

The Offers expire at 15.00 hours (Central European Time) on 20 January 2006 unless extended

THE RECOMMENDED CASH OFFERS BY

KOPIE



TERRA AMSTEL B.V.

a group company of Koninklijke BAM Groep nv

**FOR ALL ISSUED AND OUTSTANDING ORDINARY SHARES
AND ALL ISSUED AND OUTSTANDING WARRANTS EXCHANGEABLE FOR SHARES
IN THE CAPITAL OF**



AM N.V.

OFFER DOCUMENT
DATED 22 DECEMBER 2005

0854701



1. IMPORTANT INFORMATION AND RESTRICTIONS

1.1. Important information

This Offer Document contains important information in relation to the Offers that should be read carefully before any decision is made to tender any Securities in connection with the Offers. The Securities Holders are advised to seek independent advice where necessary. In addition, the Securities Holders may wish to consult with their tax advisers regarding the tax consequences of participating in the Offers.

The information included in Sections 1, 4.1, 4.4, 4.6, 4.8, 4.9, 5, 6.3, 6.5, 6.6, 6.7, 6.8, 14 and 16 has been provided by the Offeror. The information included in Sections 4.3, 4.5, 7, 9, 11, 12, 13 and 17 has been provided by AM. The information included in Sections 2, 3, 4.2, 4.7, 4.10, 4.11, 6.1, 6.2, 6.4, 6.9, 6.10, 6.11, 8, 18 and 19 has been provided by the Offeror and AM jointly. The information included in Section 10.1 has been provided by Kempen & Co and the information included in Section 10.2 has been provided by NIBC. The information in Section 15 has been provided by MSREF.

The Offeror and AM are exclusively responsible for the accuracy and completeness of the information provided in this Offer Document, except for Section 15 for which MSREF shall be exclusively responsible and Section 10 (Fairness opinions), for which respective fairness opinions Kempen & Co and NIBC are exclusively responsible, each with respect to such information as it has provided. Each of the Offeror and AM confirms, with respect to such information it has provided in this Offer Document, that to the best of its knowledge and belief as of the date hereof the information contained in this Offer Document is true and accurate in all material respects and there are no facts the omission of which would make any statement in this Offer Document misleading in any material respect. Please be aware that certain financial and statistical information in this Offer Document may be rounded up or down and should therefore not be regarded as definitive.

The information included in this Offer Document reflects the situation as at the date of this Offer Document. Neither the issue nor the distribution of this Offer Document shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to this date or that there has been no change in the information set out in this Offer Document or in the affairs of the Offeror, AM and /or their affiliates and/or their subsidiaries and/or their participations and/or their partnership interests since the date of this Offer Document. The foregoing does not affect the obligation of both the Offeror and AM, each in so far as it concerns them, to make a public announcement pursuant to article 9b, paragraph 1 of the Bte 1995, if applicable.

No person, other than the Offeror and AM and without prejudice to the auditors' reports and review reports issued by KPMG Accountants N.V. and the fairness opinions issued by Kempen & Co and NIBC included in Section 10 (Fairness opinions) of this Offer Document, is authorised in connection with the Offers and the Development Sale to provide any information or to make any statement on behalf of the Offeror or AM in connection with these Offers, the Development Sale or any information contained in this Offer Document. If any such information or statement is provided or made by parties other than the Offeror or AM, such information or statements should not be relied upon as having been provided or made by or on behalf of the Offeror or AM. Any information or representation not contained in this Offer Document must not be relied upon as having been provided by or made by or on behalf of the Offeror or AM.

This Offer Document and the Offers are, and any tender, purchase or delivery of Securities will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts are to have jurisdiction to settle any disputes which might arise out of or in connection with this Offer Document, the Offers and/or any tender, purchase or delivery of Securities. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Document, the Offers and/or any tender, purchase or delivery of Securities may be brought exclusively in such courts.

The Offer Document is published in English and a Dutch summary is included in Section 19. In the event of any differences, whether or not in interpretation, between the English text of the Offer Document and the Dutch summary of this Offer Document, the English text of the Offer Document shall prevail.

Copies (electronic) of this Offer Document, the Articles of Association, the financial statements (*jaarrekeningen*) of AM for the financial years 2002 through 2004 as adopted by the general meeting of Shareholders as well as the proposed AM articles of association, which documents are incorporated by reference in, and form an integral part of, this Offer Document, are available free of charge at the offices of AM and ING Corporate Finance and can be obtained by contacting AM or ING Corporate Finance at the addresses below, or via the website of AM (www.ameurope.com) or Royal BAM Group (www.bam.nl).

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This Offer Document includes forward-looking statements that involve risk and uncertainty. Generally, words such as may, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although each of the Offeror and AM, each with respect to the statement it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or proved to be correct, and no representations are made as to the accuracy and completeness of such statements. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror and/or AM does business, to competitive developments or risks inherent to Offeror's and AM's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or AM.

The Offeror and AM undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority (such as Book I and Book II of the Euronext Rulebook of Euronext Amsterdam).

ING Corporate Finance is acting as financial adviser exclusively to the Offeror and to no one else in connection with the Offers and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of ING Bank N.V. or for providing advice in relation to the Offers.

Kempen & Co and NIBC are acting as joint financial advisers exclusively to AM and to no one else in connection with the Offers and the Development Sale and will not be responsible to anyone other than AM for providing the protections afforded to the clients of Kempen & Co and NIBC or for providing advice in relation to the Offers and the Development Sale.

Morgan Stanley & Co. Limited is acting as financial adviser exclusively to MSREF and to no one else in connection with the Development Sale and will not be responsible to anyone other than MSREF for providing the protections afforded to the clients of Morgan Stanley & Co. Limited or for providing advice in relation to the Development Sale.

1.2. Restrictions

The Offers are not being made, and the Securities will not be accepted for purchase from or on behalf of any Securities Holders, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Document. Persons obtaining this Offer Document are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents.

Neither the Offeror, MSREF nor AM, nor any of their advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to forward this Offer Document or any related document to any jurisdiction outside the Netherlands should carefully read this Section 1 (Important information and restrictions) before taking any action.

If the Securities Holder is a non-Dutch Securities Holder and in doubt about its position, the Securities Holder should consult its independent professional adviser in the relevant jurisdiction.

