netherlands							
	Construction & Real Estate Development	Infra-structure	Energy & Telecom Infrastructure	United Kingdom	North America	Germany	Other/ Eliminations	Total
2016								
External revenue	1,934	1,310	639	1,071	317	207	12	5,490
Sector revenue	12	61	10	–	–	–	–83	–
Total revenue	1,946	1,371	649	1,071	317	207	–71 [1]	5,490
EBITDA	79	73	31	34	46	12	–21	254
Amortisation and depreciation	–19	–29	–2	–5	–17	–1	–16	–89
Operating result (EBIT)	60	44	29	29	29	11	–37	165
Finance income and expense								–26
Result before tax								139
Taxes								–36
Result from discontinued operations (after income tax)								38
Net result								141
Total assets								3,582
Total liabilities								2,454
Investments in tangible fixed assets								71
Average number of employees	3,627	4,900 [2]	2,819 [2]	2,590	1,223	334	292 [2]	15,785
Order book [3]	2,737	1,562	1,151	1,176	886	667	–22 [1]	8,157

[1] In revenue in 'Other' an amount of € -106 million is included regarding eliminations. In the order book in 'Other' an amount of € - 88 million is included regarding eliminations.
[2] Including discontinued operations. The total average number of employees of discontinued operations is: 55.
[3] Unaudited non-GAAP information.

	The Netherlands							
	Construction & Real Estate Development	Infra-structure	Energy & Telecom Infrastructure	United Kingdom	North America	Germany	Other/ Eliminations	Total
2015								
External revenue	1,739	1,300	575	1,174	301	214	15	5,318
Sector revenue	8	78	15	–	–	–	–101	–
Total revenue	1,747	1,378	590	1,174	301	214	–86 [2]	5,318
EBITDA	65 [1]	70	34	35	46	10	–14	246
Amortisation and depreciation	–15	–30	–2	–6	–13	–	–20	–86
Operating result (EBIT)	50	40	32	29	33	10	–34	160
Finance income and expense								–33
Result before tax								127
Taxes								–30
Result from discontinued operations (after income tax)								16
Net result								113
Total assets								3,813
Total liabilities								3,376
Investments in tangible fixed assets								70
Average number of employees	3,478	4,890 [3]	2,955 [3]	2,440	1,082	333	309 [3]	15,487
Order book[4]	2,514	1,451	1,378	1,222	796	351	– [2]	7,712

[1] Including a one-off revaluation of the existing interest to fair value based on stepped acquisition rules under IFRS 3. Please refer to note 16.

[2] In revenue in 'Other' an amount of € -133 million is included regarding eliminations. In the order book in 'Other' an amount of € -108 million is included regarding eliminations.

[3] Including discontinued operations. The total average number of employees of discontinued operations is: 161.

[4] Unaudited non-GAAP information.

	The Netherlands							
	Construction & Real Estate Development	Infra-structure	Energy & Telecom Infrastructure	United Kingdom	North America	Germany	Other/ Eliminations	Total
2014								
External revenue	1,489	1,410	648	926	295	221	11	5,000
Sector revenue	5	82	14	–	–	–	–101	–
Total revenue	1,494	1,492	662	926	295	221	–90 [1]	5,000
EBITDA	36	51	44	24	46	17	5	223
Amortisation and depreciation	–12	–37	–5	–5	–10	–1	–16	–86
Operating result (EBIT)	24	14	39	19	36	16	–11	137
Finance income and expense								–77
Result before tax								60
Taxes								–17
Result from discontinued operations (after income tax)								18
Net result								61
Total assets								3,667
Total liabilities								3,735
Investments in tangible fixed assets								110
Average number of employees	3,221	5,064 [2]	3,099 [2]	2,219	1,124	335	183 [2]	15,245
Order book[3]	2,030	1,356	876	1,252	891	402	–85 [1]	6,722

[1] In revenue in 'Other' an amount of € -119 million is included regarding eliminations. In the order book in 'Other' an amount of € -88 million is included regarding eliminations.

[2] Including discontinued operations. The total average number of employees of discontinued operations is: 160.

[3] Unaudited non-GAAP information.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Amounts in millions of euros

(7) Revenue

	2016	2015	2014
Construction contracts	4,243	4,003	3,821
Property development	496	540	400
Service and maintenance	567	555	574
Goods sold and services rendered	184	220	205
Total	5,490	5,318	5,000

(8) Personnel expenses

	2016	2015	2014
Wages and salaries	–891	–871	–826
Social security costs	–138	–136	–129
Pension costs - defined contribution plans	–82	–79	–73
Pension costs - defined benefit plans	–	–	–
Total	–1,111	–1,086	–1,028

At the end of 2016 the Group had 15,714 employees expressed in FTE (2015: 15,441; 2014: 15,147). The average number of employees was 15,785 FTE (2015: 15,487; 2014: 15,245).

Share-based payments

In 2016, 2015 and 2014 no options on certificates of shares of VolkerWessels BV were granted.

(9) Other operating costs

Restructuring and closure costs

A sum of €5 million (2015: €14 million; 2014: €14 million) is included in personnel expenses and other operating costs for restructuring and closure costs.

These costs relate mainly to organisational changes and the closure of divisions in the following segments:

- Construction & Real Estate Development;
- Infrastructure;
- Energy & Telecom Infrastructure.

(10) Depreciation/amortisation and impairment on tangible fixed assets and intangible assets

	2016	2015	2014
Depreciation of tangible fixed assets	–73	–73	–74
Impairment on tangible fixed assets	–	–4	–
Total depreciation and impairment on tangible fixed assets	–73	–77	–74
Impairment on goodwill and other intangible assets	–5	–3	–7
Amortisation of other intangible assets	–11	–6	–5
Total amortisation and impairment on intangible assets	–16	–9	–12
Total	–89	–86	–86

(11) Financial income and expenses

	Note		2016		2015		2014
Financial income							
Interest income from non-current receivables		12		7		6	
Interest income from current receivables		9		6		8	
Total interest income for assets not valued at fair value			21		13		14
Capitalised interest on work in progress		2		1		2	
Return on plan assets	26	3		3		3	
Other financial income		–		6		–	
Exchange differences (positive)		–		–		–	
			5		10		5
			26		23		19
Financial expense							
Interest expense for non-current liabilities		–15		–17		–18	
Interest expense for current liabilities		–10		–8		–26	
Interest for subordinated loans		–13		–27		–42	
Total interest expenses in relation to obligations that are not valued at fair value			–38		–52		–86
Interest accrual on provisions		–2		–1		–3	
Exchange differences (negative)		–5		–		–	
Interest on employee benefits obligations	34	–2		–3		–3	
Other financial results		–5		–		–4	
			–14		–4		–10
			–52		–56		–96
Total			–26		–33		–77

An average interest rate of 2% was used during the financial year (2015: 2%; 2014: 2%) to calculate the interest to be recognised on work in progress.

(12) Income tax

	2016	2015	2014
Current income tax liabilities			
Financial year	–35	–31	–16
Adjustments for previous years	–1	1	–1
	–36	–30	–17
Deferred income tax			
Income tax on continuing operations	–36	–30	–17
Income tax on discontinued operations (excluding book profit on sale)	2	–2	–2
Income tax gain on sale of discontinued operation	3	–	–
Total income tax	–31	–32	–19

The effective tax rate is 25.6% (2015: 23.5%; 2014: 28.2%). The difference compared to the nominal tax rate in the Netherlands of 25% is caused by the following items:

	2016	2015	2014
Result from continuing operations	103	97	43
Total income tax	36	30	17
Result (excluding income tax)	139	127	60
Tax calculated based on Dutch tax rate	35	32	15
Tax effects of:			
– Effects of different tax rates in several countries	–	–	–
– Participation exemption	–	1	–1
– Impairment on goodwill	1	–	–
– Adjustments for previous years	1	–1	1
– Investment schemes	–1	–	–
– Other differences	–	–2	2
Effective tax	36	30	17
Effective tax rate (%)	25.6	23.5	28.2

Income tax directly recognised in other comprehensive income

2016	Before tax	Tax income (expense)	After tax
Foreign currency exchange differences for foreign operations	9	–	9
Share in the comprehensive income of associates and joint ventures	–7	–	–7
Effective portion of changes in fair value of cash flow hedges	5	–1	4
Actuarial gain (losses) on defined benefit pension plans	–	–	–
Total	7	–1	6

2015	Before tax	Tax income (expense)	After tax
Foreign currency exchange differences for foreign operations	–3	–	–3
Share in the comprehensive income of associates and joint ventures	1	–	1
Effective portion of changes in fair value of cash flow hedges	5	–1	4
Actuarial gain (losses) on defined benefit pension plans	1	–	1
Total	4	–1	3

2014	Before tax	Tax income (expense)	After tax
Foreign currency exchange differences for foreign operations	22	–	22
Share in the comprehensive income of associates and joint ventures	–14	–	–14
Effective portion of changes in fair value of cash flow hedges	5	–1	4
Actuarial gain (losses) on defined benefit pension plans	–	–	–
Total	13	–1	12

(13) Earnings per share

	2016	2015	2014
Weighted average number of ordinary shares in issue (x 1)	4,941,713	2,833,334	1,976,040
Net result attributable to shareholders (in million €)	139	107	60
Basic earnings per share (in €)	28.11	37.63	30.52
Net result from continuing operations attributable to shareholders (in million €)	101	91	43
Basic earnings per share from continuing operations (in €)	20.45	32.02	21.74
Net result from discontinued operations attributable to shareholders (in million €)	38	16	17
Basic earnings per share from discontinued operations (in €)	7.66	5.61	8.78

Allowing for dilution, the earnings per share are as follows:

	2016	2015	2014
Weighted average number of ordinary shares in issue (x 1)	4,941,713	2,833,334	1,976,040
Net result attributable to shareholders (in million €)	139	107	60
Diluted earnings per share (in €)	28.11	37.63	30.52
Net result from continuing operations attributable to shareholders (diluted) (in million €)	101	91	43
Diluted earnings from continuing operations per share (in €)	20.45	32.02	21.74
Net result from discontinued operations attributable to shareholders (diluted) (in million €)	38	16	17
Diluted earnings from discontinued operations per share (in €)	7.66	5.61	8.78

Earnings per ordinary share is are calculated on the basis of the weighted average number of ordinary shares outstanding. In calculating the weighted average number of ordinary shares outstanding:

- own shares held by group companies are deducted from the total number of ordinary shares in issue;
- the computation is based on daily averages.

In accordance with IAS 33, the earnings per share are calculated based on the weighted average number of shares outstanding during the year which amounts to 4,941,713 shares. As a result of the share issuance as at 21 December 2016, the total number of shares outstanding increased to 80,000,000 as at 31 December 2016. Because the additional shares issued are only included in the weighted average number of shares for a limited period, the amounts of the earnings per share for 2016 do not have a predictive value for next year.

(14) Dividends per share

Dividends paid to holders of ordinary shares in 2016 were €0 per share (2015: €0 per share; 2014: €0 per share).

(15) Result from discontinued operations

Within the context of the agreed strategy, the Group decided to sell the offshore activities in 2016.
Due to this decision the results of the Offshore activities are retrospectively classified as discontinued operations.
In early 2011 the Group decided to discontinue the road construction activities in Germany.

Result from discontinued operations

	2016	2015	2014
Revenue	15	184	78
Depreciation and impairment on tangible fixed assets	–1	–9	–8
Amortisation and impairment on intangible assets	–	–	–
Other operating costs	–25	–168	–59
Share in result of associates and joint ventures	–2	2	11
Share in result of investments	–	9	–
Net financial result	–	–	–2
Result from operating activities	–13	18	20
Income tax	2	–2	–2
Result from operating activities, after tax	–11	16	18
Book profit on sale of discontinued operations	46	–	–
Income tax gain on sale of discontinued operations	3	–	–
Result from discontinued operations after income tax	38	16	18

The result from discontinued operations after income tax amounting to €38 million (2015: €16 million; 2014: €17 million) is fully attributable to the shareholders of the Company.

Cash flow from discontinued operations

	2016	2015	2014
Profit after tax for the financial year	38	16	18
Adjustments for:			
– Depreciation and impairment on tangible fixed assets	1	9	8
– Amortisation and impairment on intangible assets	38	–	–
– Proceeds from sale of tangible fixed assets	–	–1	–5
– Result from the sale of participating interests	–85	–	–
– Share of result, less dividend paid, from associates and joint ventures	5	–2	–1
– Finance income	–	–	–3
– Finance expense	–	–	5
– Income tax	–5	2	2
Operating cash flow before changes in working capital and provisions	–8	24	24
Changes in land, property classified as held for sale, inventories and work in progress	2	15	1
Changes in trade and other receivables	4	–12	6
Changes in trade and other payables	2	46	–12
Changes in provisions and employee benefits	5	–1	3
Cash flow from discontinued operations	5	72	22
Interest paid	–	–1	–2
Interest received	–	–	–
Income tax paid	–1	–	–8
Net cash flow from discontinued operations	4	71	12

	2016	2015	2014
Cash flow from investment activities			
Investment in tangible fixed assets	–1	–5	–16
Proceeds from the sale of tangible fixed assets	–	1	9
Proceeds from the sale of subsidiaries, after deduction of divested cash	–	–	–
Investments in other financial assets	–	11	–
Other changes in financial assets	–1	–	16
Proceeds from sale of discontinued operations, after deduction of divested cash	136	–	–
Other movements	–1	–1	–
Net cash flow from investment activities	133	6	9
Cash flow from financing activities			
Receipts from non-current loans and borrowings	–	19	12
Repayment of non-current loans and borrowings	–21	–10	–
Net cash flow from financing activities	–21	9	12
Net cash flow for financial year	116	86	33

(16) Acquisition of subsidiaries and minority interests

2016

In March 2016 VolkerWessels acquired 80% of the shares in Lakes District Maintenance LTD in Canada, a highway road and bridge maintenance company. The acquisition price amounted to €16 million, including a €4 million contingent consideration. The fair value of the assets and liabilities amounts to €16 million. Acquisition-related costs of €1 million have been recognised in the income statement for the period ended 31 December 2016. Non-controlling interests are measured based on their proportional interest in the recognised assets and liabilities of the acquired entities. The amount of revenue and profit for Lakes District Maintenance LTD after obtaining control amounts to €19 million and €2 million, respectively. If the acquisition would have taken place on 1 January 2016, revenue and profit would have been €24 million and €3 million, respectively.

In December 2016 VolkerWessels acquired 94.88% of the shares of Kondor Wessels Holding GmbH. The acquisition has been treated as a transaction under common control and predecessor accounting has been applied. The results and balance sheet of Kondor Wessels Holding GmbH are incorporated into VolkerWessels as if both entities had always been combined. The result is the retrospective consolidation of Kondor Wessels Holding GmbH from 1 January 2014, with € 57 million (being the difference between the acquisition price of € 109 million and the book value of € 52 million as at 1 January 2014) having been deducted from the share premium reserve.

2015

In 2015 VolkerWessels acquired three companies in the Construction & Real Estate Development segment. These three acquisitions includes the remaining shares in PGB Holding BV and Biesterbos BV and an increase of the stake in G&S Vastgoed BV from 30% to 70%. The total purchase price of the acquisitions was €39 million, including an €10 million contingent consideration. In accordance with IFRS 3 all assets and liabilities of the acquiree at the acquisition date are fully included in the consolidation at fair value. The existing interest is referred to as part of the purchase price of the acquired company and should be revalued to fair value with differences amounting to €12 million being recognised in the profit and loss account as a one-off item. In the statement of cash flows the acquisitions are netted against cash and cash equivalents. This generates an amount of €13 million in goodwill. All three entities were included in the consolidation as from 1 January 2015.

2014

In June 2014 VolkerWessels acquired the operating assets of Mainline Construction LTD in Canada. The acquisition prices amounted to €21 million, including a €5 million contingent consideration. An amount of €1,5 million was recognised as goodwill on this acquisition.

Furthermore, in June 2014 VolkerWessels acquired the remaining 50% of Matex Vastgoed I BV and Matex Vastgoed III BV. Both companies are real estate companies, of which a large part is rented internally.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of euros

(17) Tangible fixed assets

					2016
	Land and buildings	Machinery and equip-ment	Other fixed operating assets	Property, plant and equipment under construction	Total tangible fixed assets
Balance as at 1 January 2016					
Cost	449	722	144	5	1,320
Accumulated depreciation and impairments	–197	–469	–104	–	–770
Book value	252	253	40	5	550
Changes					
Reclassification	3	–1	–	–1	1
Acquisitions	6	9	–	–	15
Deconsolidated	–	–72	–	–	–72
Investments	11	34	18	8	71
Disposals	–3	–3	–	–	–6
Taken into use	–	4	–	–4	–
Depreciation	–17	–42	–15	–	–74
Foreign currency exchange differences	1	2	–	–	3
Total changes	1	–69	3	3	–62
Balance as at 31 December 2016					
Cost	464	611	142	8	1,225
Accumulated depreciation and impairments	–211	–427	–99	–	–737
Book value	253	184	43	8	488

The current value of the land and buildings is determined by appraisals and was approximately equal to the book value as at 31 December 2016.

