



## Press release

### BAM and PGGM form joint venture

**Bunnik/Zeist, the Netherlands, 19 May 2011 - Royal BAM Group and Dutch pension fund administrator PGGM announce the formation of a 50/50 joint venture between BAM PPP and PGGM.**

This joint venture, BAM PPP PGGM Infrastructure Coöperatie U.A., marks a significant development, and is the first of its kind, in the European Public Private Partnership (PPP) market. It combines the capabilities of a proven developer of PPP concessions with the skills of a major long-term investor.

The objective of the joint venture is to provide a long-term partnership to invest in the developing social and transport PPP markets in the Netherlands, Belgium, the United Kingdom, Ireland, Germany and Switzerland.

The initial target value to be invested is €390 million. BAM PPP will transfer into the joint venture a total value of €150 million of existing PPP assets and the remaining €240 million will be allocated to new projects yet to be acquired.

BAM PPP will retain full responsibility for bid management for new projects and the provision of asset management services to the joint venture and will represent the joint venture in its transactions. PGGM will provide the majority of the required capital for existing projects, while new projects will be funded on a 50/50 basis. The board of the joint venture will be formed on an equal basis between the parties.

Nico de Vries, Chairman of the Executive Board of Royal BAM Group, said: "This innovative partnership with PGGM is strategically important for BAM. It provides access to a new source of long-term capital that will enable us to accelerate our growth in the European PPP market. It also facilitates our strategy of structured divestment and recycling of equity in operational projects whilst permitting BAM to continue as a long-term partner to the projects. Overall, it will help BAM consolidate its position as a leader in this field."

Henk Huizing, Head of Infrastructure at PGGM: "This joint venture with BAM perfectly fits into our strategy of co-operating with strong strategic partners and investing directly in infrastructure projects. This investment in PPP infrastructure assets – including transport and public buildings, such as schools – is aligned with the ESG criteria in the investment policy of our institutional clients. Furthermore, the inflation-linked returns together with the stable long-term cash flows of these PPP projects meet our clients' interests. The



revenues from the PPP projects are secured through long-term concession agreements with governments and are therefore considered to have a modest risk profile. As part of this joint venture PGGM will invest directly in existing Dutch infrastructure projects as well as the development of future infrastructure projects in the Netherlands and other North West European countries.”

#### **About BAM PPP**

BAM PPP is an operating company of Royal BAM Group, a worldwide construction services company generating revenues of approximately €7.6 billion and listed on Euronext Amsterdam. BAM PPP is responsible for Royal BAM Group’s involvement in the PPP market. Operating from offices in Bunnik, Birmingham, Brussels, Dublin, Frankfurt am Main and Glasgow, BAM PPP is active in the road, rail, education, healthcare, judicial and general accommodation sectors and is well positioned to access most Western European markets.

#### **About PGGM**

PGGM is a leading pension fund administrator with origins in the care and welfare sector. PGGM provides pension management, integrated asset management, management support and policy advice for pension funds. PGGM currently manages around EUR 105 billion of pension assets of over 2.3 million participants. As a co-operative organisation, PGGM provides services for its 560,000 members that help them to secure a valuable future.

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