1.2.1. United States of America, Canada, Australia and Japan

The Offers are not being made, directly or indirectly, in or into the U.S., Canada, Australia, or Japan and this Offer Document, and any and all materials related thereto should not be sent in or into the U.S., Canada, Australia or Japan, whether by use of the U.S., Canadian, Australian or Japanese interstate or foreign commerce, of any facility of a U.S., Canadian, Australian or Japanese national securities exchange (including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone), and the Offers cannot be accepted by any such use, means or instrumentality, in or from within the U.S., Canada, Australia or Japan. Accordingly, copies of this Offer Document and any related materials are not being and must not be mailed or otherwise distributed or sent in or into or from the U.S., Canada, Australia or Japan or, in their capacities as such, to custodians, trustees or nominees holding Shares for U.S., Canadian, Australian or Japanese persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from the U.S., Canada, Australia or Japan and doing so will render invalid any relevant purported acceptance of the Offers.

1.2.2. United Kingdom

This Offer Document is directed only at persons who (i) are persons falling within Article 49(2) (a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**") or (ii) are investment professionals within the meaning of Article 19(5) of the Order who have professional experience in matters relating to investments or (iii) are outside the United Kingdom (all such persons within (i) to (iii) together being referred to as "relevant persons"). This Offer Document must not be acted on, or relied upon by persons who are not relevant persons. The Offers may only be accepted by, and any investment activity to which this communication relates is available only to and will be engaged in only with, relevant persons.

1.2.3. Italy

The Offers are not being made, directly or indirectly, in or into the Republic of Italy and have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* or the Bank of Italy pursuant to Italian laws and regulations. Accordingly, Securities Holders are hereby notified that, to the extent such Securities Holders are person's resident and/or located in the Republic of Italy, the Offers are not available to them and they may not accept the Offers and, as such, any tenders of Securities received from such persons shall be ineffective and void, and neither this Offer Document nor any other offering material relating to the Offers or the Securities may be distributed or made available in the Republic of Italy.

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3. DEFINITIONS

The following definitions apply throughout this Offer Document (except for the fairness opinions set out in Section 10, the review report set out in Section 13.3 and auditors' report set out in Section 13.6).

Acceptance(s)	The tender of the Securities by the Securities Holders in acceptance of the Offers
Acceptance Closing Date	The time and date on which the Offer Acceptance Period expires, being at 15.00 hours (CET) on 20 January 2006, unless extended in accordance with article 9o, paragraph 5 of the Bte 1995, in which case the Acceptance Closing Date will be such later time and date
Admitted Institution(s)	Admitted institution(s) (<i>aangesloten instellingen</i>) as defined in article 1 of the Securities Giro Act (<i>Wet giraal effectenverkeer</i>)
AFM	The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
AM	AM N.V., a Dutch public limited liability company (<i>naamloze vennootschap</i>), with its statutory seat in Utrecht, the Netherlands and its principal place of business at Edisonbaan 14h, 3439 MN Nieuwegein, the Netherlands
AM Development	AM Development B.V., a Dutch private limited liability company (<i>besloten vennootschap</i>), with its statutory seat in Gouda, the Netherlands, and its affiliates, subsidiaries, participations and partnership interests
AM Holding	The holding activities of AM
AM Land	AM Grondbedrijf B.V., a Dutch private limited liability company (<i>besloten vennootschap</i>), with its statutory seat in Utrecht, the Netherlands
AM Residential	AM Wonen B.V., a Dutch private limited liability company (<i>besloten vennootschap</i>), with its statutory seat in Utrecht, the Netherlands
AM R&L	AM Residential and AM Land together
Articles of Association	The articles of association (<i>statuten</i>) of AM, as most recently amended on 9 June 2005
Boards	The Supervisory Board and the Management Board together
Bte 1995	The 1995 Securities Market Supervision Decree (<i>Besluit toezicht effectenverkeer 1995</i>), as amended from time to time
Business Day(s)	Any day on which banks are generally open in Amsterdam for the transaction of business other than a Saturday or Sunday or public holiday
CET	Central European time
Civil Code	The Dutch Civil Code (<i>Burgerlijk Wetboek</i>)
Company	AM

Competition Authorities	The Commission of the European Communities pursuant to Regulation 139/2004
Daily Official List	The Daily Official List (<i>Officiële Prijscourant</i>) of Euronext Amsterdam
Development Sale	The sale of AM Development to MSREF
Dutch GAAP	Dutch general accepted accounting principles
EUR	Euro, the legal currency of the European Monetary Union
Euronext Amsterdam	Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam, as appropriate
Euronext Amsterdam Trading Day	Any day on which Euronext Amsterdam is open for trading
Extraordinary General Meeting of Shareholders	The extraordinary general meeting of Shareholders to be convened in The Hague, on 12 January 2006, at which meeting the Offers amongst other matters will be discussed, in accordance with the provisions of article 9q, paragraph 1 of the Bte 1995
Foundation Priority	Stichting Prioriteitsaandelen AM, a Dutch foundation (<i>stichting</i>), with its statutory seat in Utrecht, the Netherlands
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ING CI	ING Corporate Investments Participaties B.V., part of ING Wholesale Banking and provider of (non strategic) equity participations
ING Corporate Finance	The organisation and trade name used by ING Bank N.V. and certain of its subsidiaries for the conduct of investment banking business
ING Wholesale Banking	The organisation and trade name used by ING Bank N.V. for the conduct of corporate banking business
Kempen & Co	Kempen & Co Corporate Finance B.V.
Management Board	The management board (<i>raad van bestuur</i>) of AM
Material Adverse Change	Any event or circumstance as referred to in Section 6.4 (Offer Conditions)
Merger Protocol	The merger protocol, between AM, Terra Amstel and Royal BAM Group of 9 November 2005 which contains the intention of Terra Amstel to make recommended offers, in cash, for all of the Shares and the Warrants
Minimum Acceptance Conditions	Has the meaning attributed to it in Section 4.7 (Offer Acceptance Period, conditions; declaring the Offers unconditional, extension and settlement)
MDC	Multi Development Corporation N.V.