The fair value of machinery and equipment was estimated using price lists, etc. and amounted to approximately €194 million as at 31 December 2016 (2015: €265 million; 2014: €264 million).

No impairments were reversed in financial year 2016, nor in 2015 and 2014.

Property, plant and equipment under construction relates primarily to machinery and equipment in industrial construction supply companies in the Construction & Real Estate Development segment.

For contractual obligations in respect of tangible fixed assets, see note 38.

					2015
	Land and buildings	Machinery and equipment	Other fixed operating assets	Property, plant and equipment under construction	Total tangible fixed assets
Balance as at 1 January 2015					
Cost	426	728	140	6	1,300
Accumulated depreciation and impairments	–169	–476	–93	–	–738
Book value	257	252	47	6	562
Changes					
Reclassification	–	1	–1	–	–
Acquisitions	12	10	2	–	24
Investments	15	36	11	8	70
Disposals	–12	–2	–1	–	–15
Taken into use	–	9	–	–9	–
Depreciation	–16	–50	–16	–	–82
Impairments	–2	–	–2	–	–4
Foreign currency exchange differences	–2	–3	–	–	–5
Total changes	–5	1	–7	–1	–12
Balance as at 31 December 2015					
Cost	449	722	144	5	1,320
Accumulated depreciation and impairments	–197	–469	–104	–	–770
Book value	252	253	40	5	550

					2014
	Land and buildings	Machinery and equipment	Other fixed operating assets	Property, plant and equipment under construction	Total tangible fixed assets
Balance as at 1 January 2014					
Cost	239	670	141	1	1,051
Accumulated depreciation and impairments	–124	–450	–91	–	–665
Proportional consolidation Joint Operations (bookvalue)	2	2	–	–	4
KonderWessels Holding, Germany (bookvalue)	3	–	1	–	4
Book value	120	222	51	1	394
Changes					
Reclassification	1	–	–	1	2
Acquisitions	152	–	–	–	152
Deconsolidated	–	–3	–	–	–3
Investments	6	81	14	9	110
Disposals	–9	–6	–1	–	–16
Taken into use	–	2	3	–5	–
Depreciation	–15	–47	–20	–	–82
Impairments	–	–	–	–	–
Foreign currency exchange differences	2	3	–	–	5
Total changes	137	30	–4	5	168
Balance as at 31 December 2014					
Cost	426	728	140	6	1,300
Accumulated depreciation and impairments	–169	–476	–93	–	–738
Book value	257	252	47	6	562

Tangible fixed assets include assets which were financed by means of financial leases. The legal title to these assets is vested with third parties. The related liabilities are included in current and non-current liabilities.

The acquisition in land and buildings amounting to €152 million in land and buildings relates to Matex Vastgoed I BV and Matex Vastgoed III BV.

Below is a summary of assets by category that have been financed by financial leases:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Land and buildings	–	–	–
Machinery and equipment	13	19	29
Other fixed operating assets	27	26	31
Total	40	45	60

(18) Intangible assets

				2016
	Goodwill	Software	Other intangible assets	Total intangible assets
Balance as at 1 January 2016				
Cost	718	22	23	763
Accumulated depreciation and impairments	–275	–10	–15	–300
Book value	443	12	8	463
Changes				
Investment	5	3	3	11
Acquisitions	–	–	12	12
Disposals	–38	–	–	–38
Amortisation	–	–4	–7	–11
Impairments	–5	–	–	–5
Foreign currency exchange differences	–	–1	1	–
Other changes	1	–	–1	–
Total changes	–37	–2	8	–31
Balance as at 31 December 2016				
Cost	658	21	29	708
Accumulated amortisation and impairments	–252	–11	–13	–276
Book value	406	10	16	432

No impairments were reversed in financial year 2016, nor in 2015 and 2014.
The costs of research and development recognised in the income statement during the 2016 financial year amounted to €4 million (2015: €5 million; 2014: €5 million).

				2015
	Goodwill	Software	Other intangible assets	Total intangible assets
Balance as at 1 January 2015				
Cost	705	19	15	739
Accumulated amortisation and impairments	–275	–9	–8	–292
Book value	430	10	7	447
Changes				
Investment	13	6	5	24
Amortisation	–	–3	–3	–6
Impairments	–	–	–3	–3
Other changes	–	–1	2	1
Total changes	13	2	1	16
Balance as at 31 December 2015				
Cost	718	22	23	763
Accumulated amortisation and impairments	–275	–10	–15	–300
Book value	443	12	8	463

				2014
	Goodwill	Software	Other intangible assets	Total intangible assets
Balance as at 1 January 2014				
Cost	689	14	9	712
Accumulated amortisation and impairments	–257	–8	–4	–269
Book value	432	6	5	443
Changes				
Investment	3	6	5	14
Amortisation	–	–3	–2	–5
Impairments	–6	–	–1	–7
Foreign currency exchange differences	2	–	–	2
Other changes	–1	1	–	–
Total changes	–2	4	2	4
Balance as at 31 December 2014				
Cost	705	19	15	739
Accumulated amortisation and impairments	–275	–9	–8	–292
Book value	430	10	7	447

The accumulated amortisation and impairment of goodwill amounting to €-257 million mainly relates to the recognised amortisation under NL GAAP until 31 December 2013.

Impairment testing for cash-generating units to which goodwill has been allocated

Goodwill that is acquired in business combinations is allocated at the acquisition date to the cash generating units (CGUs) or group of CGUs expected to benefit from that business combination. The following segments have goodwill items:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
The Netherlands			
Construction & Real Estate Development	106	106	93
Infrastructure	111	111	111
Energy & Telecom Infrastructure	75	112	112
	292	329	316
United Kingdom	49	49	49
North America	65	65	65
Germany	–	–	–
Total	406	443	430

The decrease in goodwill in 2016 in the Energy & Telecom Infrastructure segment is related to the sale of the offshore division.

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently if there are indications that a particular CGU might be impaired.

The goodwill is tested for impairment by comparing the current book values of the assets (including allocated goodwill) of the cash-generating units with their net realisable value. The net realisable values are calculated based on projected cash flows, which in turn were based on forecasts of revenues and profit margins (after tax). The cash flows for the subsequent period after the fifth consecutive year were extrapolated using annual growth of 2%. The forecasts are based on past experiences and expectations about the market and developments in the different segments. The estimated cash flows are discounted at a discount rate of 8% before tax that reflects the current market situation, the time value of money and the risks attached to the asset.

The Company believes that any reasonably possible change in the key assumptions on which recoverable amount is based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating units.

There were no changes with regard to acquisitions made up to and including 2016, 2015 and 2014.

(19) Investments in associates and joint ventures

Investments in associates and joint ventures recognised in the balance sheet are as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Associates	55	62	67
Joint ventures	78	85	90
Total	133	147	157

Associates and joint ventures
The associates and joint ventures with an equity value, or total assets, or total revenue of > €12,5 million (our share) were in:

2016
WEVI BV, Amsterdam Airport Hotel Owner BV, Amsterdam Waterfront BV, Traffic Service Nederland BV, Ontwikkelingsmaatschappij KIBO BV, Laagraven Investment BV and Park Strijp CV.

2015
Nautisch Kwartier BV, WEVI BV, Amsterdam Airport Hotel Owner BV, VBMS Holding BV, Vondellaan 47 Leiden BV, Laagraven Investment BV and Park Strijp CV.

2014
Borchveste Almere Fase 2 CV, Amsterdam Airport Hotel Owner BV, VBMS Holding BV, PGB Holding BV, Stadionomgeving BV, Asfaltproductie Regio Amsterdam BV, Aduco Holding BV, Laagraven Investment BV, Park Strijp CV, Biesterbos Planontwikkeling I BV and G&S Vastgoed BV.

No associate or joint venture is individually material to the Group, therefore no financial information is disclosed separately.

In 2016 the Group received €15 million in dividend payments from investments in associates and joint ventures (2015: €15 million; 2014: €27 million).
The associates and joint ventures include participating interests in which the Group holds less than 20% of the potential voting rights, but in which the Group exercises significant influence by occupying seats on the Boards of Management and/or Supervisory Boards.
For a number of participating interests there are substantial restrictions on the transfer of funds. These mainly relates to general restrictions (i.e. negative equity; no majority of the voting rights). In addition this concerns provisions requiring repayment of external debt to take precedence over dividends.

In 2016 the amount invested in associates and joint ventures included €8 million (2015: €8 million; 2014: €10 million) in goodwill.
No impairment was recognised on this goodwill in 2016, nor in 2015 and 2014.

To recognise the financial results of associates and joint ventures in a timely manner in the Group's financial reports, the cooperating entities have decided to adapt the financial year of these partnerships. The financial year of such partnerships often runs from 1 December to 30 November.

The share in the assets, liabilities, revenue and results of associates and joint ventures is as follows:

								31 December 2016
	Current assets	Fixed assets	Equity	Non-current liabilities	Current liabilities	Revenue	Costs	Profit/(loss)
Associates	67	48	49	47	19	84	–73	11
Joint ventures	249	18	23	128	116	165	–169	– 4
	316	66	72	175	135	249	–242	7
Goodwill of associates and joint ventures			8					
Total net investments in associates and joint ventures			80					
To assets held for sale			–					
To provision for negative participating interests			53					
			133					7
Result of associates and joint ventures of discontinued operations								–2
Result excluding discontinued operations								9

								31 December 2015
	Current assets	Fixed assets	Equity	Non-current liabilities	Current liabilities	Revenue	Costs	Profit/(loss)
Associates	69	46	45	44	26	118	–108	10
Joint ventures	288	42	49	96	185	213	–213	–
	357	88	94	140	211	331	–321	10
Goodwill of associates and joint ventures			8					
Total net investments in associates and joint ventures			102					
To assets held for sale			–					
To provision for negative participating interests			45					
			147					10
Result of associates and joint ventures of discontinued operations								2
Result excluding discontinued operations								8

								31 December 2014
	Current assets	Fixed assets	Equity	Non-current liabilities	Current liabilities	Revenue	Costs	Profit/(loss)
Associates	99	37	52	44	40	94	–81	13
Joint ventures	308	53	55	134	172	319	–313	6
	407	90	107	178	212	413	–394	19
Goodwill of associates and joint ventures			10					
Total net investments in associates and joint ventures			117					
To assets held for sale			–					
To provision for negative participating interests			40					
			157					19
Result of associates and joint ventures of discontinued operations								11
Result excluding discontinued operations								8

(20) Non-current receivables

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Non-current receivables from associates and joint ventures	62	54	50	70
Non-current receivables from third parties	54	68	63	43
Total	116	122	113	113

Non-current receivables from associates and joint ventures
Non-current receivables from associates and joint ventures relate mainly to finance provided to partnerships for the purpose of project development and delivery. These receivables have terms of less than five years and market interest rates are charged.

Non-current receivables from third parties
The item 'Non-current receivables from third parties' relates in particular to loans provided to clients to finance property development projects and loans issued to owners of certain land holdings who have agreed to sell these to VolkerWessels in the future.
The non-current receivables have terms of less than five years and market interest rates are charged.

In 2016 no provision was made for potentially uncollectible receivables, nor in 2015 and 2014.

With regard to the non-current receivables from third parties, sureties have been provided by the counterparties involved, e.g. in the form of a lien on shares and mortgage rights on the property and/or land for which the financing was provided.

(21) Other non-current assets

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Investments	5	5	7	7
Total	5	5	7	7

Investments mainly relate to unlisted participating interests over which the Group does not exercise a significant influence. In 2014 this included a 6% interest in a property company comprising houses and apartments in Germany, which was sold in 2015.

(22) Deferred tax assets and liabilities

Deferred tax assets and liabilities recognised in the statement of financial position
The net amount of deferred tax assets and liabilities resulting from temporary differences between the tax and commercial valuation of items in the statement of financial position and from the measurement of tax losses carried forward is composed as follows:

	Assets				Liabilities				Net			
	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Tangible fixed assets	2	2	2	15	–25	–36	–37	–21	–23	–34	–35	–6
Financial fixed assets	4	5	8	6	–	–	–1	–1	4	5	7	5
Land	21	22	25	24	–	–	–	–	21	22	25	24
Work in progress	3	2	2	5	–12	–11	–7	–6	–9	–9	–5	–1
Derivatives	1	6	5	5	–	–	–	–	1	6	5	5
Employee benefits	2	2	1	3	–2	–2	–2	–1	–	–	–1	2
Provisions	2	10	12	8	–10	–11	–7	–7	–8	–1	5	1
Other items	10	8	12	8	–6	–3	–3	–16	4	5	9	–8
Tax losses carried forward	40	54	55	58	–	–	–	–	40	54	55	58
Tax (assets) liabilities	85	111	122	132	–55	–63	–57	–52	30	48	65	80
Netting of tax assets and liabilities	–39	–49	–44	–29	39	49	44	29	–	–	–	–
Net tax (assets) liabilities	46	62	78	103	–16	–14	–13	–23	30	48	65	80

Deferred tax assets not recognised in the statement of financial position

	31 Dec 2016	31 Dec 2015	31 Dec 2014
The Netherlands	–	–	–
Foreign home markets	20	20	18
Total	20	20	18

The deferred tax assets not recognised in the statement of financial position must be offset within the following financial years:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Offset before or no later than in 2016	–	–	–
Offset before or no later than in 2017	–	–	–
Offset before or no later than in 2018	–	–	–
Offset before or no later than in 2019	–	–	–
Offset after 2019 but not without time limit	4	4	3
Can be offset unlimited	16	16	15
Total	20	20	18

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Deferred tax assets:				
– Maturity longer than 1 year	8	43	65	95
– Maturity less than 1 year	38	19	13	8
	46	62	78	103
Deferred tax liabilities:				
– Maturity longer than 1 year	–13	–7	–12	–17
– Maturity less than 1 year	–3	–7	–1	–6
	–16	–14	–13	–23
Net deferred tax assets and liabilities	30	48	65	80

The recognition of deferred tax assets and liabilities are as follows:

	2016	2015	2014
As at 1 January	48	65	80
Recognised in the profit and loss account	–16	–17	–15
Recognised in other comprehensive income	–1	–1	–1
Exchange differences	–1	1	1
As at 31 December	30	48	65

(23) Land

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
The Netherlands	208	224	238	234
Foreign home markets	22	29	22	18
Total	230	253	260	252

This item mainly relates to land acquired in order to be developed as a construction site in the near future.

Each year, the Group analyses the property holdings in the Netherlands and in the foreign home markets. These analyses focus on the riskiest positions, mainly in land and land developments, and are based on current expectations in respect of development potential, the development period and the price level.

The positions as included in the landbank in the Netherlands are spread throughout the whole country.

In the first quarter of 2017 an independent third party property valuer, valued the land positions in the Netherlands at a market value of €260 million.

The land shown as 'foreign home markets' is located mainly in the United States.

'Land' includes an impairment of €0 million recognised in financial year 2016 (2015: €5 million, 2014: €5 million).

(24) Property for sale

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Leased	59	86	74	58
Unleased	81	43	57	32
Impairments	–28	–41	–27	–9
Total	112	88	104	81

Property for sale includes a number of leased and unleased apartment buildings and houses.
In 2016 the Group recognised no downward revision in the income statement in respect of the book value of the unleased property, nor in 2015 and 2014.

(25) Inventories

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Property development	115	136	65	75
Raw materials and consumables	55	54	50	47
Finished goods and goods for sale	8	4	5	8
Impairments	–4	–4	–5	–4
Total	174	190	115	126

In 2016 the Group recognised a downward revision on raw materials and consumables, finished goods and goods for sale of €1 million (2015: €5 million; 2014: €6 million).
In 2016 no reversal of the reduction in the inventory value was recognised, nor in 2015 and 2014.

Property development

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Cost	727	606	505	480
Progress billings	–612	–470	–440	–405
Total	115	136	65	75

(26) Work in progress

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Cost, including result realised in proportion to progress, less provisions formed	8,492	8,046	8,381	8,303
Progress billings	–8,390	–7,912	–8,320	–8,252
Total	102	134	61	51
Balance of work in progress with a debit balance after deduction of progress billings	523	596	556	517
Balance of work in progress with a credit balance after deduction of progress billings	–421	–462	–495	–466
Total	102	134	61	51

A portion of the credit balance of work in progress is advance finance provided by clients.

The split between work performed in respect of construction contracts and service and maintenance is as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Work in progress on construction contracts				
Cost, including result realised in proportion to progress, less provisions formed	8,027	7,644	7,878	7,867
Progress billings	–7,928	–7,517	–7,834	–7,824
Total	99	127	44	43
Service and maintenance				
Cost, including result realised in proportion to progress, less provisions formed	465	402	503	436
Progress billings	–462	–395	–486	–428
Total	3	7	17	8

The composition of the progress billings is as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Composition of progress billings				
Instalments received	–8,029	–7,537	–7,895	–7,817
Outstanding instalments	–342	–354	–416	–410
Retained on instalments	–19	–21	–9	–25
Total	–8,390	–7,912	–8,320	–8,252

Advances received on projects, as recognised under other liabilities, amount to €6 million (2015: €5 million; 2014: €6 million).