MSREF	MSREF V International-GP, L.L.C., acting as general partner to the various real estate private equity funds that it manages, or its affiliated special purpose entities established in connection with the Development Sale, which, for the avoidance of doubt, shall include Stichting Green Acquisition but shall not include Morgan Stanley & Co. Limited and/or its affiliates and/or subsidiaries
NIBC	NIBC Bank N.V.
Offer Acceptance Period	The period during which the Securities Holders can tender their Securities to the Offeror, which begins at 9.00 hours (CET) on 23 December 2005 and ends on the Acceptance Closing Date
Offer Conditions	The conditions precedent to the Offers as set out in Section 6.4 (Offer Conditions)
Offer Document	This offer document
Offer Prices	The Share Offer Price and the Warrant Offer Price together
Offeror	Terra Amstel
Offers	The Share Offer and the Warrant Offer together
Priority Share	The priority share in the capital of AM, which is held by the Foundation Priority
Royal BAM Group	Koninklijke BAM Groep nv, a Dutch public limited liability company (<i>naamloze vennootschap</i>), with its statutory seat in Bunnik, the Netherlands and its principal place of business at Runnenburg 9, 3981 AZ Bunnik, the Netherlands
SARs	Has the meaning as set forth in Section 6.11 (Treatment of existing incentive programs)
Securities	The Share(s) and Warrant(s) together
Securities Holders	The Shareholder(s) and the Warrant Holder(s) together
Settlement Agent	ING Securities Services, an organisation of and trade name used by ING Bank N.V. for its exchange activities
Settlement Date	The date on which, in accordance with the terms and conditions of the Offers, the Offeror shall pay the Offer Prices to the Securities Holders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (geleverd) their Securities under the terms and subject to the conditions and restrictions contained in this Offer Document
Share(s)	The issued and outstanding share(s) in the share capital of AM, with a nominal value of EUR 0.10 each
Shareholder(s)	The holder(s) of one or more Share(s)
Share Offer	The offer for the Shares described in this Offer Document

Share Offer Price	A cash amount of EUR 10.15 (cum dividend and other distributions) for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) under the terms and subject to the conditions and restrictions contained in this Offer Document
Share Purchase Agreement	The share purchase agreement relating to the acquisition of AM Development by Stichting Green Acquisition, a special purpose entity indirectly established by MSREF, between AM as seller and Stichting Green Acquisition as purchaser dated 9 November 2005
Stichting Green Acquisition	Stichting Green Acquisition, a Dutch foundation (<i>stichting</i>), with its statutory seat in Amsterdam, the Netherlands, the MSREF vehicle that is party to the Share Purchase Agreement
Supervisory Board	The supervisory board (<i>raad van commissarissen</i>) of AM
Terra Amstel	Terra Amstel B.V., a Dutch private limited liability company (<i>besloten vennootschap</i>), with its statutory seat in Bunnik, the Netherlands and its principal place of business at Runnenburg 9, 3981 AZ, Bunnik, the Netherlands
Transactions	The Offers and the Development Sale together
Unconditional Date	The date on which the Offeror publicly announces whether the Offers are declared unconditional (<i>gestand worden gedaan</i>), being not later than 15.00 hours (CET) on the fifth Business Day following the Acceptance Closing Date, in accordance with article 9t, paragraph 4 of the Bte 1995
U.S.	United States of America
Warrant(s)	The issued and outstanding warrant(s), each warrant is exchangeable at the option of the Warrant Holder, at any time from the date of their issue, being 19 August 2002 until 20 August 2007, 15.00 CET, into a Share at a price of EUR 8.00
Warrant Holder(s)	The holder(s) of one or more Warrant(s)
Warrant Offer	The offer for the Warrants as described in this Offer Document
Warrant Offer Price	A cash amount of EUR 2.30 for each Warrant validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (<i>geleverd</i>) under the terms and subject to the conditions and restrictions contained in this Offer Document
Wte 1995	The 1995 Securities Market Supervision Act (<i>Wet toezicht effectenverkeer 1995</i>), as amended from time to time

4. SUMMARY AND TIME TABLE

This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer Document. Securities Holders are advised to review this Offer Document in detail and to seek independent advice where appropriate in order to reach a reasoned judgement in respect of the contents of this Offer Document and the Offers themselves.

4.1. The Offers

The Offeror is making the Offers in cash to purchase from Securities Holders all outstanding Securities, on the terms and subject to the conditions and restrictions contained in this Offer Document.

For each Share tendered the Offeror offers a cash amount of EUR 10.15 (cum dividend and other distributions) for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and subject to the conditions and restrictions contained in this Offer Document.

The Share Offer Price represents:

- a) a premium of approximately 31.6% over the closing price of EUR 7.71 for the Shares on 16 March 2005, the day prior to the publication of the 2004 results, at which time the Management Board announced the strategic orientation and mentioned a break-up of the Company and delisting as realistic options. In response to this announcement, the price of the Shares rose to EUR 8.30 on 17 March 2005. Adjusted for the declared and paid dividend of EUR 0.43 per share in May 2005, the Share Offer Price represents a premium of 39.4%;
- b) a premium of approximately 28.2% over the average closing price of EUR 7.92 for the Shares, for the one month prior to 17 March 2005;
- c) a premium of approximately 31.6% over the average closing price of EUR 7.71 for the Shares, for the three months prior to 17 March 2005;
- d) a premium of approximately 42.8% over the average closing price of EUR 7.11 for the Shares, for the six months prior to 17 March 2005;
- e) a premium of 3.8% over the closing price of EUR 9.78 for the Shares on 9 November 2005, the day prior to the issue of the press release dated 10 November 2005 announcing that the expectation was justified that AM, the Royal BAM Group and the Offeror could reach agreement on a public offer.

See Section 6.6 (Substantiation of the Offer Prices).

Warrant Holders tendering their Warrants under the Warrant Offer will be paid a cash amount of EUR 2.30 for each Warrant validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and subject to the conditions and restrictions contained in this Offer Document. The Warrant Offer Price is based on an option value component of EUR 0.15 per Warrant and the difference between the Share Offer Price and the Warrant exercise price of EUR 8.00.

4.2. Background and rationale

Early September 2005, Royal BAM Group and other potential buyers were approached by the Company whether they were interested in acquiring AM R&L. Based on the indicative offers received, AM decided to start negotiations with Royal BAM Group. On 10 November 2005, Royal BAM Group and AM announced that the expectation was justified that agreement in connection with a public offer for AM could be reached. Since the press release of 10 November 2005, definitive agreement has been reached with respect to the Offers and certain terms of this agreement are reflected in this Offer Document. See Section 6 (Explanation of the Offers).

The proposed acquisition of AM R&L and AM Holding is consistent with Royal BAM Group's strategic and growth objectives. Royal BAM Group is convinced of the strategic fit between the development activities of AM R&L and Royal BAM Group's development and construction activities and Royal BAM Group believes it will provide a platform for strengthening and expanding its own business and that of AM R&L.

For a full overview of the Company's strategic reorientation and the Development Sale, reference is made to Section 7.1 (Strategic reorientation, background and process).

4.3. Sale of AM Development

AM has reached agreement to divest AM Development to MSREF, subject to the Offers being declared unconditional (*gestanddoening*) and certain other conditions being fulfilled or waived. All the shares in the capital of AM Development will be sold and transferred to MSREF for an agreed cash price of EUR 479 million whereby MSREF will also assume outstanding debt and liabilities of AM Development. See Section 7 (Strategic reorientation, background and explanation of the Development Sale).

The sale and transfer will occur after the Offers are declared unconditional (*gestand zijn gedaan*) but prior to the Settlement Date. The Shareholders will be requested (at the Extraordinary General Meeting of Shareholders), inter alia, to approve the Development Sale in accordance with article 2:107a of the Dutch Civil Code. See Section 17 (Extraordinary General Meeting of Shareholders).

4.4. Financing of the Offers

Offeror will finance acceptance under the Offers through a committed bank facility (subject to usual market terms and conditions), arranged by ING Wholesale Banking and Fortis Bank (Nederland) N.V., and committed funds from Royal BAM Group, ING CI and Fortis Bank.

4.5. Recommendation by the Boards

The Supervisory Board and the Management Board have concluded that the Offers are reasonable and fair to Shareholders and Warrant Holders. In this respect, reference is made to the fairness opinions rendered by Kempen & Co and NIBC, as included in Section 10 (Fairness opinions). With reference to the above, the Supervisory Board and the Management Board support the Offers and unanimously recommend the Offers for acceptance by Securities Holders. Also, the Supervisory Board and Management Board unanimously support the Development Sale as part of the Offers.

4.6. Irrevocable undertakings

All known holders of an interest of 5% or more of the Shares and the Warrants, including ABN Amro Effecten Compagnie B.V., Stichting Administratiekantoor Timeless (Mr. J.F.J. van Veggel), Switch B.V. (Mr. A.D.J.G. van Dam), Delta Lloyd N.V., Delta Deelnemingen Fonds N.V. and certain other Shareholders, have irrevocably committed themselves to tender all their Securities under the Offers. Such undertakings represent approximately 44.1% of the aggregate of the Shares and the Warrants as at the date of this Offer Document. A detailed breakdown of these undertakings is available in the table in Section 6.5 (Irrevocable Undertakings).

4.7. Offer Acceptance Period, conditions, declaring the Offers unconditional, extension and settlement

The Offer Acceptance Period begins on 9.00 hours (CET) on 23 December 2005 and expires, subject to extension in accordance with article 9o, paragraph 5 of the Bte 1995, on 20 January 2006 at 15.00 hours (CET). Tendering Securities for acceptance must be done in accordance with the

procedure specified in this Offer Document. See Section 5.2 (Acceptance by Securities Holders).

The Offers shall be subject to the fulfilment of the Offer Conditions, including, but not limited to the condition that such number of Shares and Warrants are tendered for acceptance that these, together with Shares and Warrants directly or indirectly held by the Offeror and the Shares and Warrants which the Offeror may acquire as a result of any agreement entered into prior to the Acceptance Closing Date represent at least 80% of the aggregate number of the Shares and the Warrants (the "**Minimum Acceptance Condition**"). See Section 6.4 (Offer Conditions).

The Offers shall be declared unconditional (*gestanddoening*) if the Offer Conditions are fulfilled or, if permitted by applicable law, waived by the party entitled to waive such conditions.

The Offeror reserves the right to extend the Offers. See Section 5.7 (Extension). If the Offers are extended, a public announcement to that effect shall be made within three Business Days following the Acceptance Closing Date, in accordance with article 9o, paragraph 5(b) of the Bte 1995. During any such extension of the Offer Acceptance Period, any Securities previously tendered and not withdrawn will remain subject to the Offers.

In the event that the Offeror announces that the Offers are declared unconditional (*gestand worden gedaan*), the Securities Holders tendering Securities for acceptance pursuant to the Offers will receive within five Business Days following the Unconditional Date (the "**Settlement Date**") the Share Offer Price and the Warrant Offer Price, in respect of each Share respectively each Warrant validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and conditions of the Offers.

4.8. Offeror

The Offeror, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), with its statutory seat in Bunnik, the Netherlands, was incorporated under Dutch law on 4 November 2005. The Offeror is an indirect subsidiary of Royal BAM Group, a Dutch public limited liability company (*naamloze vennootschap*), with its statutory seat in Bunnik, the Netherlands. The Offeror is registered with the Commercial Register of the Chamber of Commerce of Utrecht, the Netherlands, under no. 30209218. See Section 14 (Information on the Offeror).

4.9. Consequences of the Offers

4.9.1. Strategy

In the coming years, AM R&L will continue to operate as an independent entity, preserving its identity, and thereby aiming at expanding its market position. It will also be well placed to build on its distinctive capability as project developer with a unique vision for characteristic residential and multifunctional developments.

4.9.2. Legal structure of AM following the Offers

Legal structure if 95% or more of the Shares have been tendered

In the event that upon the Settlement Date the Offer Conditions in respect of the Shares have been fulfilled and the Offeror holds 95% or more of the Shares (excluding Shares held by the Company and/or its subsidiaries), the Offeror may decide to acquire the remaining Shares not tendered (and not held by the Company and/or its subsidiaries) by means of a squeeze-out procedure in accordance with article 2:92a of the Civil Code.

Following the Settlement Date, the Offeror may also decide, instead of proceeding with a squeeze-out, by a simple majority vote of the general meeting of shareholders of the Company to resolve that a legal merger (*juridische fusie*) between the Offeror or any affiliate thereof and the Company will be entered into in accordance with articles 2:309 and 2:334 of the Civil Code or take any

of the other steps set out below under "Additional means of acquiring the Securities held by the minority of the Securities Holders" in this section. The legal consequence of a legal merger including the possibility to pursue a squeeze-out thereafter, are the same as set out below under "Legal structure if less than 95% of the Shares have been tendered".