A degree of uncertainty about the estimates relating to the valuation of work in progress and property development is inherent in the Company's operations, particularly as regards the expected costs to complete the work and, consequently, the recognised profit or expected loss, respectively, in relation to the progress.

(27) Trade and other receivables

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Trade receivables	584	600	627	607
less impairments	–14	–12	–13	–20
Net trade receivables	570	588	614	587
Receivables from associates and joint ventures	116	121	148	150
Current portion of non-current receivables	28	5	4	2
Amounts to be billed for completed works	38	36	29	39
Other receivables	92	113	109	82
Prepayments and accruals	50	47	43	39
Total	894	910	947	899

Trade and other receivables are due within one year.

Credit and currency risks as well as the impairments associated with trade and other receivables (excluding construction projects in progress) are discussed in note 41.

The age structure of trade receivables as at the reporting date is as follows:

	31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Gross	Provision	Gross	Provision	Gross	Provision
Not yet due	405	–	411	–	376	–
Overdue 1 to 60 days	118	–	126	–1	180	–1
Overdue 61 to 180 days	34	–1	33	–2	26	–1
Overdue 181 days to one year	6	–2	12	–3	12	–4
More than one year	21	–11	18	–6	33	–7
	584	–14	600	–12	627	–13
Less impairments	–14		–12		–13	
Net trade receivables	570		588		614	

(28) Assets and liabilities classified as held for sale

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Assets held for sale				
Other non-current assets	–	–	–	33
Inventories	7	5	5	2
Work in progress	–	2	2	5
Trade and other receivables	3	3	3	4
Cash and cash equivalents	–	1	–	–
Total	10	11	10	44
Liabilities held for sale				
Non-current liabilities	–	–	–	–
Current liabilities	8	5	5	4
Total	8	5	5	4

The assets and liabilities classified as held for sale relate to VRS Railway Industry BV. VRS Railway Industry BV is part of the segment Infrastructure and located in the Netherlands, the disposal is planned for the year 2017. The other non-current assets amounting to €33 million as at 1 January 2014 relates to an equity investment in a property development partnership in Canada which was sold in early 2014.

(29) Cash and cash equivalents

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Deposits	39	41	19	67
Cash and bank balances	373	366	290	178
Total	412	407	309	245

Deposits have a residual term of no more than one month and are callable at any time.
The availability of an amount of €36 million is subject to a restriction (2015: €32 million; 2014: €32 million). Of this amount, €17 million relates to restricted bank accounts (2015: €13 million; 2014: €13 million).

(30) Equity

For a numerical explanation of equity movements, see the consolidated statement of changes in equity.

Capital management
The policy of the Board of Management is aimed at maintaining a strong equity position to uphold the confidence of shareholders, creditors, credit providers and the markets and safeguard the future development of the Company's operations. The Board of Management is increasingly focused on the return on total invested capital in our Company (i.e. equity and net debt) and not merely on the return on equity. It is the balance between the return on equity and the return on net debt which is important. This is considered when deciding on the payment of dividends. There were no changes to the policy in 2016, 2015 and 2014.

Share capital
The authorised capital of €800,000 is divided into 80,000,000 (2015: 2,833,334) ordinary shares with a nominal value of €0.01 each. The increase in the number of ordinary shares was caused by an issue of new shares on 21 December 2016.
At 21 December 2016 all 315,616 preference shares were converted into ordinary shares.

Share premium reserve
The share premium reserve comprises the excess received on shares issued above their nominal value.

Translation reserve
Exchange differences arising on translation of the equity of foreign participations are credited or charged directly to the translation reserve.
In 2016 the change amounted to €9 million (2015: €-3 million; 2014: €22 million).

Statutory reserve for participating interests
The statutory reserve for participating interests consists of unappropriated results from participating interests, the distribution of which is subject to restrictions.

Hedging reserve
The hedging reserve comprises the cumulative change in the fair value of hedging instruments if the hedged transactions have not occurred or the hedged position has not yet been terminated.

Actuarial reserve
The actuarial reserve includes the cumulative change in the fair value of pension liabilities due to changes in actuarial valuations.

Dividends
No dividends were paid in the reporting year. The 2016 result attributable to shareholders of the Company amounts to €139 million. The proposal to the General Meeting of Shareholders is that a total dividend of €83,2 million will be paid. The remaining result shall be recognised in other reserves.

Composition of the Group
At the end of the reporting period the composition of the Group was as follows:

		Number 100% group companies (approximately)		
Segments	Country	31 Dec 2016	31 Dec 2015	31 Dec 2014
Construction & Real Estate Development	The Netherlands	300	300	300
Infrastructure	The Netherlands	100	100	100
Energy & Telecom Infrastructure	The Netherlands	30	40	40
United Kingdom	United Kingdom	30	30	30
North America	Canada / USA	10	10	10
Germany	Germany	70	70	70
Other	The Netherlands	40	40	40
Total		580	590	590

(31) Subordinated loans

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Shareholders' loans	–	498	872	1,146
Total	–	498	872	1,146

Subordinated loans
At 21 December 2016 the subordinated shareholder loans were converted to equity.

(32) Loans and other financing obligations

This note contains information on the contractual provisions of the interest-bearing loans and other financing obligations of the Group, which are recognised at amortised cost. For more information on the risk incurred by the Group on interest and currency, see note 41.

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Committed financing	–	163	224	156
Other financing	148	187	170	92
Finance lease obligations	44	50	62	56
	192	400	456	304
Repayment in coming year	–98	–107	–226	–82
Total	94	293	230	222

Committed financing
On 13 December 2016 the Company and Volker Wessels Stevin Financial Services BV (VWS FS) as borrowers, entered into a €600 million revolving credit facility (the RCF) under Dutch law. The RCF is provided by a syndicate of seven Dutch and non-Dutch lenders, being ABN AMRO Bank NV, BNP Paribas Fortis SA/NV Netherlands Branch, Coöperatieve Rabobank UA, Credit Agricole Corporate and investment Bank, Belgium Branch, HSBC Bank Plc, ING Bank NV and MUFG Bank (Europe) NV. The RCF is based on Loan Market Association investment grade documentation. Several Dutch asset companies guarantee the obligations of the borrowers under the RCF. No security other than these guarantees is provided. Interest under the RCF is based on EURIBOR (with a 0% floor) plus a margin (which is calculated according to a leverage grid in a range of 95 basis points and 175 basis points, based on net debt to EBITDA ratio). The effective interest rate is approximately equal to the nominal interest rate. The RCF can be used by the VolkerWessels group for general corporate and working capital purposes (including acquisitions, capital expenditure, dividends, distributions and interest expenses). The RCF also contains an uncommitted accordion feature which allows the Company to request an increase in the facility of up to €200 million. The RCF terminates on 31 January 2022.
The RCF contains customary mandatory prepayment events for a facility of this type including illegality, change of control and certain disposals (subject to agreed exceptions and thresholds). In addition, the RCF contains several market standard undertakings and default events and includes the following financial covenants which are tested on a semi-annual basis on 30 June and 31 December (the test dates):
- Leverage Ratio (being the ratio of consolidated total net recourse debt to consolidated LTM EBITDA) must be less than 2.75:1 at each test date.
- Interest Cover Ratio (being the ratio of consolidated LTM EBITDA to the consolidated net interest expense) must be at least 5.00:1 at each test date.

The RCF stipulates that VolkerWessels may pay a dividend to its shareholders of up to 75% of its net result per financial year (the "Basket"). A dividend exceeding that Basket may be paid provided that the projected Leverage on the first relevant Test Date after that dividend payment is expected to be less than 2.00:1. The dividend arrangement under the RCF also contains a carry forward arrangement for unused amounts in respect of a previous year where the dividend payment was less than the Basket. As at 31 December 2016, VolkerWessels had no outstanding borrowings under the RCF.

Non-recourse financing is project financing where the lender can only recover the cash and assets of that particular project.
In a project the lender has little or no recourse against other group companies.

Other financing
These loans were mainly drawn to finance land for property development and property development projects in progress and, where possible, were obtained on a stand-alone basis with several banks. At the balance sheet date an amount of €88 million (2015: €160 million; 2014: €176 million) relates to non-recourse financing. This non-recourse financing relates to securities held in the form of mortgages and liens on project-related land and/or buildings or future project results. The interest on these loans is mostly variable and based on Euribor plus a margin.

Uncommitted credit facilities
Facilities in the Netherlands
The VolkerWessels group has three overdraft facilities in the Netherlands of €60 million in total, to support its cash management: an uncommitted overdraft facility of €30 million with ABN Amro Bank NV, an uncommitted overdraft facility of €20 million with ING Bank NV and an uncommitted overdraft facility of €10 million with Coöperatieve Rabobank UA.

UK facility
In the UK, BNP Paribas, London Branch has provided a current account facility of GBP 10 million to VolkerWessels UK Limited, a subsidiary of the Company.

Canadian facilities
The VolkerWessels group has access to an uncommitted credit facility of CAD 23 million and an uncommitted lease facility of CAD 22 million in Canada.

US uncommitted facility
In the US, Columbia State Bank has extended an uncommitted loan facility of USD 4 million to MidMountain Contractors, Inc., a subsidiary of the Company.

Financial lease obligations
Financial lease agreements for a total sum of €11 million (2015: €9 million; 2014: €10 million) were concluded during the reporting year. These agreements are mainly for financing the purchase, replacement or expansion of plant and buildings and vehicles and special equipment in the Infrastructure segment.

The term of the finance leases are as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Less than 1 year	14	18	20
Later than 1 year and less than or equal to 5 years	30	32	42
More than 5 years	–	–	–
Future finance charges on finance leases	44	50	62

The present value of finance lease liabilities is as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Less than 1 year	14	18	20
Later than 1 year and less than or equal to 5 years	28	30	40
More than 5 years	–	–	–
Present value of finance lease liabilities	42	48	60

(33) Derivatives

	31 December 2016		
	Assets	Liabilities	Fair value
Interest rate swaps – non-current	–	–	–
Interest rate swaps – current	–	–5	–5
Total	–	–5	–5

	31 December 2015		
	Assets	Liabilities	Fair value
Interest rate swaps – non-current	–	–16	–16
Interest rate swaps – current	–	–3	–3
Total	–	–19	–19

	31 December 2014		
	Assets	Liabilities	Fair value
Interest rate swaps – non-current	–	–25	–25
Interest rate swaps – current	–	–3	–3
Total	–	–28	–28

The most significant interest rate swaps relate to the hedging of the interest rate risk on the committed financing. For this, an interest rate swap was entered into for an amount of €250 million.

A number of interest rate swaps were also arranged to hedge the interest rate risk on some project-related financing facilities.

Net debt (– = assets)

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Cash and cash equivalents	–412	–407	–309	–245
Non-current loans and other financing obligations	94	293	230	222
Non-current derivatives	–	16	25	20
Bank overdrafts	26	50	69	59
Current loans and other financing obligations	98	107	226	82
Current derivatives	5	3	3	–
Net debt (-= assets)	–189	62	244	138
Non-recourse financing	–88	–160	–176	–58
Net assets adjusted for non-recourse financing	–277	–98	68	80

(34) Employee benefits

Employee benefits relate to defined benefit plans, long-service awards and other employee-related obligations.
Their composition is as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Present value of unfunded schemes	–4	–4	–5	–6
Present value of funded schemes	–90	–87	–88	–73
	–94	–91	–93	–79
Fair value of the plan assets	89	86	86	68
Present value of net obligations	–5	–5	–7	–11
Other employee benefit obligations	–50	–28	–16	–11
Long-service award obligations	–15	–15	–14	–12
Total	–70	–48	–37	–34
Non-current portion	–59	–35	–32	–31
Current portion	–11	–13	–5	–3
Total	–70	–48	–37	–34

Other employee-related obligations concern a long term investment scheme for a particular group of employees that is payable more than one year after the reporting date, as well as obligations in Canada and the US.

Commitments for defined benefit plans in the Netherlands
Pension schemes apply to a number of group companies in the Netherlands with a commitment being included in the statement of financial position. Most of these schemes have now been closed to new entrants.

Defined contribution plans in the Netherlands
The vast majority of workers in the Netherlands participate in an industry-wide pension scheme or an insured scheme with an insurance company.

Below is a summary of the most significant industry-wide schemes within the Group:

Pensioenfonds voor de Bouwnijverheid and Pensioenfonds Metaal en Techniek (Dutch pension fund for the construction industry and Dutch pension fund for the metal and engineering industry)

Both funds carry an indexed career average pension scheme. These defined benefit plans are recognised as defined contribution plans because the funds accounts are not designed to be able to identify the part of the pension liabilities and assets belonging to the Group.
The Group is obliged to pay a pre-agreed contribution to these plans. The Group is not entitled to any surplus and is not liable for any deficit, except by future adjustments to the contribution rates. The coverage ratio of Pensioenfonds voor de Bouwnijverheid at 31 December 2016 was 105.4%, a decrease of 5.5% compared to 31 December 2015. The coverage ratio of Pensioenfonds Metaal en Techniek at 31 December 2016 was 97.2 %, a decrease of 0.2% compared to 31 December 2015.

Spoorwegpensioenfonds (Dutch railway pension fund)

For accounting purposes, this scheme qualifies as a defined contribution plan. A distinguishing feature of this pension scheme is that the company is obliged to pay a predetermined annual contribution to this fund. Once the agreed premium has been paid, the company has no obligation to pay additional amounts in the event of a deficit in the fund. Likewise, VolkerWessels group companies are not entitled to any surpluses in the fund. The actuarial risks and investment risks are borne by the pension fund and its participants. The coverage ratio at 31 December 2016 was 102.7%, a decrease of 3.4% compared to 31 December 2015.

Obligation to defined benefit plans in the United Kingdom

The Group has a number of defined benefit plans in the United Kingdom whose employment commenced before 1 January 2005. The accrual of these defined benefit plans ended on 31 December 2007 and has been fully financed through annual contributions to the pension funds.

Obligation to defined benefit plans in Germany

In Germany, the Group has several smaller defined benefit plans.

Below is a summary of the changes in the obligations arising from defined benefit plans:

Pension scheme assets	The Netherlands	UK	Germany	Total
Pension scheme assets on 1 January 2016	32	54	–	86
Foreign currency exchange differences	–	–8	–	–8
Return on plan assets	1	2	–	3
Employer's contribution	–	1	–	1
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	–1	–2	–	–3
Actuarial results	2	8	–	10
Pension scheme assets on 31 December 2016	34	55	–	89

Pension obligation	The Netherlands	UK	Germany	Total
Pension obligation as at 1 January 2016	–36	–52	–3	–91
Foreign currency exchange differences	–	7	–	7
Service costs	–	–	–	–
Interest expenses	–1	–1	–	–2
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	1	3	–	4
Actuarial results	–3	–9	–	–12
Pension obligation as at 31 December 2016	–39	–52	–3	–94
Net obligation recognised in the statement of financial position				
Balance of obligations and plan assets as at 31 December 2016	–5	3	–3	–5

Status of pension fund	The Netherlands	UK	Germany	Total
Gross pension obligation as at 1 January 2016	–5	3	–3	–5
Unrecognised assets	–	–	–	–
Net pension obligation as at 1 January 2016	–5	3	–3	–5
Foreign currency exchange differences	–	–	–	–
Recognised actuarial result (including exchange effect on actuarial reserve)	–	–	–	–
Paid pension contributions and disbursed pensions	–	–	–	–
Pension expense accounted for in income statement	–	–	–	–
Net pension obligation as at 31 December 2016	–5	3	–3	–5

Pension scheme assets	The Netherlands	UK	Germany	Total
Pension scheme assets on 1 January 2015	33	53	–	86
Foreign currency exchange differences	–	3	–	3
Return on plan assets	1	2	–	3
Employer's contribution	–	1	–	1
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	–1	–3	–	–4
Actuarial results	–1	–2	–	–3
Pension scheme assets on 31 December 2015	32	54	–	86

Pension obligation	The Netherlands	UK	Germany	Total
Pension obligation as at 1 January 2015	–37	–52	–4	–93
Foreign currency exchange differences	–	–3	–	–3
Service costs	–	–	–	–
Interest expenses	–1	–2	–	–3
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	2	3	1	6
Actuarial results	–	2	–	2
Pension obligation as at 31 December 2015	–36	–52	–3	–91
Net obligation recognised in the statement of financial position				
Balance of obligations and plan assets as at 31 December 2015	–4	2	–3	–5

Status of pension fund	The Netherlands	UK	Germany	Total
Gross pension obligation as at 1 January 2015	–4	1	–4	–7
Unrecognised assets	–	–	–	–
Net pension obligation as at 1 January 2015	–4	1	–4	–7
Foreign currency exchange differences	–	–	–	–
Recognised actuarial result (including exchange effect on actuarial reserve)	–1	1	–	–
Paid pension contributions and disbursed pensions	1	–	1	2
Pension expense accounted for in income statement	–	–	–	–
Net pension obligation as at 31 December 2015	–4	2	–3	–5

Pension scheme assets	The Netherlands	UK	Germany	Total
Pension scheme assets on 1 January 2014	28	40	–	68
Foreign currency exchange differences	–	3	–	3
Return on plan assets	1	2	–	3
Employer's contribution	–	1	–	1
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	–1	–1	–	–2
Actuarial results	5	8	–	13
Pension scheme assets on 31 December 2014	33	53	–	86

Pension obligation	The Netherlands	UK	Germany	Total
Pension obligation as at 1 January 2014	–35	–41	–4	–80
Foreign currency exchange differences	–	–3	–	–3
Service costs	–	–	–	–
Interest expenses	–1	–2	–	–3
Employee contribution	–	–	–	–
Curtailment	–	–	–	–
Pension benefits paid	2	2	–	4
Actuarial results	–3	–8	–	–11
Pension obligation as at 31 December 2014	–37	–52	–4	–93
Net obligation recognised in the statement of financial position				
Balance of obligations and plan assets as at 31 December 2014	–4	1	–4	–7

Status of pension fund	The Netherlands	UK	Germany	Total
Gross pension obligation as at 1 January 2014	–7	–	–4	–11
Unrecognised assets	–	–	–	–
Net pension obligation as at 1 January 2014	–7	–	–4	–11
Foreign currency exchange differences	–	–	–	–
Recognised actuarial result (including exchange effect on actuarial reserve)	2	–	–	2
Paid pension contributions and disbursed pensions	2	1	–	3
Pension expense accounted for in income statement	–1	–	–	–1
Net pension obligation as at 31 December 2014	–4	1	–4	–7

The plan assets consist of:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Cash and other insurance contracts	33	31	32
Shares	22	23	22
Bonds and receivables	34	32	32
Total	89	86	86

The actual return on the plan assets was €13 million in 2016 (2015: €1 million; 2014: €15 million).

Expenses recognised in the income statement for defined benefit plans

2016	The Netherlands	UK	Germany	Total
Service costs	–	–	–	–
Interest expenses	–1	–2	–	–3
Return on plan assets	1	2	–	3
Curtailments	–	–	–	–
Total	–	–	–	–

2015	The Netherlands	UK	Germany	Total
Service costs	–	–	–	–
Interest expenses	–1	–2	–	–3
Return on plan assets	1	2	–	3
Curtailments	–	–	–	–
Total	–	–	–	–

2014	The Netherlands	UK	Germany	Total
Service costs	–	–	–	–
Interest expenses	–1	–2	–	–3
Return on plan assets	1	2	–	3
Curtailments	–	–	–	–
Total	–	–	–	–

These costs were included in the following items in the income statement:

2016	The Netherlands	UK	Germany	Total
Personnel expenses	–	–	–	–
Net financial result	–	–	–	–
Total	–	–	–	–

2015	The Netherlands	UK	Germany	Total
Personnel expenses	–	–	–	–
Net financial result	–	–	–	–
Total	–	–	–	–

2014	The Netherlands	UK	Germany	Total
Personnel expenses	–	–	–	–
Net financial result	–	–	–	–
Total	–	–	–	–

Actuarial assumptions

The main actuarial assumptions for 2016 were as follows:

	The Netherlands	UK	Germany
Discount rate	1.63%	2.60%	1.40%
Return on plan assets	1.63%	2.08%	0.00%
Future salary increases	0.00%	3.30%	0.00%
Inflation	0.75%	2.80%	2.00%

The main actuarial assumptions for 2015 were as follows:

	The Netherlands	UK	Germany
Discount rate	2.07%	3.70%	1.90%
Return on plan assets	2.07%	2.96%	0.00%
Future salary increases	0.00%	0.00%	0.00%
Inflation	0.75%	2.60%	2.00%

The main actuarial assumptions for 2014 were as follows:

	The Netherlands	UK	Germany
Discount rate	2.25%	3.40%	2.05%
Return on plan assets	2.25%	2.72%	0.00%
Future salary increases	0.00%	0.00%	0.00%
Inflation	0.50%	2.60%	2.00%

The applied discount rate is based on the return on high-quality European corporate bonds as at the reporting date.
The expected return on plan assets is determined by taking into account the expected long-term return on investments under the schemes, as well as the distribution of investments across the various investment categories, such as shares, bonds and other types of investment, and also expected material changes in the relative proportions of the various investment categories in the near future.
Expectations in respect of future mortality rates and life expectancy are based on published mortality tables.

Historical information

	2016	2015	2014	2013	2012
Present value of obligations under defined benefit plans	–94	–91	–93	–79	–85
Fair value of plan assets	89	86	86	68	69
Present value of net obligation	–5	–5	–7	–11	–16

Experience adjustments

	2016	2015	2014
Experience adjustments arising on file developments	–9	2	–1
Experience adjustments arising on adjustment mortality table	–	–2	–
Experience adjustments arising on adjustment discount rate	8	–	3
Total	–1	–	2

(35) Provisions

	Guarantees	Reorganisation	Associates and joint ventures	Environmental and remediation costs	Other	Total
As at 1 January 2016	90	16	45	4	52	207
Addition	12	10	8	–	13	43
Withdrawal	–8	–12	–	–2	–7	–29
Release	–15	–6	–	2	–7	–26
Interest accrual	1	–	–	–	1	2
As at 31 December 2016	80	8	53	4	52	197
Non-current portion	61	2	48	2	36	149
Current portion	19	6	5	2	16	48
Total	80	8	53	4	52	197

	Guarantees	Reorganisation	Associates and joint ventures	Environmental and remediation costs	Other	Total
As at 1 January 2015	80	12	40	9	52	193
Acquisitions	–	–	–	–	–4	–4
Addition	26	17	5	–	16	64
Withdrawal	–7	–13	–	–	2	–18
Release	–7	–	–	–5	–14	–26
Interest accrual	–2	–	–	–	–	–2
As at 31 December 2015	90	16	45	4	52	207
Non-current portion	66	2	32	3	36	139
Current portion	24	14	13	1	16	68
Total	90	16	45	4	52	207

	Guarantees	Reorganisation	Associates and joint ventures	Environmental and remediation costs	Other	Total
As at 1 January 2014	68	14	29	9	67	187
KonderWessels Holding, Germany (1 January 2014)	5	–	–	–	–	5
Proportional consolidation Joint Operations (1 January 2014)	–	–	–	–	3	3
Total as at 1 January 2014	73	14	29	9	70	195
Foreign currency exchange differences	–	–	–	–	1	1
Addition	20	14	11	1	13	59
Withdrawal	–8	–15	–	–1	–19	–43
Release	–7	–1	–	–	–13	–21
Interest accrual	2	–	–	–	–	2
As at 31 December 2014	80	12	40	9	52	193
Non-current portion	70	9	23	9	47	158
Current portion	10	3	17	–	5	35
Total	80	12	40	9	52	193

The purpose of the provision for guarantees is to cover potential liabilities in respect of completed works within the guarantee periods.

The restructuring provision relates to expenditure in respect of changes to the operational structure that are deemed necessary in order to continue to respond to changing market demands.

A provision for restructuring is recognised only when the Group has approved a detailed and formal restructuring plan and the restructuring has commenced or been publicly announced.

The provision for environmental and remediation costs is meant to cover potential expenditure on environmental modifications.

The provisions for other risks are varied and are meant to cover potential liabilities arising from claims, legal cases, additional disability and sickness benefits, and old competition fines, etc.

The non-current part of the provisions (excluding the provision for associates and joint ventures) has been discounted at a rate of 2% (2015: 2%; 2014: 2%).

(36) Bank overdrafts

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Bank overdrafts	26	50	69	59

(37) Trade and other payables

	31 Dec 2016	31 Dec 2015	31 Dec 2014	1 Jan 2014
Advances received on projects	6	5	6	22
Trade payables	842	826	725	694
Other creditors and accrued expenses	273	319	285	243
Amounts owed to associates	9	13	15	17
Amounts owed to joint ventures	10	14	23	52
Taxes and social charges	133	114	126	107
Expected accrual on delivered projects	53	79	58	84
Holiday accrual	50	54	54	51
Accruals and deferred income	130	128	154	165
Total	1,506	1,552	1,446	1,435

(38) Contingent liabilities

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Guarantees			
Guarantees relating to performance	549	679	592
Guarantees relating to credit facilities	1	1	2
Guarantees relating to prepayments received	11	64	18
Guarantees issued to clients based in North America	230	176	119
Total bank guarantees	791	920	731
Guarantees relating to performance	1,791	2,050	1,252
Guarantees relating to credit facilities	217	256	278
Guarantees relating to prepayments received	–	1	6
Total parent company guarantees	2,008	2,307	1,536

From the total bank guarantees as at 31 December 2016 an amount of €33 million (2015: €97 million; 2014: €71 million) relates to joint ventures.
From the total parent company guarantees as at 31 December 2016 an amount of €132 million (2015: €242 million; 2014: €272 million) relates to joint ventures.

Bank guarantees
At the request of a project company or subsidiary of the Company, the VolkerWessels group may request a financial institution to provide a guarantee or bond (bank guarantee) to its clients. A bank guarantee typically guarantees the (performance and/or warranty) obligations of such project company or subsidiary under a (construction and/or maintenance) agreement. Each bank guarantee is issued under a bank guarantee or bonding facility and the borrower of such facility is a holding and/or operating company of the VolkerWessels group. As the obligations of each borrower are also counter-indemnified by one or more (other) holding companies within the VolkerWessels group, a provider of a bank guarantee or bonding facility has recourse against the VolkerWessels group. The VolkerWessels group strives to provide the counter-indemnities for a bank guarantee or bonding facility at the lowest possible (holding company) level to avoid cross-links between its various segments as much as possible.

The VolkerWessels group has entered into bank guarantee or bonding facilities with various financial institutions. Bank guarantees in Europe typically guarantee a part of the contract price whereas bank guarantees in North America guarantee up to the full contract price. In Europe bank guarantees are provided by both banks and insurance companies, however, in North America insurance companies typically provide bank guarantees. The wording of each bank guarantee is tested on compliance with our internal guarantee policy guidelines.
bank guarantees relating to credit facilities are issued typically as security for project financings which have been granted in connection with a construction project or as security for a bank guarantee or bonding facility. Bank guarantees relating to prepayments received reflect prepayments received in connection with construction projects.

Parent company guarantees
At the request of a project company or subsidiary of the Company, certain holding companies within the VolkerWessels group may provide a parent company guarantee (a "PCG").
A PCG mainly guarantees the performance and/or warranty obligations of such project company or subsidiary under a construction and/or maintenance agreement. Providing a PCG is carefully considered and the text of a PCG is tested on compliance with our internal guarantee policy guidelines. The VolkerWessels group aims to provide a PCG at the lowest possible holding company level to avoid cross links between its various segments as much as possible.

Other contingent liabilities

	Within 1 year	2 years	3-5 years	After 5 years	Total 31 Dec 2016
Lease agreements	33	23	19	–	75
Rental agreements	22	20	49	32	123
Leasehold agreements	1	1	2	1	5
(Contingent) obligation to purchase building land	44	16	22	50	132
Property, plant and equipment under construction	1	–	–	–	1
Other	31	2	3	–	36
Total	132	62	95	83	372

	Within 1 year	2 years	3-5 years	After 5 years	Total 31 Dec 2015
Lease agreements	39	25	22	1	87
Rental agreements	18	18	42	38	116
Leasehold agreements	1	1	2	2	6
(Contingent) obligation to purchase building land	48	25	21	44	138
Property, plant and equipment under construction	–	–	–	–	–
Other	28	5	3	–	36
Total	134	74	90	85	383

	Within 1 year	2 years	3-5 years	After 5 years	Total 31 Dec 2014
Lease agreements	40	25	18	2	85
Rental agreements	20	17	40	32	109
Leasehold agreements	–	–	2	2	4
(Contingent) obligation to purchase building land	36	23	15	38	112
Property, plant and equipment under construction	–	–	–	–	–
Other	23	1	1	–	25
Total	119	66	76	74	335

The obligations arising from lease agreements relate mainly to vehicles. In the 2016 financial year an expense from an operational lease of €36 million (2015: €41 million; 2014: €49 million) was recognised in the income statement.

The obligations under rental agreements relate mainly to property.

In the Netherlands and Germany land purchase commitments have been entered into amounting to €132 million (2015: €138 million; 2014: €112 million).

If a construction consortium is set up in the form of a general partnership, joint and several liability is only recognised if, and insofar as, this is prompted by the financial status of the consortium and/or that of one or more partners therein. The total obligation to third parties of entities for which the Group is jointly and severally responsible (such as general partnerships) at year-end 2016 amounts to €472 million (2015: €326 million; 2014: €414 million), of which €204 million (2015: €287 million; 2014: €225 million) relates to joint ventures.

Off-balance sheet assets and liabilities
The Group selectively sells residential property at a discount, sharing in any gain on resale. The activities that use this scheme lead initially to a loss at the inception of the transaction, which is recognised as an expense. As the size and timing of the future gains on resale are uncertain, the respective entitlement qualifies as a contingent asset. Any future gains are recognised at the time of resale.

The Group has substantial contingent assets in respect of current proceedings and disputes with clients. It is impossible to determine with sufficient certainty the amount and the timing of receipt of any economic benefits. Accordingly, these contingent assets are not recognised.

(39) Related party transactions

The Group identifies the shareholders, subsidiaries, associates, joint arrangements and key management as related parties.

The transactions with the shareholders and key management can be specified as follows:
- VolkerWessels (ultimate) shareholders, including close family members of the VolkerWessels (ultimate) shareholders and entities (in)directly controlled by VolkerWessels' (ultimate) shareholders (together called: Reggeborgh entities);
- joint ventures between VolkerWessels companies and Reggeborgh entities (Joint ventures between VolkerWessels and Reggeborgh);
- entities where Reggeborgh entities have the ability to exercise significant influence (Reggeborgh associates);
- VolkerWessels' Management Board and Supervisory Board (to the extent they are not a Reggeborgh entity), including legal entities controlled by individual Executive- and Supervisory Board members (Management Board).

Related party transactions with the shareholders and key management can be categorized as follows:
- sales transactions to related parties in the ordinary course of business;
- purchase transactions from related parties in the ordinary course of business;
- other related party transactions;
- key management compensation.

We refer to note 19 & 20 for the relation between the Group and the associates and joint ventures.

All related party transactions have been concluded at arm's length.

Sales transactions to related parties in the ordinary course of business

Sales transactions to related parties in the ordinary course of business can be specified as follows:

	Transaction value			Outstanding balance as at 31 December			Commitments as at 31 December		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Sales by:									
- VolkerWessels consolidated entities	179	115	151	16	15	16	97	123	117
- VolkerWessels joint ventures	–	–	–	–	–	–	3	–	–
- VolkerWessels associates	9	5	3	1	–	–	6	12	–
Total	188	120	154	17	15	16	106	135	117
Sales to:									
- Reggeborgh entities	148	89	52	14	11	10	88	115	106
- Joint ventures between VolkerWessels and Reggeborgh	30	26	44	2	3	6	13	20	11
- Reggeborgh associates	10	5	58	1	1	–	–	–	–
- Management Board	–	–	–	–	–	–	5	–	–
Total	188	120	154	17	15	16	106	135	117

Sales to Reggeborgh entities primarily consist of:

- construction revenue in the Construction & Real Estate Development segment, including land and real estate completed, to Reggeborgh entities of €102 million (2015: €59 million; 2014: €18 million);
- construction revenue in the Germany segment, including land and real estate completed, to Reggeborgh entities of €46 million (2015: €30 million; 2014: €34 million).

The total commitment at year-end 2016 amounts to €88 million (2015: €115 million; 2014: €106 million) and relates to construction contracts for the delivery of real estate concluded but not yet completed or delivered.

Sales to joint ventures between VolkerWessels and Reggeborgh primarily consist of:

- construction revenue in the Construction & Real Estate Development segment, of €29 million (2015: €16 million; 2014: €17 million);
- construction revenue in the Germany segment, of €1 million (2015: €10 million; 2014: €27 million).

The total commitment at year-end 2016 amounts to €13 million (2015: €20 million; 2014: €11 million) and relates to construction contracts concluded but not yet completed or delivered.

Sales to Reggeborgh associates primarily consist of:

- revenue in the Energy & Telecom Infrastructure segment related to maintenance of oil terminals of a Reggeborgh associate of €10 million (2015: €3 million; 2014: €0 million);
- construction revenue in the Energy & Telecom Infrastucture segment and the Construction & Real Estate Development segment for a Reggeborgh associate until 8 October 2015 of €2 million in 2015 (2014: €3 million);
- construction revenue in the Energy & Telecom Infrastructure segment and the Construction & Real Estate Development segment for a Reggeborgh associate that was divested in 2014 of €55 million.

Sales to the Management Board primarily consist of:

- construction revenue, including real estate sold in the Construction & Real Estate Development segment for the year 2016 €0,3 million (2015: €0,2 million; 2014: €0,4 million). All these purchases were approved by the Supervisory Board.

The total commitment at year-end 2016 amounts to €5 million (2015: €0 million; 2014: €0 million) and relates to construction contracts for the delivery of real estate concluded but not yet completed or delivered.