Legal structure if less than 95% of the Shares have been tendered

In the event that the Offeror has declared the Offers unconditional, but after the Settlement Date does not hold 95% or more of the Shares (excluding Shares held by the Company and/or its subsidiaries), the Offeror, subject to a simple majority vote of the general meeting of shareholders of the Company, may, following the Settlement Date decide to effect a legal merger (*juridische fusie*). As a result of such a legal merger, the Offeror and the Company would be merged in accordance with articles 2:309 and 2:334 of the Civil Code (which latter article refers to a so called "triangular merger" pursuant to which the shareholders of the disappearing company would become shareholder of a group company of the surviving company). If a triangular merger will be effected, the minority Shareholders will become shareholder in Royal BAM Group and will receive ordinary shares in Royal BAM Group, listed on Eurolist by Euronext Amsterdam.

In case of a legal merger, a merger proposal will be prepared by the management boards of the merging companies which will mention the particulars required to be included pursuant to Dutch law. In such event, a separate statement to the merger proposal will include details of the following:

- the method or methods according to which the exchange ratio for the Shares will have been determined;
- why such method or methods are considered appropriate under the circumstances;
- the valuation resulting from each method applied;
- if more than one method has been applied, whether the relative importance attributed to the valuation methods applied may be considered generally acceptable; and
- whether there have been any particular difficulties on such valuation and with the determination of the exchange ratio.

In the event of a legal merger, an accountant will be requested to examine the proposed legal merger and will be asked to certify that in his opinion the proposed exchange ratio for the Shares is reasonable. When designating such accountant, Offeror will procure that such accountant will not have audited the financial statements of the Company or Royal BAM Group in the previous three years. It is envisaged that all decisions in respect of a legal merger are made following the Settlement Date. Also, it is envisaged by Royal BAM Group that the Supervisory Board will have at least one independent member, who is expected to also be the chairman of the Supervisory Board. In view of the interests of the minority of the Securities Holders and to ensure a balanced decision-making process with respect to the legal merger, Offeror intends to procure that independent members of the Supervisory Board at such time (including the chairman) shall have the opportunity to obtain independent legal and financial advice in relation to such legal merger, if and when so requested by such member or members. Also, Offeror intends to procure that, upon request of the independent members of the Supervisory Board (including the chairman), a second independent accountant or valuation expert shall be appointed to provide a second opinion on the reasonableness of the proposed exchange ratio for the Shares. Finally, the Offeror intends to procure that, the chairman of the Supervisory Board shall have a casting vote in relation to any decisions of the Supervisory Board with respect to the legal merger.

Warrant Holders

In case the legal merger is effectuated, the Warrant Holders that have not tendered their Warrants under the Warrant Offer, will, in accordance with article 2:320 of the Civil Code, receive adequate compensation or obtain a right in the surviving company which is similar to the right they had in the disappearing company, or in case of a triangular merger, in a group company of the Offeror, or if the Company is the surviving company, remain to be Warrant Holder in the Company. Such compensation or right of a Warrant Holder will be described in a merger proposal in accordance with article 2:312 paragraph 2 (c) of the Civil Code.

Additional means of acquiring the Securities held by the minority of the Securities Holders

In the event the Offeror has declared the Offers unconditional, the Offeror reserves the right to use any other legally permitted method to obtain the Securities held by the minority of the Securities Holders, including by way of liquidation, legal merger in accordance with articles 2:309 and 2:334 of the Civil Code (not involving Royal BAM Group), de-merger as specified in article 2:334a of the Civil Code or sale of all or substantially all of the assets of the Company. Finally, the Offeror and the Company reserve the right to have the Offeror contribute assets to the Company against the issuance of Shares, while at the same time pre-emptive rights (*voorkeursrechten*) of other Shareholders shall be excluded, all in accordance with Dutch law and the Articles of Association at that time.

Changes to the Articles of Association and structure

In the event the Offeror has declared the Offers unconditional, the Offeror reserves the right to submit proposals to the Shareholders for one or several changes to be made in the Articles of Association in order to alter the company structure and the capital structure of AM and/or proposals intended to achieve optimal financial, corporate governance, or other structuring. This should be done in order to align the company structure of AM with the group's new holding and financing structure that will exist once the Offers have been declared unconditional (*gestand zijn gedaan*).

4.9.3. Dividend policy

The Offeror expects to significantly amend the Company's dividend policy should the Offers be declared unconditional. Securities Holders should be aware that the Company may not pay dividends to the Shareholders in the future.

4.9.4. Liquidity and delisting

The purchase of the Securities and subsequent delisting by the Offeror pursuant to the Offers, amongst other things, will reduce the number of Securities Holders and the number of Securities that might otherwise trade publicly thus adversely affecting the liquidity of the Securities not tendered.

4.9.5. Social consequences

The Offers as such will not have any negative consequences for the employment situation at the Company or Royal BAM Group, except that as a result of the Offers and the future separation of AM Development and AM R&L, AM Holding may no longer be required. Positive advice has been obtained from the works council of the Company and the central works council of Royal BAM Group in accordance with the Works Councils Act (*Wet op de Ondernemingsraden*).

4.9.6. Future composition of the Boards

All current members of the Supervisory Board shall resign as from the Settlement Date and it is currently envisaged that from the Settlement Date, the Supervisory Board will consist of three members, being Mr. W. van Vonno, Mr. A.H. van Tooren and Mr. L.C. Brinkman.

Mr. J.F.J. van Veggel, Mr. A.L. de Haan and Mr. J.C.M.A. Gillis shall resign as member of the Management Board as at the Settlement Date. It is currently envisaged that from the Settlement Date onwards the Management Board will be formed by Mr. P.G.A. Noordanus and Mr. P.S.M. Ruigrok.

4.10. Announcements

Any announcement that is required to be made in relation to the Offers will be issued by a press release and will be published in at least *Het Financieele Dagblad*, *De Telegraaf* and the Daily Official List.