Purchase transactions from related parties in the ordinary course of business

Purchase transactions from related parties in the ordinary course of business can be specified as follows:

	Transaction value			Outstanding balance as at 31 December			Commitments as at 31 December		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Purchases by:									
- VolkerWessels consolidated entities	13	10	10	3	–	–	52	50	45
- VolkerWessels joint ventures	–	–	–	–	–	–	–	–	–
- VolkerWessels associates	–	–	–	–	–	–	–	–	–
Total	13	10	10	3	–	–	52	50	45
Purchases from:									
- Reggeborgh entities	7	6	6	–	–	–	43	41	39
- Joint ventures between VolkerWessels and Reggeborgh	2	–	–	2	–	–	–	–	–
- Reggeborgh associates	4	4	4	1	–	–	9	9	6
- Management Board	–	–	–	–	–	–	–	–	–
Total	13	10	10	3	–	–	52	50	45

Purchases from Reggeborgh entities primarily consist of:

- rent of property in ten locations, of which nine in the Netherlands and one in Germany from Reggeborgh entities of €6 million (2015: €5 million; 2014: €5 million);
- management- and monitoring fees, including charged expenses to VolkerWessels companies for an aggregate approximate amount of €1 million per year, including Supervisory Board remuneration of Supervisory Board members of VolkerWessels delegated by Reggeborgh entities;
- purchases from joint ventures in 2016 relate to the purchase of land from a joint venture between a Reggeborgh entity and a VolkerWessels company.

The total commitment at year-end 2016 amounts to €43 million (2015: €41 million; 2014: €39 million) and mainly relates to the contractually agreed rent period.

Purchases from Reggeborgh associates primarily consist of:

- rent of property in two locations from Reggeborgh associates of €1 million per year;
- Reggeborgh associates delivering construction materials and services to VolkerWessels companies for an amount of €2 million each year;
- a Reggeborgh associate delivering gasoil to a VolkerWessels Offshore company classified as discontinued operation for an amount of €1 million each year.

The total commitment at year-end 2016 amounts to €9 million (2015: €9 million; 2014: €6 million) and mainly relates to the contractually agreed rent period.

Other related party transactions

Acquisition of KondorWessels Germany GmbH

On 28 December 2016, VWS International BV acquired from a Reggeborgh entity 94.88% of the shares in the German company Kondor Wessels Holding GmbH. The remaining 5.12% of the shares in Kondor Wessels Holding GmbH continues to be held by a another Reggeborgh entity.

Joint ventures between VolkerWessels and Reggeborgh entities

Certain VolkerWessels companies, active in the Construction & Real Estate Development segment and in the Germany segment, hold joint participations in property development companies together with Reggeborgh entities. The range of participations of the Reggeborgh entities varies from 27.5% to 65% in the Construction & Real Estate Development and from 37.5% to 50% in the Germany segment.

The amount of equity provided by Reggeborgh entities as at 31 december of each year was as follows:

	2016	2015	2014
Amount of equity provided to joint ventures as at 31 December			
Construction & Real Estate Development	28	22	29
Germany	1	8	40
Total	29	30	69

Loans to VolkerWessels joint ventures

Reggeborgh entities provided loans to joint ventures in the Construction & Real Estate Development segment and in the Germany segment. Movements in the loans provided can be specified as follows:

	2016	2015	2014
Project loans provided by Reggeborgh entities to joint ventures with the Construction & Real Estate Development segment			
Loans as at 1 January	9	6	7
Provided during the year	1	6	–
Repaid during the year	–5	–3	–1
Loans as at 31 December	5	9	6

	2016	2015	2014
Project loans provided by Reggeborgh entities to joint ventures with the Germany segment			
Loans as at 1 January	–	6	9
Provided during the year	–	–	–
Repaid during the year	–	–6	–3
Loans as at 31 December	–	–	6

VolkerWessels paid approximately 5 % interest per year.

Loans to VolkerWessels Associates

In 2015, a Reggeborgh entity provided a loan of €3 million to an associate of VolkerWessels, of which an amount of €2 million was outstanding as at 31 December 2016.

Subordinated Shareholder Loans

From 2014 through 2016, Reggeborgh entities provided subordinated shareholder loans to VolkerWessels BV:

	2016	2015	2014
Shareholder loans as at 1 January	498	872	1,146
Provided during the year	35	–	15
Converted into equity	–544	–400	–330
Compounded interest	11	26	41
Shareholder loans as at 31 December	–	498	872

In 2014, an amount of €330 million of cumulative preference shares was reclassified and converted into ordinary equity. In 2015, an amount of €400 million of shareholder loans was converted into cumulative preference shares, placed with a Reggeborgh entity. These preference shares were converted into ordinary equity in 2016. In 2016, an amount of €544 million was converted into ordinary shares, placed with a Reggeborgh entity. Compounded charged interest amounted to 5% in 2014 and 3% in 2015 and 2016. No shareholder loans were outstanding as at 31 December 2016.

Loans to Other VolkerWessels Companies

In 2014 and 2015, a Reggeborgh entity provided a loan for an amount of up to €75 million to a VolkerWessels company, with the purpose to refinance its outstanding bank debt. VolkerWessels paid an interest margin of 2,25% above EURIBOR during these years. As at 31 december 2016, the loan was fully repaid.

Financing- and treasury arrangements with Kondor Wessels Holding GmbH

In the years 2014 through 2016, a Reggeborgh entity provided loans to and received deposits from Kondor Wessels Holding GmbH. In addition, an interest rate swap with an annual interest of €1,3 million on a notional amount of €30 million existed between those parties. All loans, deposits and the interest rate swap were settled prior to 31 December 2016.

Other related party financing arrangements

In 2015 a cooperation agreement has been concluded between VolkerWessels and a third party for a specific development project. VolkerWessels will perform future construction activities within the scope of this project, while a Reggeborgh entity provided a loan of €30 million to this third party.

Key management compensation

Key management includes members of the Management Board and the Supervisory Board.

Management Board remuneration

The remuneration of the Board of Management consists of the following components:
- annual base pay;
- pension and other benefits;
- short-term incentive;
- management participation plan.

The Board of Management are eligible to participate in the Company's long-term management participation plan. Together with a group of over 150 managers, the Board of Management may share in the profits of the Company by holding, through a management investment company, a leveraged profit participating loan, which instrument has been issued by the Company. Participation in the management participation plan is subject to a limited investment by, and the continued employment of, the participants with the Company. The management participation plan is intended to drive sustainable performance with due regard of the risk-appetite of the Company and to foster alignment of interests of the participants with shareholders.

The interest on the profit participating loan is dependent on the financial performance of the Company as a whole and is calculated as a percentage of the operational profit before tax. At the end of each performance year, once the financial statements for that year are finalised, the interest payments to the management investment company (and therefore to the participants) are made. At that time, one-third of the entitlement is paid out, whilst the remaining two-thirds is deferred in two equal annual instalments.

Deferred payments can be adjusted downwards, in part or in full, if the Company incurs losses in future years or the MPP entitlement over a certain performance year has been based on incorrect data. In addition, good and bad leaver provisions apply. In unforeseen circumstances, the Supervisory Board may adjust or terminate the management participation plan, in whole or in part, without the approval of the participants being required.

The remuneration of the members of the Board of Management (excluding Mr. J.A. de Ruiter) can be specified as follows:

	2016	2015	2014
Remuneration of Board of Management			
Annual base pay	1,9	1,8	1,8
Pension and other benefits	0,6	0,3	0,4
Short-term incentive	1,5	1,4	1,1
Management participation plan	12,4	4,2	5,0
Total	16,4	7,7	8,3

The amount paid in the financial year as short-term incentive, relates to the previous performance year.
The benefits due to the Board of Management (excluding Mr. J.A. de Ruiter) under the management participation plan amounted to €9,3 million for the year 2016, payable in the years 2017–2019. This amount consists of €3,2 million relating to the 2016 performance and the remainder relates to the better than expected performance of the Company over the performance period 2014–2016, including the one-off financial result from the sale of the offshore activities in 2016. The applicable cost of the management participation plan to the Company is €12,4 million, the difference being the corporate tax payable by the management investment company (2015: €4,2 million, 2014: €5,0 million).

The Company has not provided any personal loans, advances or guarantees to the Board of Management.

Supervisory Board remuneration

The remuneration paid by the Company to the members of the Supervisory Board amounted to 2016 €0,1 million (2015: €0,1 million; 2014: €0,1 million).
No advances or guarantees were granted to the members of the Supervisory Board.

Subsequent events
Subject to the Offering, Reggeborgh Holding BV, the Company's shareholder, will grant a one-off share incentive to Managing Directors and certain key managers to ensure a smooth transition from a privately held company to a publicly held company. The share incentive, whereby the financial cost of these incentive shares – including any taxes – will be born by Reggeborgh Holding BV, is 1.2% of the issued share capital of the Company. These shares are granted to Managing Directors and certain key managers under the condition that they stay with the Company for a certain period, this period is the service period. The service period varies from 2017 until 2020.

(40) Result from sale of participating interest(s)

The result from sale of participating interests in 2016 amounted to €1 million. This mainly relates to some small divestments.

The result from sale of participating interests in 2015 amounted to €12 million. This mainly related to a one-off revaluation of the existing interest to fair value based on stepped acquisition rules under IFRS 3. Please refer to note 16.

The result from sale of participating interests in 2014 amounted to €14 million.
This mainly relates to the negative goodwill on the acquisition of Storm II BV and the remaining 50% share in Matex Vastgoed I BV and Matex Vastgoed III BV, and a book profit on the sale of a equity investment in Canada.

(41) Financial instruments

The Group recognises financial risk factors with respect to currency, interest rates, credit and liquidity. These financial risks are neither unusual in their nature nor at variance with industry practice. The Group has a strict policy aimed at minimising and controlling these risks to the fullest extent possible, for which end it employs general controls such as internal procedures and instructions, specific measures and/or financial instruments. These measures are accompanied by adequate reporting systems and short communication lines. The Group's financial risk factors, controls and the remaining risks are explained in more detail below.

Credit risks
Credit risk is the risk of a financial loss for the account of the VolkerWessels group stemming from failure of a third party to meet its contractual obligations. As a significant percentage of the VolkerWessels group's clients are public organisations (i.e. government bodies), the credit risk for this portion of the VolkerWessels group's revenue is limited.
Other than our exposure to public organisations, there were no significant concentrations of credit risk as at 31 December 2016. The credit risk is under constant review. The VolkerWessels group limits its credit risk by doing business exclusively with clients, subcontractors or suppliers whose creditworthiness is acceptable. If there are any doubts about their underlying creditworthiness, the policy is to have all or part of the underlying obligations to the VolkerWessels group guaranteed by a bank or other financial institution. Prepayments are used to further limit the credit risk where possible. Credit insurance is also used to hedge the credit risk. The VolkerWessels group further limits its credit risk on financial institutions by spreading the credit and guarantee limits and its surplus liquidity among several financial institutions with a good credit rating.

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Assets subject to credit risk			
Non-current receivables	116	122	113
Trade receivables	570	588	614
Other receivables	324	322	333
Cash and cash equivalents	412	407	309
Total	1,422	1,439	1,369

The age structure of trade receivables as at the reporting date is as follows:

	31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Gross	Provision	Gross	Provision	Gross	Provision
Not yet due	405	–	411	–	376	–
Overdue 1 to 60 days	118	–	126	–1	180	–1
Overdue 61 to 180 days	34	–1	33	–2	26	–1
Overdue 181 days to one year	6	–2	12	–3	12	–4
More than one year	21	–11	18	–6	33	–7
	584	–14	600	–12	627	–13

The changes in the provision for impairments relating to loans and receivables during the year were as follows:

	2016	2015	2014
As at 1 January	12	13	20
Provisions made during the financial year	4	6	6
Provisions used during the financial year	–1	–2	–4
Release of provisions during the financial year	–1	–5	–9
As at 31 December	14	12	13

Liquidity risk

Liquidity risk is the risk that the VolkerWessels group is unable to meet its financial obligations in the short term. The liquidity management of the VolkerWessels group is aimed at maintaining the credit profile of the VolkerWessels group and, where possible, improving it to ensure that the VolkerWessels group retains access to the banking / financial markets on terms acceptable to the VolkerWessels group.

The VolkerWessels group's policy is to keep a significant part of its RCF headroom available at all times for unforeseen events. The VolkerWessels group has an ongoing focus on its working capital and capital demands and commits its cash as efficiently and effectively as possible within the VolkerWessels group.

In the past few years, the VolkerWessels group's focus on cash flow and working capital has enabled it to realise annual reductions of its net debt despite pressures on its working capital from the sluggish processing of change requests (i.e. additional work) by key clients.

The VolkerWessels group applies a strict investment policy in order to manage its cash position. This means that the permission of the Board of Management is required if large amounts of cash are invested or if cash is invested for a longer period of time. The VolkerWessels group has committed and uncommitted bank guarantees or bonding facilities with several banks and other financial institutions in order to continue to fulfil client requirements in respect of providing bank guarantees. The aim is to maintain at least 20% of the total facilities as freely available funds and this aim was comfortably achieved at the end of 2016.

Other financing

Non-recourse financing is project financing where the lender can only recover the cash and assets of that particular project.
In a project the lender has little or no recourse against other group companies.

Such loans were mainly drawn to finance land for property development and property development projects in progress and where possible were obtained on a stand-alone basis with several banks.

At the balance sheet date an amount of €88 million (2015: €160 million 2014: €176 million) relates to non-recourse financing. This non-recourse financing relates to securities held in the form of mortgages and liens on project-related land and/or buildings or future project results.
The interest on these loans is mostly variable and based on Euribor plus a margin.

Uncommitted credit facilities

Facilities in the Netherlands

The VolkerWessels group has three overdraft facilities in the Netherlands to support its cash management: an uncommitted overdraft facility of €30 million with ABN Amro Bank NV, an uncommitted overdraft facility of €20 million with ING Bank NV and an uncommitted overdraft facility of €10 million with Coöperatieve Rabobank UA.

UK facility

In the UK, BNP Paribas, London Branch has provided a current account facility of GBP 10 million to VolkerWessels UK Limited, a subsidiary of the Company.

Canadian facilities

The VolkerWessels group has access to an uncommitted credit facility of CAD 23 million and an uncommitted lease facility of CAD 22 million in Canada.

US uncommitted facility

In the US, Columbia State Bank has extended an uncommitted loan facility of USD 4 million to MidMountain Contractors, Inc., a subsidiary of the Company.

The contractual expiry terms of financial obligations, including interest payments, are as follows as at 31 December 2016:

	31 Dec 2016 Book value	Contractual cash flows	< 6 months	6-12 months	Year 2	Year 3-5	> 5 years
Loans (including current)	148	162	41	40	26	17	38
Derivatives (including current)	5	5	3	2	–	–	–
Financial lease obligations (including current)	44	47	8	8	13	18	–
Bank overdrafts	26	26	26	–	–	–	–
Trade and other payables	1,506	1,506	1,364	142	–	–	–
	1,729	1,746	1,442	192	39	35	38

The contractual expiry terms of financial obligations, including interest payments, are as follows as at 31 December 2015:

	31 Dec 2015 Book value	Contractual cash flows	< 6 months	6-12 months	Year 2	Year 3-5	> 5 years
Subordinated loans	498	550	–	–	224	–	326
Loans (including current)	350	365	78	43	179	51	14
Derivatives (including current)	19	19	6	6	7	–	–
Financial lease obligations (including current)	50	53	10	10	15	18	–
Bank overdrafts	50	50	50	–	–	–	–
Trade and other payables	1,552	1,552	1,394	158	–	–	–
	2,519	2,589	1,538	217	425	69	340

The contractual expiry terms of financial obligations, including interest payments, are as follows as at 31 December 2014:

	31 Dec 2014 Book value	Contractual cash flows	< 6 months	6-12 months	Year 2	Year 3-5	> 5 years
Subordinated loans	872	917	–	–	901	16	–
Loans (including current)	394	416	78	46	156	114	22
Derivatives (including current)	28	28	6	6	9	7	–
Financial lease obligations (including current)	62	67	11	12	20	24	–
Bank overdrafts	69	69	69	–	–	–	–
Trade and other payables	1,446	1,446	1,237	209	–	–	–
	2,871	2,943	1,401	273	1,086	161	22

Market risks

Foreign currency risks

As a result of the geographical spread of VolkerWessels group's operations, foreign currency fluctuations affect VolkerWessels group's results of operations. The VolkerWessels group records its financial results in euros, but receives revenues and incurs costs in a variety of other currencies, including the pound sterling, Canadian dollar and US dollar. As a result, these non-euro assets, liabilities, revenues and costs are translated into euro at the prevailing exchange rate for purposes of preparing the VolkerWessels group's accounts and financial statements. Changes in the value of the euro, on the one hand, and the pound sterling, Canadian dollar or US dollar, on the other, could result in translational gains or losses in a given year as compared to prior operating periods.
The translation risk on equity is not hedged.

The principal exchange rates during the year were as follows:

	Average exchange rate			Closing rate		
	2016	2015	2014	2016	2015	2014
GBP	1.22	1.38	1.24	1.17	1.36	1.29
CAD	0.68	0.70	0.68	0.71	0.67	0.71
USD	0.90	0.90	0.75	0.95	0.92	0.83

Sensitivity analysis

The influence of a stronger or weaker euro exchange rate against the above currencies would have had an impact on the profit for the financial year and equity at the reporting date. This analysis is based on assumptions made by the Group with respect to possible currency fluctuations at the reporting date. In this analysis, it is assumed that all other variables, in particular interest rates, remain constant.

2016	Stronger euro		Weaker euro	
	Equity	Result	Equity	Result
GBP (5% variation)	–5	–1	5	1
CAD (5% variation)	–12	–1	12	1
USD (5% variation)	–3	–	3	–

2015	Stronger euro		Weaker euro	
	Equity	Result	Equity	Result
GBP (5% variation)	–5	–1	5	1
CAD (5% variation)	–11	–1	11	1
USD (5% variation)	–3	–	3	–

2014	Stronger euro		Weaker euro	
	Equity	Result	Equity	Result
GBP (5% variation)	–7	–1	7	1
CAD (5% variation)	–10	–1	10	1
USD (5% variation)	–2	–	2	–

Interest risk

VolkerWessels group's interest policy is designed to limit the influence of fluctuating interest rates on VolkerWessels group's result and to optimise net interest expenses. To this end, part of the floating interest rate exposure has been fixed by an interest rate swap of €250 million with a fixed interest rate of 1.71% that matures in December 2017. Partly because of this swap, an increase of 100 basis points in the interest rate at the reporting date has no material impact on the results and cash flows of the VolkerWessels group. However, due to such hedging instruments, the VolkerWessels group runs a fair-value interest rate risk as the value of the instrument (mark-to-market value) correlates with market interest rates which may fluctuate. Due to this and its average (operational) cash position, the VolkerWessels group is not entirely insensitive to changes in interest rates. Cost price hedge accounting is applied to the effective interest rate swaps.

Instruments with a fixed interest rate	31 Dec 2016	31 Dec 2015	31 Dec 2014
Non-current receivables from associates and joint ventures	59	51	46
Non-current receivables from third parties	35	51	38
Subordinated loans	–	–498	–872
Finance lease obligations	–44	–50	–62
Total	50	–446	–850

Instruments with a variable interest rate	31 Dec 2016	31 Dec 2015	31 Dec 2014
Non-current receivables from associates and joint ventures	3	3	4
Non-current receivables from third parties	19	16	25
Loans and other financing obligations	–148	–350	–394
Cash and cash equivalents	412	407	309
Bank overdrafts	–26	–50	–69
Total	260	26	–125

Sensitivity analysis

The fair value of the instruments with a fixed and variable interest rate approximates to their book value. A 1% increase or decrease in the interest rate as at the reporting date would have affected the result and equity by the amounts shown below. In this analysis it is assumed that all other variables, in particular foreign currency rates, remain constant.

31 December 2016	Result (before tax)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Instruments with a variable interest rate				
Non-current receivables from associates and joint ventures	–	–	–	–
Non-current receivables from third parties	–	–	–	–
Loans and other financing obligations	–1	1	–	–
Cash and cash equivalents	4	–4	–	–
Bank overdrafts	–	–	–	–
Total	3	–3	–	–
Interest rate swaps – non-current	–	–	–	–
Sensitivity of cash flows (net)	3	–3	–	–

31 December 2015	Result (before tax)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Instruments with a variable interest rate				
Non-current receivables from associates and joint ventures	–	–	–	–
Non-current receivables from third parties	–	–	–	–
Loans and other financing obligations	–4	4	–	–
Cash and cash equivalents	4	–4	–	–
Bank overdrafts	–1	1	–	–
Total	–1	1	–	–
Interest rate swaps – non-current	–	–	–	–
Sensitivity of cash flows (net)	–1	1	–	–

31 December 2014	Result (before tax)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Instruments with a variable interest rate				
Non-current receivables from associates and joint ventures	–	–	–	–
Non-current receivables from third parties	–	–	–	–
Loans and other financing obligations	–4	4	–	–
Cash and cash equivalents	3	–3	–	–
Bank overdrafts	–1	1	–	–
Total	–2	2	–	–
Interest rate swaps – non-current	–	–	–	–
Sensitivity of cash flows (net)	–2	2	–	–

Fair value of financial instruments

The table below shows the fair value of financial instruments.

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Fair value of derivatives			
Interest swaps	–5	–19	–28
Receivables			
Non-current receivables	116	122	113
Trade and other receivables	894	910	947
Cash and cash equivalents	412	407	309
Total receivables	1,422	1,439	1,369
Financial liabilities at amortised cost			
Finance lease obligations (current and non-current)	–44	–50	–62
Committed financing (current and non-current)	–	–163	–224
Other committed financing (current and non-current)	–148	–187	–170
Trade and other payables	–1,506	–1,552	–1,446
Bank overdrafts	–26	–50	–69
Total financial liabilities at amortised cost	–1,724	–2,002	–1,971

The book value of financial instruments that are not valued at fair value is approximate to the fair value as at the reporting date.

The fair value of financial instruments is determined as follows.

Derivatives

Interest rate swaps are valued based on quoted market prices or by deducting the current cash price from the discounted contractual forward price.

Non-current receivables and borrowings

Fair value is calculated on the basis of discounted future repayments and interest payments.

Finance lease obligations

Fair value is estimated at the cash value of future cash flows, discounted against the interest for homogeneous lease agreements. The estimated fair value reflects changes in the interest rate.

Trade and other receivables/trade and other payables

For receivables and liabilities that fall due within one year, the nominal value is regarded as a reflection of the fair value. All other receivables and liabilities are discounted to determine the fair value.

Determination of fair value

The following table provides an overview of financial instruments recognised at fair value, by measurement method. The various levels are defined as follows:

Level 1: quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (in the form of prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

	31 December 2016			
	Level 1	Level 2	Level 3	Total
Interest rate swaps used for hedging				
Non-current liabilities	–	–	–	–
Current liabilities	–	–5	–	–5
Total	–	–5	–	–5

	31 December 2015			
	Level 1	Level 2	Level 3	Total
Interest rate swaps used for hedging				
Non-current liabilities	–	–16	–	–16
Current liabilities	–	–3	–	–3
Total	–	–19	–	–19

	31 December 2014			
	Level 1	Level 2	Level 3	Total
Interest rate swaps used for hedging				
Non-current liabilities	–	–25	–	–25
Current liabilities	–	–3	–	–3
Total	–	–28	–	–28

(42) Joint operations

A part of the Group's activities is carried out in joint arrangements classified as joint operations. This applies to all activities and all countries in which the Group operates. Joint arrangements remain in place until the project is finished. The Group's share of the balance sheet of joint operations is indicated below:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets	–	–	8
Current assets	172	145	418
	172	145	426
Liabilities			
Non-current liabilities	7	17	34
Current liabilities	256	279	385
	263	296	419
Net balance	–91	–151	7

	2016	2015
Total revenues	331	376
Total costs	–346	–368
Total net result	–15	8

(43) Government grants

The subsidies received in 2016, 2015 and 2014 relate mainly to training, research and development and labour costs.
The subsidies received are offset against the costs incurred.

(44) Audit fees

The following fees relating to services provided by Deloitte Accountants are charged to the Company, its subsidiaries and other companies that are fully consolidated, as defined in Article 2:382a of the Dutch Civil Code.

	Deloitte Accountants BV 2016	Other Deloitte network 2016	Total Deloitte 2016
Audit of the financial statements	2	1	3
Other audit assignments	–	–	–
Tax-related advisory services	–	–	–
Other non-audit services	–	–	–
Total	2	1	3

	2015	2015	2015
Audit of the financial statements	2	1	3
Other audit assignments	–	–	–
Tax-related advisory services	–	–	–
Other non-audit services	–	2	2
Total	2	3	5

	2014	2014	2014
Audit of the financial statements	2	1	3
Other audit assignments	–	–	–
Tax-related advisory services	–	–	–
Other non-audit services	–	–	–
Total	2	1	3

Rotterdam, 24 April 2017

Board of Management
J.A. de Ruiter
J.G. van Rooijen
A. Vos
D. Boers
H.J. van der Kamp

Supervisory Board
H.M. Holterman
R.J.H.M. Kuipers
D. Wessels

OTHER INFORMATION

Independent Auditor's Report

To the shareholders and the supervisory board of VolkerWessels BV

Report on the special purpose consolidated financial statements
We have audited the special purpose consolidated financial statements for inclusion in the prospectus for the years ended 31 December 2016, 2015 and 2014 of VolkerWessels BV based in Rotterdam.

In our opinion:
– The special purpose consolidated financial statements give for the purpose of the prospectus a true and fair view of the financial position of VolkerWessels BV as at 31 December 2016, 31 December 2015 and 31 December 2014 and of its results and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The special purpose consolidated financial statements comprise:
1. The consolidated statement of financial position for the years ended 31 December 2016, 31 December 2015 and 31 December 2014.
2. The following statements for 2016, 2015 and 2014: the consolidated income statement, the consolidated statement of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the special purpose consolidated financial statements" section of our report.

We are independent of VolkerWessels BV in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of preparation and restriction of use
Without modifying our opinion, we draw attention to paragraph 1 of the special purpose consolidated financial statements which describes the purpose of the special purpose consolidated financial statements, including the basis of preparation. The special purpose consolidated financial statements are prepared for enclosure in the prospectus in connection with the first admission to listing and trading on the Euronext in Amsterdam. As a consequence, we do not accept or assume any liability or duty of care if our report is used for any other purpose than described above. Our report is not qualified in respect of this matter. This independent auditor's report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Description of responsibilities for the special purpose consolidated financial statements
Responsibilities of management and the supervisory board for the special purpose consolidated financial statements
Management is responsible for the preparation and fair presentation of these special purpose consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the special purpose consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the special purpose consolidated financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the special purpose consolidated financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit incl uded e.g.:

- Identifying and assessing the risks of material misstatement of the special purpose consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures.
- Evaluating whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, 24 April 2017
Deloitte Accountants BV

Signed on the original: L. Albers

CUSHMAN & WAKEFIELD

VolkerWessels

Valuation report

VolkerWessels

Project Aura

DTZ Zadelhoff v.o.f. part of the Cushman & Wakefield Group
Valuation & Advisory
Parnassusweg 803

21 March 2017

Introduction

This valuation report has been prepared by DTZ Zadelhoff v.o.f. (the 'valuer', or 'DTZ Zadelhoff') as fully independent and external valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards (RICS Valuation Standards, edition January 2014).

Client
Reggeborgh Holding B.V.

and

Reggeborgh Invest B.V.

Valuer
DTZ Zadelhoff v.o.f. part of the Cushman & Wakefield Group

Date of valuation
01 February 2017

Date of the Valuation Report
21 March 2017

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Appendices:

- Memo regarding Valuation, dated 21 March 2017
- General Terms and Conditions DTZ Zadelhoff v.o.f.

1. Summary appraised values

Valuation

Taking account of all the assumptions and information set out in this report, the following value has been determined:

Market Value – without special assumptions

Our opinion of the Market Value of the interests in the land bank and the development rights as detailed in this report is: EUR 450.000.000*

The value is apportioned between the components:

		#positions	ha land	Market Value*
1	Land for development (g)	218	859	EUR 347.000.000
A	Category land – directly held	178	688	EUR 260.000.000
	Development <2020	*130*	*463*	*EUR 240.000.000*
	Development >2020	*48*	*225*	*EUR 20.000.000*
B	Category land-joint ventures and associates	40	171	EUR 87.000.000
	Development <2020	*37*	*125*	*EUR 83.000.000*
	Development >2020	*3*	*46*	*EUR 4.000.000*

		#rights	Market Value*
2	Development rights (o)	11	EUR 103.000.000**

* rounded amounts in millions of Euros
**including development right Sonate, not valued by Cushman&Wakefield

Thus carried out in good faith, and to the best of my knowledge and ability.
Amsterdam, 21 March 2017

Jacques G.J.H. Boeve MSc MRE FRICS
RICS Registered Valuer and Registered Valuer of real estate
registered at the NRVT with registered office in Rotterdam under number RT740580278

2. Plausibility Statement

Undersigned,

DTZ Zadelhoff v.o.f.
Mathijs J. Feringa MSc MRE MRICS
Parnassusweg 803
1082 LZ Amsterdam

RICS Registered Valuer and Registered Valuer of real estate
registered at the NRVT with registered office in Rotterdam under number RT453267418

Mathijs J. Feringa was not actively involved in the valuation and has carried out the plausibility check and declares that he:

Has assessed the plausibility of the value and substantiation of the valuation report on the land bank and the development rights, as mentioned in the appendix of this report, valued by G.J.H. Boeve.
Has not performed an internal and / or external inspection of the property.
Has assessed all attachments in relation to the content of the valuation report.
Does not guarantee the completeness of the valuation report and its annexes.
Considers, based on the assessed documents, the market value in the valuation report as plausible.

Sincerely,

Amsterdam, 21 March 2017

Mathijs J. Feringa MSc MRE MRICS
RICS Registered Valuer and Registered Valuer of real estate
registered at the NRVT with registered office in Rotterdam under number RT453267418

3. Introduction & Scope of work

3.1 Instruction and purpose of the valuation

In accordance with the letter of engagement issued by Reggeborgh Holding B.V. on 15 February 2017 (the 'engagement letter'), DTZ Zadelhoff is pleased to submit this valuation report, which has been prepared in connection with the proposed Initial Public Offering of VolkerWessels on Euronext in Amsterdam (the 'offering').

This valuation report has been prepared for inclusion in a prospectus in connection with the offering.

The properties and interests valued are :

- 218 land plots for development in The Netherlands; 178 positions directly held and 40 positions held via joint-ventures and associates;
- 11 development / construction rights in The Netherlands, where assignable. These do not strictly classify as immovable property rights.

3.2 Addressees/Reliance

This report is addressed to the companies Reggeborgh Invest B.V. and Reggeborgh Holding B.V., hereafter referred to as 'the client'. The client may opt to circulate – subject to the terms in section 2.6.6 and section 2.6.12 of the engagement letter a copy of the valuation report to the following parties:

- the underwriters as named and defined in the prospectus relating to the offering (the 'underwriters');
- VolkerWessels, hereafter referred to as 'the company';
- other parties as mutually agreed in writing,

Collectively and together the 'addressees'.

3.3 Assignment and rights to third parties

The addressees of the valuation report are not entitled to assign their rights – in whole or in part – to third parties.

3.4 Conflict of interest and declaration of independence

This valuation is prepared in accordance with:

- The general rules of professional conduct ('Reglement Bedrijfsmatig Vastgoed / Addendum Groot Zakelijk' in accordance with the Dutch Register of Real Estate Appraisers NRVT (Nederlands Register Vastgoed Taxateurs) adopted on 19 November 2015.
- The International Valuation Standards Council (IVS), in accordance with the International Valuation Standards, valid from 18 January 2017.
- The Royal Institution of Chartered Surveyors (RICS), in accordance with the RICS Valuation Standards (The 'Red Book'), edition January 2014.

Each valuation performed by DTZ Zadelhoff undergoes an internal test to identify any possible conflicts of interest. Cushman & Wakefield has in November 2016 merged with DTZ Zadelhoff in the Netherlands. With the physical integration taking place during the course of 2017, the risk of conflict of interest must from mid-November 2016 therefore be placed in a broader perspective. Since mid-November 2016 a more profound test has been implemented and carried out, whereby the client will immediately be informed as soon as a possible conflict of interest is signaled.

Both organizations, however, at present still function separately in terms of systems, file creation, housing and work procedures. Until these various systems and procedures have been aligned with one another, the risk remains of situations arising in which both parties are unfamiliar with one another's (earlier) involvement. Naturally, everything possible has been done to prevent such situations.

The guiding principle is that all valuations are at all times performed independently, without prejudice and/or commercial pressure. Should the valuer have any doubts about his or her ability to comply with the code of conduct of the NRVT, the valuation assignment will promptly be refused or returned to the client.

DTZ Zadelhoff consistently applies the four-eye principle to guarantee the quality of its valuations. This means that a second valuer assesses the plausibility of the value and substantiation of the valuation report.

DTZ Zadelhoff applies an internal complaints procedure, as prescribed by the RICS, and also falls under the disciplinary supervision of the RICS.

DTZ Zadelhoff has performed this valuation as registered valuer and has ascertained no possible conflict of interest regarding transactions and/or valuations that play a role at present or did so up to a period of one year before the valuation date of this report other than for the Spui-garage as part of the development Sonate in The Hague. Therefore the valuation of the Sonate development right is carried out by Spring Valuations B.V. hereafter referred to as the ‘external valuer’. The outcome of this valuation is included in this report.

DTZ Zadelhoff therefore considers itself fully qualified to perform a full autonomous valuation for the stated purpose.

The employees of DTZ Zadelhoff observe internal regulations, laid down in a Code of Conduct. This code prescribes how employees of DTZ Zadelhoff must treat the financial interests of clients. A compliance officer oversees compliance matters.

The valuers of DTZ Zadelhoff work independently of the brokers. Valuers use separate network systems so that brokers cannot gain insight into confidential information. Valuers, on the other hand, make use of the brokers to acquire current market information. Moreover, all valuers have access to a database with comparables, containing up-to-date information on both rental and investment transactions.