4.11. Indicative time table

EXPECTED DATE AND TIME	EVENT
(CET) 22 December 2005	Public announcement of the availability of the Offer Document
22 December 2005	Announcement third quarter results 2005 of AM
9.00 hours (CET) at 22 December 2005	Availability of this Offer Document
9.00 hours (CET) at 23 December 2005 and expires on 15.00 hours (CET) at 20 January 2006	Offer Acceptance Period
15.00 hours (CET) at 20 January 2006	Acceptance Closing Date
No later than three Euronext Amsterdam trading days after the Acceptance Closing Date	Possible public announcement of extension of the Offer Acceptance Period
12 January 2006	Trading update AM
12 January 2006	Extraordinary General Meeting of Shareholders
No later than five Euronext Amsterdam trading days after the Acceptance Closing Date	Announcement whether or not the Offers have been declared unconditional (<i>gestand zijn gedaan</i>)
No later than five Euronext Amsterdam trading days after the Unconditional Date	Settlement Date

5. INVITATION TO SECURITIES HOLDERS

The Offeror makes recommended public cash offers for all issued and outstanding Securities. The Securities Holders are advised to review this Offer Document (including all documents incorporated by reference herein) and in particular Section 1 (Important information and restrictions) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Offers and this Offer Document. With due reference to all statements, terms, conditions and restrictions included in this Offer Document, Securities Holders are hereby invited to tender their Securities under the Offers in the manner and subject to the terms and conditions set out below.

5.1. Offer Prices

For each Share tendered under the terms and conditions of the Share Offer, the Offeror offers the Share Offer Price, being a cash amount of EUR 10.15 (cum dividend and other distributions). For each Warrant tendered under the terms and conditions of the Warrant Offer, the Offeror offers the Warrant Offer Price, being a cash amount of EUR 2.30.

5.2. Acceptance by Securities Holders

The Offers can be accepted in the following manner:

Securities Holders are requested to tender Securities for acceptance as of 9.00 (CET) 23 December 2005 and no later than 15.00 (CET) on 20 January 2006, subject to extension of the Offer Acceptance Period in accordance with Section 5.7 (Extension), through their (custodian) bank or (stock) broker. Unless otherwise stipulated in the law, all tenders are irrevocable.

Securities Holders who hold their Securities through Admitted Institutions are requested to tender their Securities through their (custodian) bank or (stock) broker where their Securities are administered, to the Settlement Agent. If such (custodian) bank or (stock) broker is not an Admitted Institution, it should in turn inform the relevant Admitted Institution which is the registered holder of the relevant Securities. Only the Admitted Institutions may tender Securities for acceptance to the Settlement Agent, ING Securities Services (BV 06.01), Van Heenvlietlaan 220, 1083 CN Amsterdam by fax only (+31 (0) 20 797 9607).

Securities Holders who hold their Securities in physical form (*K-stukken*) are requested to tender their Securities through their (custodian) bank or (stock) broker by depositing these Securities in their account, to the Settlement Agent. If such (custodian) bank or (stock) broker is not an Admitted Institution, it should in turn inform the relevant Admitted Institution. Only the Admitted Institutions may tender Securities for acceptance to the Settlement Agent, ING Securities Services (BV 06.01), Van Heenvlietlaan 220, 1083 CN Amsterdam by fax only (+31 (0) 20 797 9607).

In submitting the Acceptances, the Admitted Institutions are required to declare that (i) they have the tendered Securities in their administration, (ii) each Shareholder and/or Warrant Holder who accepts the Share Offer and/or the Warrant Offer irrevocably represents and warrants that the Shares and/or the Warrants, tendered by the Shareholder and/or Warrant Holder are being tendered in compliance with the restrictions set out in Section 1 (Important information and restrictions) and (iii) they undertake to transfer these Shares and/or Warrants, to the Offeror on the Settlement Date, provided the Offers have been declared unconditional (*gestand zijn gedaan*).

5.3. Withdrawal rights

Securities tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Offer Acceptance Period in accordance with the provisions of article 90, paragraph 5 of the Bte 1995. During any such extension of the Offer Acceptance Period, any Securities previously tendered and not withdrawn will remain subject to the Offers.

5.4. Conditions

The Offers shall be declared unconditional (*gestanddoening*), if the conditions as set out in Section 6.4 (Offer Conditions) are fulfilled or, where appropriate, waived by the party entitled to waive such conditions.

Subject to the Offer Conditions set out in Section 6.4 (Offer Conditions), the Offeror reserves the right to accept any tender for acceptance, even if it has not been effected in such manner as set out hereinbefore under Section 5.2 (Acceptance by Securities Holders).

5.5. Offer Acceptance Period

The Offer Acceptance Period begins at 9.00 hours (CET) on 23 December 2005 and expires, subject to extension in accordance with article 9o, paragraph 5 of the Bte 1995, on 20 January 2006 at 15.00 hours (CET). The Offeror will determine within five Business Days following the Acceptance Closing Date (the "**Unconditional Date**") whether the Offer Conditions have been fulfilled or some Offer Conditions are to be waived.

The Offeror may extend the tender period, in accordance with article 9o, paragraph 5 of the Bte 1995, if one or more of the Offer Conditions are not fulfilled and are not to be waived. See also Section 5.7 (Extension). A public announcement to that effect shall be made no later than the third Business Day following the Acceptance Closing Date. During an extension of the Offer Acceptance Period, any Securities previously tendered and not withdrawn will remain subject to the Offers, subject to the right of each Securities Holder to withdraw as set out in Section 5.3 (Withdrawal rights).

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Securities that have been validly tendered and not previously withdrawn pursuant to the terms of the Offers in accordance with the procedures set forth in Section 5.2 (Acceptance by Securities Holders).

5.6. Declaring the Offers unconditional (*gestanddoening*)

The Offers shall be subject to the fulfilment of the Offer Conditions, including, but not limited to the condition that such number of Shares and Warrants are tendered for acceptance that these, together with Shares and Warrants directly or indirectly held by the Offeror and the Shares and Warrants which the Offeror may acquire as a result of any agreement entered into prior to the Acceptance Closing Date represent at least 80% of the aggregate number of the Shares and the Warrants. See Section 6.4 (Offer Conditions).

If the Offeror does not extend the tender period, it will publicly by no later than 15.00 hours (CET) on the fifth Business Day following the Acceptance Closing Date announce whether (i) the Offers are declared unconditional, or (ii) there is still uncertainty as to the fulfilment of any of the Offer Conditions, or (iii) the Offers are terminated as a result of the Offer Conditions not having been fulfilled or waived by the Offeror, all in accordance with article 9t, paragraph 4 of the Bte 1995.

The announcement, if any, by the Offeror that there is still uncertainty as to the fulfilment of any of the Offer Conditions, does not mean that any Securities Holders will have the right to withdraw any tender of Securities or that any tender of Securities shall be deemed to be automatically withdrawn.