DTZ Zadelhoff applies an internal complaints procedure, as prescribed by the RICS, and is also subject to the disciplinary supervision of the NRVT and the RICS.

3.5 Sources of information

In addition to information established, DTZ Zadelhoff has relied on the information provided by the client (as far as available and not limited to), mentioned below:

Both for land bank positions (g) and development rights (o):

- Development plans (both external and internal)
- Typology / numbers / surface / density
- GREX (financial plan ground exploitation)
- Timeframe
- Contracts with stakeholders
- Development agreements (LOI, framework agreements, cooperation agreements, e.g.)
- Development rights
- Purchasing obligations (both for developer as for potential buyers)
- Overview of subsequent payments
- Social housing obligations
- Correspondence with municipalities
- Other relevant information

The client accepts responsibility for the information contained in the valuation report and provided to DTZ Zadelhoff (other than information contained in the valuation report which is stated to have been obtained from a third party). To the best of the knowledge of DTZ Zadelhoff (having taken all reasonable care to ensure that such is the case) the information contained in this valuation report is in accordance with the facts and (in the reasonable opinion of DTZ Zadelhoff) does not omit anything likely to affect the import of such information.

The client has signed a management letter to confirm that all information provided was complete and correct.

3.6 Place of performance and jurisdiction

The Dutch law applies. The place of performance and jurisdiction is Amsterdam, the Netherlands.

4. Project Overview

4.1 Project Description

- 218 land plots for development in The Netherlands; 178 positions directly held and 40 positions held via joint-ventures and associates;
- 11 development / construction rights in The Netherlands, where assignable. These do not strictly classify as immovable property rights.

4.2 Qualitative description of material development projects

Gouda, Westergouwe

Westergouwe is the newest extension of Gouda on the western side of the city. In total Westergouwe will comprise around 4,000 houses. Phase I of the development started in 2015 and will be completed in 2018. The first phase comprises around 470 houses.

Westergouwe is a project in cooperation with third parties.

Arnhem, Stadsblokken Meinerswijk

Stadsblokken and Meinerswijk are located in the floodplains of the Nederrijn. The area is located south of the city center of Arnhem and is bordered by the Nederrijn in the north and west, Malburg in the east and Elden / Elderveld in the south.

In November 2016, the inhabitants of Anhem were asked in a referendum about the developments of Stadsblokken and Meinerswijk. Close to 65% of the voters voted in favour of the plans of the municipality including the development of approximately 300 houses and facilities such as cultural and recreational facilities and restaurants.

Dordrecht, de Kerkeplaat

The total site comprises approximately 14 hectares of land of which approximately 10 hectares is available. The site is being developed into a multi-modal location with access from both water and land. The site offers space for companies to environment category 4.2 and water-related businesses.

Spaarndam, Spaarne Buiten

Spaarne Buiten is located on the opposite banks of the river Spaarne, close to the city center of Spaarndam. In total Spaarne Buiten will comprise 315 houses. Phase I of the development is completed. The total number of yet to develop and build houses is approximately 215.

Huis ter Heide, Sterrenberg

Sterrenberg is located in the forests surrounding Zeist. In total Sterrenberg will comprise approximately 400 houses. Phase I of the development is completed. The total number of yet to develop and build houses is approximately 95.

5. Basis of valuation

5.1 Date of valuation

The valuation date has been established in consultation with the client at 1 February 2017

5.2 Basis of valuation

Set out below is the basis and assumptions that DTZ Zadelhoff has used in preparing the assessment followed by a summary of the aggregate values for the properties.

The mentioned values are excluding purchaser costs, which means excluding transfer taxes, notary fees and any other charges. Our valuation is exclusive of any Value Added Tax, local sales tax or its equivalent.

The valuation has been prepared fully in accordance with the RICS Valuation – Professional Standards (the “Red Book") by valuers acting as an External Valuer, as defined within the Red Book.

DTZ Zadelhoff has prepared this valuation report in an appropriate format in accordance with the Red Book and for inclusion in the prospectus in accordance with the:

- ESMA recommendations on the Prospectus Directive (ESMA/2013/319);
- Euronext Harmonised Rules (Rule Book I), dated 4 July 2016;
- Euronext General Rules for the Euronext Amsterdam Securities Market (Rule Book II), dated 2 January 2017 insofar as applicable to the valuation of the assets.

DTZ Zadelhoff has received from the client all relevant information at the valuation date including the information set out in this report under ‘Sources of Information’. In addition the client has informed DTZ Zadelhoff about all other information which was relevant for the valuation such as but not limited to (soil) pollution and / or harmful substances and any other anomalies that might be present in the properties.

The land bank and the development rights have been valued on the basis of Market Value as defined in the Definitions of Value. The values are reported in Euros, exclusive of BTW (Dutch VAT), unless stated otherwise. The VAT situation might vary from property to property.

Basis

The properties consist of development land parcels (g) and development rights (o). They have been valued strictly on the basis of Market Value subject to any existing leases where applicable, otherwise assuming vacant possession.

Market Value definition

The Red Book refers to the Market Value defined in the IVS, valid from 18 January 2017. DTZ Zadelhoff has assessed ‘Market Value’ in accordance with the definition of the IVS as: ‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

Information

The valuation is based on the inspection of the immovable property, the information provided, such as development plans, expected timing, letting details and floor areas, floor plans and/or any certificates of measurements and information on property-related and other charges, and on information provided in writing and verbally by the land registry, the municipal and/or provincial authorities and any other authorities concerned.

5.3 Valuation methodology

The valuers have applied multiple methods in order to establish the most market-based assessment of the Market Value of the subject properties and rights. These methods are mentioned below.

Comparative method

The comparative method compares sales and/or letting transactions involving similar properties. This method is used for immovable properties of which 'sufficient' transaction data are known. The comparative method is based on assessments of the market, the location and the immovable property itself.

Market rent capitalisation method

The Market Value is determined on the basis of the gross market rental value of the lettable floor areas of the buildings and/or grounds, minus the property-related charges and other charges provided by the client and/or estimated by DTZ Zadelhoff, and related to a net initial yield. This yield is based on an assessment of the market, the location and the immovable property itself.

Residual value method

The residual value method is based on the most optimal (future) use of a property, assuming that such use is in compliance with the zoning and/or legal situation. The maximum value of the property is determined by means of the rental value capitalisation method and/or the comparative method. Deducted from this value are all estimated costs that have to be made in order to complete the property. The result of this calculation is in the Market Value of the property on the basis of the residual value method.

Independence

The fee for the valuation (as agreed with the client) is a fixed fee.

DTZ Zadelhoff annually performs a general analysis to determine whether there are clients who account for a disproportionate share of the turnover of DTZ Zadelhoff. The total valuation fee that DTZ Zadelhoff charges annually to the client is less than 25% of the total annual valuation turnover of DTZ Zadelhoff. The total non-valuation fee that DTZ Zadelhoff charges annually to the client is less than 25% of the total annual non-valuation turnover of DTZ Zadelhoff.

Education and rotation

DTZ Zadelhoff confirms that the valuers who have performed this valuation and signed this valuation report and the plausibility statement have the local and sectoral knowledge of the specific market, and moreover undergo permanent education in order to guarantee their professional standards as a valuer. DTZ Zadelhoff therefore considers itself qualified to perform a professional valuation for the stated purpose.

Plausibility Statement

A plausibility statement has been drawn up by a valuer of DTZ Zadelhoff. The plausibility statement forms part of this report.

Estimation uncertainty

The level of subjectivity influences the degree of estimation uncertainty and, as a result, the assessment by the valuer of the risks of a material deviation that could impact on the end valuation. The estimation uncertainty of this valuation is above average as most of the valued properties are undeveloped land bank positions, which tend to be more volatile than developed buildings.

Validation of calculation model

This valuation was performed using the BOG (commercial real estate) and Residual calculation model of DTZ Zadelhoff, version RM_BOG_VAL2.0_15022017 and RM_ONTW_VAL_0.0_15012017. The BOG calculation model was validated on the 15th of February 2017 by the Calculation Model Validation Committee of DTZ Zadelhoff. The calculation models are protected against changes by unauthorized persons.

5.4 Assumptions, Departures, and Reservations

DTZ Zadelhoff has made no Special Assumptions. DTZ Zadelhoff has made no Departures from the Red Book. The valuation is not subject to a Reservation.

Tenure and Tenancies

DTZ Zadelhoff has briefly inspected title deeds and has relied on the information supplied and listed in this report as being correct and complete. In the absence of information to the contrary, the absence of unusually onerous restrictions, covenants or other encumbrances, it has been assumed that the properties have good and marketable titles. Where supplied with legal documentation, it has been considered but no responsibility will be taken for the legal interpretation of it. No leases have been read.

Planning and Statutory Regulations

DTZ Zadelhoff has not been instructed to make formal searches with local planning authorities and has relied on the information supplied and on publicly available information.

Inspections

Throughout January and February 2017 all properties included in this valuation report have been externally and, if possible, internally inspected by qualified valuers.

Floor Areas

The client has provided floor areas of the properties. DTZ Zadelhoff has relied on these areas and has not checked them on site. It has been assumed that the areas supplied have been measured in accordance with the RICS Code of Measuring Practice.

5.5 Other general assumptions

In the few instances where the land bank positions include property, the following general assumptions apply:

Structure

DTZ Zadelhoff has not carried out a structural survey of any property nor have services been tested, but DTZ Zadelhoff has relied on the information supplied and listed in this report. Further, no inspection has been made of the woodwork and other parts of the structures which are

covered, unexposed or inaccessible. In the absence of information to the contrary, the basic thought of the valuation is that the properties are free from defect. However, the value reflects the apparent general state of repair of the properties noted during inspection, but no warranty is given to the condition of the structure, foundations, soil and services. This report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the properties, nor should such an opinion be implied.

Technical condition

The state of repair of structures and building systems is assessed in general terms, as far as observable and only within the framework of a value assessment. This is not equal to a technical survey, and no liability is accepted with regards to the state of repair itself and/or possible hidden defects.

It is assumed for the purpose of this valuation that, unless stated otherwise, the building systems function properly and are in a good state of repair such that no investments are required in order to acquire the prescribed permits, including the statutory permits. Such systems include lifts, central heating, climate control and electrical systems and facilities in accordance with the requirements of the local fire brigade.

Any non-essential technical building systems, such as plant systems and machinery, are excluded from this valuation.

Purpose and use

No survey has been carried out into any regulations, provisions and/or necessary permits related to the (specific) use of the subject property. Unrestricted use in accordance with the zoning plan is assumed unless stated otherwise in the report. This valuation concerns the highest value in case of optimal use within the zoning plan.

Sustainability

Where applicable, the level of sustainability of the property is taken into consideration in the valuation. The assessment of the sustainability aspects is carried out on a general basis, as far as these are observable, and solely within the framework of a value assessment.

Environmental aspects

The inspection of the subject property did not include any investigation into whether during its construction materials were used which according to current insights and standards could be harmful to the environment and/or the health of people and animals, such as in particular asbestos and materials containing asbestos. The valuation assumes that such materials have not been used.

This valuation did not include any investigation into possible pollution of the soil and/or groundwater forming part of the subject property, which according to current insights and standards could constitute a danger to the environment and/or health. The valuation therefore assumes that no such pollution and/or other forms of contamination exists, as a result of which use in accordance with zoning and/or obtaining a building permit is impeded, unless stated otherwise in the report.

Lease status

No investigation has been carried out into the financial position of the individual lessee. It has been assumed that:

- the lessee can meet its financial obligations
- there are no rent arrears
- there is no breach of contract
- there is no suspension of payment
- there is no bankruptcy

It has, moreover, been assumed that the lessee has no claim to rent-free periods, rent discounts or other compensation from the lessor, unless stated otherwise in the report.

Turnover tax

All amounts mentioned in this report are exclusive of BTW (Dutch VAT), unless stated otherwise and/or statutorily not subject to VAT.

Rounding and accuracy

Due to the nature of the valuation process and the input of the information the values have been rounded to the nearest one million Euros.

6. Valuation results

6.1.1 Land

		#positions	ha land	Market Value*
1	Land for development (g)	218	859	EUR 347.000.000
A	Category land – directly held	178	688	EUR 260.000.000
	Development <2020	*130*	*463*	*EUR 240.000.000*
	Development >2020	*48*	*225*	*EUR 20.000.000*
B	Category land-joint ventures and associates	40	171	EUR 87.000.000
	Development <2020	*37*	*125*	*EUR 83.000.000*
	Development >2020	*3*	*46*	*EUR 4.000.000*

6.1.2 Development rights

		#rights	Market Value*
2	Development rights (o)	11	EUR 103.000.000**

* rounded amounts in millions of Euros
**including development right Sonate, not valued by Cushman&Wakefield

The total Market Value of the development rights include Sonate which development right is valued by an external valuer due to a conflict of interest.

6.1.3 Sold positions

The client informed DTZ Zadelhoff that four locations were sold in January 2017. These locations are not included in the book value as at 1 February 2017, therefore no valuation is carried out for these objects.

7. Compliance, confidentiality and disclosure

7.1 Confidentiality

To the fullest extent permitted by the law (including any mandatory responsibility arising from the Listing Rules of any Stock Exchange) DTZ Zadelhoff does not assume any responsibility to and hereby excludes all liability arising from use of and/or reliance on this report by any person or persons for the purposes of determining whether or not to subscribe for shares of the company in the offering other than those parties to whom this report is addressed and to whom a reliance letter has been issued.

The General Terms and Conditions DTZ Zadelhoff v.o.f. as attached shall apply to all valuation services provided by DTZ Zadelhoff, having its registered office at Parnassusweg 803, 1082 LZ Amsterdam.

7.2 Disclosure and publication

The addressees are not allowed to disclose the contents of this valuation report to any third party in any way without first obtaining written approval from DTZ Zadelhoff to the form and context of the proposed disclosure.

The addressees must obtain DTZ Zadelhoff's consent at any time, including if DTZ Zadelhoff is not referred to by name or its valuation report is to be combined with others reports. DTZ Zadelhoff will not approve any disclosure that does not refer sufficiently to any Special Assumptions, Assumptions or Departures that were made in this Valuation Report.

The addressees are not allowed to modify, alter (including altering the context in which the report is displayed) or reproduce the contents of this valuation report (or any part) without first obtaining DTZ Zadelhoff's written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same, including indemnifying DTZ Zadelhoff against all consequences of the contravention. DTZ Zadelhoff accepts no liability for any use of the report that is in contravention of this section.

7.3 FA Compliance

For the purposes of Prospectus Rule 5.5.3(R)(2)(f), DTZ Zadelhoff accepts responsibility for this report and will accept responsibility for the information contained in this report and confirm that to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this report is in accordance with the facts and contains no omissions likely to affect its import.

DTZ Zadelhoff also confirms that for the purposes of the Listing Rules issued by the relevant Financial Authorities, neither the signatories to this report and the plausibility statement or DTZ Zadelhoff has an interest (material or otherwise) in the company.

7.4 Disclaimers

The assumptions form an intrinsic part of this valuation. No rights can be derived from the values mentioned without application of the accompanying assumptions.

Note has been taken of the information provided by the client and/or third parties. No liability is accepted if this information should turn out to be incorrect and/or incomplete.

In the event that the valuation date is later than the date of inspection of the property, then it shall be assumed that no relevant alterations have occurred in the intervening period, such as market developments, changes to legislation or regulations, and/or physical changes in, to or around the property, which affect the value of the property.

DTZ Zadelhoff accepts no obligation to advise the addressees and/or third parties with regard to market developments, changes to legislation or regulations, and/or physical changes in, to or around the property, which may occur after the valuation date, and which may have an effect on the value(s).

The valuation is performed subject to the General Terms and Conditions of DTZ Zadelhoff v.o.f., a copy of which has been enclosed. This and other appendices form an integral part of this valuation report.

Appendices

Memo regarding Valuation, dated 21 March 2017

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Also per e-mail: rkuipers@reggeborgh.nl
Cc dick.boer@kempen.com

Date: 21 March 2017

Re: Draft Valuation

Dear Mr. Kuipers,

Addendum on draft valuation report

On 27 February 2017, we provided you with an explanation of our draft assessment values. Supplementary to this verbal explanation, we take this opportunity to inform you about two related subjects.

1) Assessed value of development rights

The development rights have been valued on the basis of the residual land value method, whereby the agreements differ per development right. The assessed market value of the development rights were determined, in particular, on the basis of the difference between the current market land value, on the one hand, and the land price established and agreed in the past, on the other.

What's more, the various secured development rights offer a unique building and development position, whereby current market circumstances for developers can be qualified as favourable.

We have assigned a value of EUR 96 million to the development rights. Additionally, Spring Real Estate has due to a conflict of interest assessed the Sonate development right at EUR 13.5 million (100%), with KWV's share therein valued at EUR 6.75 million. This results in a total assessed value of EUR 102.75 million for the development rights. In our opinion, this value represents the market value of the property interest of these development rights.

On top of this, additional value could be realised on the following elements to which no value was assigned in the valuation:

1. The various development rights represent a substantial yield potential, with a total value in excess of EUR 1 billion, excluding VAT. The total general costs, profit and risk margin that the developer can generate at these locations both during and after realisation have not been valued.

2. The various development rights comprise substantial building volumes of hundreds of thousands of square metres of gross floor area that require development. The total general costs, profit and risk margin that the builder can generate at these locations both during and after realisation have not been valued.

DTZ Zadelhoff is part of the Cushman & Wakefield Group. Trade register CC no. 33174864. DTZ Zadelhoff v.o.f. is sole contractor of all instructions. Any liability of the partnership, the partners and all working there is limited to the amount payable under the professional liability insurance in the case in question. All instructions are governed by the general terms and conditions of DTZ Zadelhoff v.o.f. The general terms and conditions, which are filed with the court registry of the District Court of Amsterdam, can be consulted on www.dtz.nl. A copy will be sent to you free of charge upon request.

3. For a few development rights, an option has been agreed in the sense that the land prices can, at the request of the developer, be set at a yet to be determined market level. From that time, the developer has the right (not the obligation) to commence within three years with building at the specific location. This right can be regarded as a (real) option right that offers flexibility for both the current and future owner. Flexibility has value. All the more so as in this specific case the option will be exercised only in case of sufficient yield and not be exercised in case of negative value development. An option gives someone the right to take a decision on the basis of factual developments. The decision will depend on whether those developments are favourable or unfavourable.

Owing to the scope, composition, potential yield and relatively limited risk of these development positions, we believe that market parties will assign significant value to taking over these development rights. The valuation of these rights, however, is not driven by property-specific factors, but rather by company-specific factors. In other words, the business plan of the buyer will be decisive for the assigned value. While such a subjective added value does not form part of the objective market value, it can most definitely prompt certain buyers to pay a price higher than the assessed market value.

Options and business plans are valued in a similar manner by the financial markets, namely on the basis of economic value; managers apply these same principles in taking operational decisions.

The aforementioned arguments, in combination with the composition and scope of the assessed development portfolio, leads to the conclusion that it is highly possible that domestic and foreign parties will under current market conditions, and on the basis of their business plan, be prepared to pay more for the development portfolio than the sum of the assessed market values.

The added value ensuring from the aforementioned factors could, in our opinion, amount to tens of millions up to over one hundred million euro.

2) Portfolio premium

The reported draft value of the development portfolio is the sum of separate market values of individual locations and development rights. An interested party may, however, be willing to pay a surcharge for such a broadly diversified property portfolio in a competitive market. The composition and scope of the assessed development portfolio is such that it can only be built up over a period of many years. For that reason, it is conceivable under current market circumstances that domestic and foreign parties will, on the basis of their business plan, be willing to pay more for the development portfolio than the sum of its individual parts. We have, moreover, ascertained that private equity parties are currently willing to acquire sizeable property and development positions in the Netherlands, whereby they are willing to deliberately assume the potential risk. Construction and realisation are subsequently contracted to a building company.

Yours faithfully
For and on behalf of
DTZ Zadelhoff v.o.f.

Jacques G.J.H. Boeve Msc MRE FRICS RT
International Partner, Head of Valuation & Advisory

General Terms and Conditions DTZ Zadelhoff v.o.f.

General Terms & Conditions of DTZ Zadelhoff v.o.f.

The General Terms & Conditions of DTZ Zadelhoff v.o.f. are applicable to all legal relationships between the client and the contractor, subject to amendments to these terms & conditions that must be explicitly confirmed in writing by both parties. In these General Terms & Conditions of DTZ Zadelhoff v.o.f. the client is taken to mean the party giving the instruction and the contractor is DTZ Zadelhoff v.o.f.

DTZ Zadelhoff v.o.f. is a general partnership, in which partners participate through private limited companies. All instructions are solely accepted and carried out by DTZ Zadelhoff v.o.f. setting aside Sections 404 and 407(2) of Book 7 of the Dutch Civil Code. All stipulations in these General Terms & Conditions are also made for the benefit of the partners of DTZ Zadelhoff v.o.f. and all other persons working at, for or on behalf of DTZ Zadelhoff v.o.f.

I General provisions

1. These General Terms & Conditions are applicable to services relating to property. In so far as not stipulated otherwise, property is taken to mean property and restricted rights therein.
2. Should an instruction be issued by more than one (legal) person, each of them is jointly and severally liable for the sums payable to DTZ Zadelhoff v.o.f. by virtue of that instruction.
3. In the event of the death of the client, the instruction will end at the moment DTZ Zadelhoff v.o.f. receives notification of the death. The stipulations laid down in Article II.20 are applicable mutatis mutandis.
4. Claims for fees due, disbursements and other costs incurred will be payable if and when the instruction has been carried out or ends for another reason, unless these terms & conditions stipulate otherwise or unless the client and DTZ Zadelhoff v.o.f. have agreed otherwise.
   The client and DTZ Zadelhoff v.o.f. may agree to payment in advance by the client. Disbursements and other costs may be invoiced to the client through interim settlements.
5. An invoice sent to the client must be paid by the client within 14 days of the invoice date or so much earlier or later as agreed by the parties in writing.
   If the client fails to pay on time, it will receive one more written request for payment, following which the client will be in default without any further demand for payment or notice of default by DTZ Zadelhoff v.o.f. being required. In case of default, the client will owe interest on the total invoice amount, which interest rate will be equal to the statutory interest rate applicable at that time (Section 120 of Book 6 of the Civil Code). All judicial and extrajudicial collection charges will be borne by the client, the amount of these charges being at least 15% of the outstanding amount per instruction.
6. DTZ Zadelhoff v.o.f. will consult with the client as much as possible when engaging third parties. DTZ Zadelhoff v.o.f. is not liable for any shortcoming on the part of any third parties engaged. DTZ Zadelhoff v.o.f. will not be responsible if (part of) the instruction is carried out by DTZ Zadelhoff v.o.f. or DTZ contracting parties outside the Netherlands.
7. Any suggestions the client may have as to how DTZ Zadelhoff v.o.f. can improve its provision of services or remarks about the performance of (part of) the instruction for services and/or valuation of DTZ Zadelhoff v.o.f., may be reported to the client's contact person or to the manager under whose responsibility the instruction for services and/or or valuation was carried out.
8. Should the client be of the opinion that its suggestions or remarks have not or not sufficiently been dealt with, the client may submit these suggestions or remarks to the Compliance Officer.

II Services relating to the conclusion of agreements Instruction

1. Instruction is taken to mean, in so far as not stated otherwise in this section, an instruction to provide services relating to the conclusion of an agreement for property and the provision of other advisory work.
2. DTZ Zadelhoff v.o.f. will provide the client with information on the rights and obligations arising from the instruction and the usual procedure with transactions/advice in relation to property.
3. Unless agreed otherwise, the client will have the following services at its disposal under the terms of its instruction:
   - discussion of and advice concerning the options for concluding the intended agreement;
   - an estimate of the value(s) of the property concerned;
   - attention to legal, tax, architectural and other important aspects;
   - advice on and the conducting of negotiations;
   - assistance in concluding the transaction.
4. DTZ Zadelhoff v.o.f. will not accept an instruction concerning a property for which it has already received an instruction from another client. As soon as a current instruction results in DTZ Zadelhoff v.o.f. providing a service to that client concerning the property in respect of which it should provide a service to another client under the terms of another current instruction, while the provision of the service to one client is in conflict with the interests of the other client, DTZ Zadelhoff v.o.f. will consult each of these clients. The clients will be free to decide, in consultation with DTZ Zadelhoff v.o.f., for which client DTZ Zadelhoff v.o.f. will continue to act in respect of the transaction concerned, and to which client DTZ Zadelhoff v.o.f. will return the instruction given it for that transaction. Should the clients be unable to make a choice in this matter, DTZ Zadelhoff v.o.f. will be authorized to decide.
5. The instruction as such does not constitute an authorization to DTZ Zadelhoff v.o.f. to conclude agreements on behalf of the client. However, authorization may be attached to the instruction or may be granted at a later date.
6. The client will refrain from activities that may impede DTZ Zadelhoff v.o.f. in fulfilling its instruction or could interfere with its activities.
   The client will not make use of similar services from parties other than DTZ Zadelhoff v.o.f., except where other written arrangements have been made. No agreements will be drawn up nor negotiations conducted for this purpose without DTZ Zadelhoff v.o.f.'s knowledge. Interested parties, including present lessees, will be referred by the client to DTZ Zadelhoff v.o.f.
7. If the client gives instructions to a number of contractors, the provisions of this section will remain applicable in full to each of these instructions and the client will therefore be required to pay each of these contractors in accordance with this section a fee for disbursements, expenses and commission, except in so far as other agreements have been explicitly made with regard to the instruction with one or more of these contractors.
8. An instruction is for an indefinite period. It will end by:
   - fulfilment;
   - withdrawal of the instruction by the client;
   - returning of the instruction by DTZ Zadelhoff v.o.f.

   DTZ Zadelhoff v.o.f. has fulfilled its instruction once the intended agreement has been concluded and/or the advice has been completed. Completion of the instruction does not affect DTZ Zadelhoff v.o.f.'s obligation under the terms of the instruction to assist the client in bringing it to a conclusion. In case of agreements, the definitive conclusion of which or the obligation of performance under the terms of a stipulation forming part of the agreement is dependent on a suspensive or resolutive condition, the fulfilment of the instruction will also be dependent on this condition. DTZ Zadelhoff v.o.f. may only return an instruction for urgent reasons. Urgent reasons include in any case:
   - the situation described under Article II.4, second and subsequent sentences;
   - a breakdown of the relationship between DTZ Zadelhoff v.o.f. and the client.

   An instruction must be withdrawn or returned in writing, with due observance of a notice period of one month. In the event of termination or suspension of the instruction, costs may be charged in accordance with that laid down in Articles II.18, 19 and 20. After the end of the instruction, commission obligations may arise in accordance with Article II.11.
9. If the client decides to occupy the property itself once again or make it available to a company affiliated to it, the client will owe commission.

Commission

10. The client will owe DTZ Zadelhoff v.o.f. commission if during the term of the instruction an agreement is concluded, even if such an agreement deviates from the instruction (e.g. sale instead of lease or lease instead of sale, or sale or lease of available space other than that to which the instruction relates). In those cases the parties will consult each other on the amount of the commission, basing their decision on the rates that are customary in the sector for such transactions.
    The client will also owe DTZ Zadelhoff v.o.f. commission if the property is sold by auction during the term of the instruction and if the agreement is not the consequence of services provided by DTZ Zadelhoff v.o.f.

11. The client will also owe commission if the agreement is concluded after the end of the instruction, but is the consequence of actions contrary to Article II.6 or if the agreement is concluded with candidates who were already known during the instruction period. Unless the contrary is proved, this is assumed to be the case if the agreement is concluded within six months after the end of the instruction. If the instruction ends as a consequence of withdrawal by the client and the client observes a notice period with the withdrawal, the above-mentioned period of six months will be so much shorter as the time between the moment at which DTZ Zadelhoff v.o.f. receives the written notification of the withdrawal and the moment when the instruction ends.
12. The fact that an agreement that has been concluded is not implemented due to breach of contract on the part of one of the parties or for any other reason, does not affect DTZ Zadelhoff v.o.f.'s right to commission.
13. The commission owed by the client to DTZ Zadelhoff v.o.f. will be laid down in the agreed instruction.
    The amount of the commission depends on the type and contents of the agreement concluded, even if the agreement deviates from the instruction and regardless of whether the agreement is concluded during the term of the instruction or afterwards. The amount of the commission will be determined by agreement between DTZ Zadelhoff v.o.f. and the client.
14. The conclusion of an agreement is also taken to mean the cooperation on the part of the client in a transaction, as a result of which the property is completely or partially sold, leased or assigned to the client and/or a third party and because of which the performance of the instruction is not pursued further.
15. No commission is payable on the costs relating to the conclusion and implementation of an agreement, such as notarial fees and transfer tax.
    The indebtedness and the amount of the commission are not affected by the stipulations agreed in that respect between the parties in the agreement.
16. Should DTZ Zadelhoff v.o.f. be unable to establish the sum on which it may charge commission due to the actions of its client, it will be entitled to determine this sum according to its own valuation whereby the commission calculated on this sum will be payable.
17. Commission is due and payable at the moment the agreement is concluded. In the case of a contract of purchase and sale, this may be at the moment of notarial transfer. The parties may agree otherwise. In all other cases an 4. agreement will be deemed to be concluded as described in Articles II.8 and II.14, unless the parties agree otherwise in these cases. Interim invoices may be sent for the costs referred to in Article II.18.

Costs and fees

18. Unless agreed otherwise, the client will reimburse the costs incurred by DTZ Zadelhoff v.o.f. on the client's behalf. Such costs may include promotional expenses such as costs of letting boards, advertising costs, cost of collotyping drawings and of (colour) brochures, disbursements, being amounts payable to third parties, such as municipal tax on encroachments in, on or above public land, costs payable to a government agency or Land Registry relating to any information requested from them. DTZ Zadelhoff v.o.f. is required to consult its client about the promotional expenses and their extent prior to incurring them. The liability to pay will also apply if the instruction is deferred or terminated by being withdrawn, returned or otherwise.
19. Without prejudice to that laid down in Article II.18, the client who withdrawsor suspends an instruction for services will also be required to pay a fee to DTZ Zadelhoff v.o.f.
    Unless agreed otherwise, this fee will be equal to 20% of the commission on the most recent asking price, but will amount to at least EUR 5,000 plus VAT.
20. The client and DTZ Zadelhoff v.o.f. may declare, if there is reason to do so, that the provisions of Article II.19 will apply by analogy should the instruction be terminated in a manner other than by withdrawal.
21. If DTZ Zadelhoff v.o.f. by virtue of that provided in Article II.4 returns the instruction to one of the clients, the client to whom the instruction is returned will be required to pay DTZ Zadelhoff v.o.f., by agreement, a reasonable fee for the work carried out up to that moment.

III Valuation

1. In this section a valuation instruction is taken to mean an instruction to give an opinion on the value of a property and to compile a report on it. A valuation instruction does not constitute an instruction to undertake a structural survey.
2. The report will contain the name of the client, a short and succinct description of the valued property, the relevant land registry details, the requested opinion on the value(s) and their types, an indication of special circumstances which are or are not taken into account in the opinion, the purpose of the valuation and the date on which it was carried out.
   The report will be submitted to the client. The client may allow the report or details therein to be inspected by or made available to a third party or parties provided written permission from DTZ Zadelhoff v.o.f. has been obtained. DTZ Zadelhoff v.o.f. only accepts liability for the contents of the report towards the client. Permission to allow the report or details therein to be inspected or made available to a third party or parties does not imply in any way acceptance of responsibility towards this third party or parties. The client is obliged to inform the third party or parties of this fact.
3. In the case of an instruction to a number of contractors together, they will compile a joint report containing their joint findings. Should the contractors be unable to reach joint conclusions, they will consult with the client regardingthe publishing of a report in which their differing conclusions are stated.

IV Liability

1. Any liability of DTZ Zadelhoff v.o.f. is limited to direct financial loss and to the amount paid out under DTZ Zadelhoff v.o.f.'s professional liability insurance, plus the amount of the excess payable by DTZ Zadelhoff v.o.f. under the applicable insurance contract in the case concerned. DTZ Zadelhoff v.o.f. has taken out professional liability insurance that is customary in the sector.
2. In the case of an instruction between colleagues, DTZ Zadelhoff v.o.f. is not liable for loss and/or damage due to attributable failure, unlawful acts or otherwise caused by a colleague estate agent ('s office) in the performance of the instruction. In the event of a joint agency instruction, these General Conditions will prevail over those of the other agent.
3. Any entitlement to compensation for loss will lapse if the client has not notified DTZ Zadelhoff v.o.f. in writing within a reasonable period of time after it reasonably should have discovered the shortcoming. This will always be the case if the notification has not been made within one year of the discovery.
4. After the expiry of a period of five years, counting from the day the advice was given, any right the client may have with respect to DTZ Zadelhoff v.o.f. on account of any loss caused by shortcomings and/or errors in the implementation of the agreement will lapse.
5. The client is liable to DTZ Zadelhoff v.o.f. for direct loss suffered by DTZ Zadelhoff v.o.f. as a result of inaccuracy or incompleteness of the information provided by the client.

V Money Laundering and Terrorist Financing (Prevention) Act (WWFT)

1. By signing the confirmation of the instruction, the client confirms that it has in no way been involved in money laundering and/or terrorist financing as described in the Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme, WWFT).
2. For the duration of the instruction the client will refrain from any activities that are in conflict with the WWFT.
3. The client is obliged to provide DTZ Zadelhoff v.o.f. with any information it may reasonably require to comply with its obligations ensuing from the WWFT.

VI Applicable law

Dutch law will apply exclusively to all legal relationships between the client and DTZ Zadelhoff v.o.f. Any disputes will exclusively be resolved by the competent Dutch court.

These General Terms & Conditions of DTZ Zadelhoff v.o.f. were filed at the Registry of the District Court in Amsterdam on 8 February 2012 under number 15/2012.

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