5.7. Extension

In the case where the Offeror extends the Offers, all references in this Offer Document to the "Acceptance Closing Date" or "15.00 hours (CET), on 20 January 2006" shall, unless the context requires otherwise, be moved to the latest date and time to which the Offers have been so extended. A public announcement to that effect shall be made within three Business Days following the Acceptance Closing Date, in accordance with article 9o, paragraph 5(b) of the Bte 1995.

During any such extension of the Offer Acceptance Period, any Securities previously tendered and not withdrawn will remain subject to the Offers. In accordance with article 9o, paragraph 5 of the Bte 1995, Securities tendered on or prior to the original Acceptance Closing Date may during the period to which the Offers have been extended, be withdrawn.

5.8. Settlement

In the event that the Offeror announces that the Offers are declared unconditional (*gestand worden gedaan*), the Securities Holders having tendered their Securities for acceptance pursuant to the Offers will receive within five Business Days following the Unconditional Date (the "**Settlement Date**") the Share Offer Price and the Warrant Offer Price, in respect of each Share and Warrant, respectively, validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and conditions of the Offers. After delivery of the Securities, revocation, dissolution or annulment of an Acceptance or transfer is not permitted.

5.9. Dividends

Upon the terms of and subject to the Offer Conditions, the Offers shall commit the Offeror to acquire each Share respectively each Warrant tendered pursuant to the Offers against cash payment of the Share Offer Price being EUR 10.15 and a Warrant Offer Price being EUR 2.30. The Share Offer Price includes any dividends or other contributions that are declared but unpaid on the date hereof. For the avoidance of doubt, in the event that in the period between the date hereof and the Settlement Date any dividends or other distributions are declared in respect of the Shares, the Share Offer Price will be decreased with an amount equivalent to any such dividend or distribution per Share.

5.10. Commission

Admitted Institutions shall receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.0104 in respect of each Share and EUR 0.0024 in respect of each Warrant validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 10,000 per depot. The commission must be claimed from the Offeror through the Settlement Agent within 30 days of the Unconditional Date. In principle, no costs will be charged to the Securities Holders by the Offeror or AM for the delivery and payment of the Securities. Securities Holders may be charged certain costs by their banks.

5.11. Restrictions

The Offers are being made with due observance of such statements, conditions and restrictions as are included in this Offer Document. The Offeror reserves the right to accept any tender under the Offers, which is made by or on behalf of a Securities Holder, even if it has not been effectuated in such manner as set out above.

5.12. Announcements

Announcements contemplated by the foregoing paragraphs will be issued by means of a press release and will be published in at least *Het Financieele Dagblad*, *De Telegraaf* and the Daily Official List as appropriate. Subject to any applicable requirements of Dutch offer regulations and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

6. EXPLANATION OF THE OFFERS

6.1. Introduction

On 10 November 2005, the Offeror, Royal BAM Group and the Company announced by way of a joint press release (see Section 18 (Press releases)) that the expectation was justified that agreement could be reached in connection with a recommended public offer by Offeror for all issued and outstanding shares in the capital of the Company and all outstanding warrants of the Company, whereby Royal BAM Group, through Offeror, intends to offer a Share Offer Price being a cash amount of EUR 10.15 and a Warrant Offer Price being a cash amount of EUR 2.30, subject to fulfilment of certain conditions. Since this time, definitive agreement has been reached with respect to the Offers and certain terms and conditions of this agreement are reflected in this Offer Document.

The Supervisory Board and the Management Board support the Offers and unanimously recommend the Offers for acceptance by Securities Holders. The transaction is attractive, not least because it strengthens the basis for achieving the strategy of the Company's individual business units and because the transaction takes account of the interests of the Company and its stakeholders.

6.2. Background to the Offers

For a full overview of the Company's strategic reorientation and the Development Sale, reference is made to Section 7.1 (Strategic reorientation, background and process).

Early September 2005, Royal BAM Group and other potential buyers were approached by the Company whether they were interested in acquiring AM R&L.

Based on the indicative offers received, AM decided to start negotiations with Royal BAM Group on the acquisition of AM R&L and AM Holding through a public offer by Royal BAM Group. These negotiations between AM and Royal BAM Group resulted in a press release on 30 September 2005 by the Company reporting progress in talks had been made which might lead to a public offer to acquire the Company and a split up of its activities. The bid price would be a maximum of EUR 10.15 per Share and Royal BAM Group, in conjunction with a financial partner, would become the ultimate owner of AM R&L and AM Holding.

On 10 November 2005, Royal BAM Group and AM announced that the expectation was justified that agreement in connection with a public offer for AM could be reached, whereby Royal BAM Group, through the Offeror, intended to offer EUR 10.15 per Share and EUR 2.30 per Warrant. In the meantime, MSREF, AM and Royal BAM Group had reached definitive agreement on the sale of the entire issued share capital of AM Development to MSREF for an amount of EUR 479 million immediately upon the intended offer being declared unconditional by the Offeror.

Since the press release of 10 November 2005, definitive agreement has also been reached with respect to the Offers and certain terms of this agreement are reflected in this Offer Document.

6.3. Rationale of the Offers

Royal BAM Group has set both growth and strategic targets for its different operating activities. Organic growth in real estate development is being pursued actively but has been limited to date. Growth by means of acquisitions is only feasible under certain circumstances as only a limited number of companies fit with Royal BAM Group's size, culture and its investment criteria. With respect to land positions, the acquisition of AM R&L would give Royal BAM Group's land bank the desired size.

As such, the proposed acquisition of AM R&L and AM Holding is consistent with Royal BAM Group's strategic and growth objectives. Royal BAM Group is convinced of the strategic fit between the development activities of AM R&L and Royal BAM Group's development and construction activities and Royal BAM Group believes it will provide a platform for strengthening and expanding its own business and that of AM R&L.

6.4. Offer Conditions

The obligation of the Offeror to declare the Offers unconditional (*gestand te doen*) shall be subject to the following Offer Conditions being satisfied or waived on or prior to the Acceptance Closing Date:

- a) the number of Securities that are tendered for acceptance under the Offers, and together with the Shares and Warrants directly or indirectly held at that time by the Offeror and the Shares and Warrants which the Offeror may acquire as a result of any agreement entered into prior to the Acceptance Closing Date, represent at least 80% of the aggregate number of the Shares and the Warrants as at the Acceptance Closing Date;
- b) all conditions precedent, set out in the Share Purchase Agreement between the Company and Stichting Green Acquisition, for (i) the obligation of Stichting Green Acquisition to effect the completion of all transactions set out therein, having been fulfilled or, to the extent capable of being waived, waived, as evidenced by an original letter signed by an authorised representative of Stichting Green Acquisition and received by the Offeror, and (ii) the obligation of the Company to effect the completion of all transactions set out therein, having been fulfilled or, to the extent capable of being waived, waived, as evidenced by an original letter signed by an authorised representative of the Company and received by the Offeror, other than the condition that the Offeror has declared the Offer unconditional (*gestand heeft gedaan*) and Stichting Green Acquisition having complied with the pre-closing obligations under the Share Purchase Agreement;
- c) Stichting Green Acquisition having paid all amounts, required to be paid under the Share Purchase Agreement on or prior to the day the transactions set out therein will be consummated, to the third party account of the civil law notary as referred to in the Share Purchase Agreement, with interest accrued thereon being for the benefit of the Company;
- d) the Boards have not revoked their recommendation of the Offers as set out in this Offer Document;
- e) the general meeting of Shareholders having approved the Development Sale, as contemplated under the Share Purchase Agreement, pursuant to Article 2:107a Civil Code;
- f) no event or circumstance materially adversely affecting the business, cash flow, financial position or assets of the Company and any of its group companies (excluding AM Development) taken as a whole has occurred which is such that the Offeror cannot reasonably be expected to continue with the Offers and that does not arise as a result of:
 - i. a general economic decline in the real estate business generally affecting companies in this sector such as the Company and the Offeror; or
 - ii. any matter that is known to the Offeror or Royal BAM Group prior to the start of the Offer Acceptance Period or clearly apparent from the due diligence investigations or information filed by the Company or any of its group companies (excluding AM Development) as a matter of public record, made public by the Company pursuant to applicable rules of Euronext Amsterdam, the Wte 1995 or the Bte 1995; or
 - iii. the announcement, making and implementation of the Offers or the sale of AM Development (except to the extent arising in connection with change of control provisions in agreements entered into by the Company or any of its subsidiaries or affiliates other than those disclosed to the Offeror or its advisers prior to the date of the Merger Protocol); or
 - iv. a violation of the Merger Protocol or applicable law by the Offeror;
- g) on or prior to the Acceptance Closing Date, no public announcement, or written notification pursuant whereunto the Offeror has the right to terminate the Merger Protocol, has been made indicating for the first time that a third party is preparing or announces a bona fide public offer which qualifies as a competing offer for all or part of the Securities and no third party has obtained the right to acquire or subscribe for, or has agreed to acquire or subscribe for, Shares or depository receipts of Shares in the capital of the Company and any of its

subsidiaries or a substantial part of the assets of the Company and any of its group companies other than AM Development, other than as a consequence of the Warrants;

- h) on or prior to the Acceptance Closing Date, no order, stay, judgement or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the Offers, any of which restrains, prohibits or delays or is reasonably likely to restrain, prohibit or delay consummation of the Offers in any material respect;
- i) the Company has not breached the Merger Protocol, to the extent that such breach has or could reasonably be expected to have material adverse repercussions on the Offers and, if such breach has occurred, has not been remedied by the Company within 2 (two) weeks after receipt of a written notice by the Offeror, provided that the Company shall not be entitled to such remedy period (i) if such breach is not capable of being remedied or (ii) when the Offeror has given the Company written notice that all other Offer Conditions have been fulfilled;
- j) the Offeror has not breached the Merger Protocol, to the extent that such breach has or could reasonably be expected to have material adverse repercussions on the Offers or the Company and its affiliates and, if such breach has occurred, has not been remedied by the Offeror within 2 (two) weeks after receipt of a written notice by the Company, provided (i) that the Offeror shall not be entitled to such remedy period if the breach is not capable of being remedied and (ii) that the remedy period for the Offeror shall be only 1 (one) week if and after the Company has given the Offeror written notice that all other Offer Conditions have been satisfied;
- k) the Offers have not been made in conflict with any of the stipulations of Chapter IIa of the Wte 1995, as set out in article 32a of the Bte 1995, as a result of which securities institutions will not cooperate with the implementation and settlement of the Offers;
- l) trading in the Shares on Eurolist by Euronext Amsterdam has not been permanently suspended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 2706/1 of Euronext Rulebook II;
- m) the occurrence of one of the following events on or ultimately three Business Days prior to the Acceptance Closing Date:
 - i. The European Commission has issued a decision under article 6.1 (a), 6.1 (b), 6.1 (c) or article 8.2 of Regulation (EC) 139/2004 in respect of the Offers and if that decision is given subject to conditions or obligations, then those conditions and obligations must be satisfactory to the Offeror acting reasonably provided that the Offeror shall be obliged to accept any condition or obligation which is not material. For the purposes of this Section 6.4(m) a condition or obligation shall be deemed material if it imposes directly or indirectly on the Offeror or its, direct or indirect, shareholders an obligation to divest business assets generating 5% or more of aggregate world wide turnover of the business units residential and land measured by reference to the Company's accounts with respect to the six months ended 30 June 2005; or
 - ii. After referral or deemed referral by the Commission under Articles 9(1) or 9(5) of the Regulation (EC) 139/2004 respectively of all or part of the transaction to the competent authority of one or more member states of the European Union the said competent authority or authorities issue(s) a decision and if that decision is given subject to conditions or obligations, then those conditions and obligations must be satisfactory to the Offeror acting reasonably; or
 - iii. All applicable waiting and other time periods (including extensions thereof) under any applicable legislation or regulation of any other applicable jurisdiction, including, but not limited to, Article 6.1 and Article 8 of the Regulation (EC) 139/2004 and Article 37.1 and Article 44.1 of the Dutch Competition Act (*Mededingingswet*) have expired, lapsed or terminated;

- n) on or prior to the Acceptance Closing Date, the Company has not terminated the Merger Protocol in accordance with its terms; and
- o) the Share Purchase Agreement remains valid and binding and no changes to the terms and conditions of the Share Purchase Agreement have been made by the parties thereto.

The Offer Conditions in Section 6.4(a) up to and including 6.4(d) and under 6.4(f) up to and including 6.4(i) and under 6.4(o) are for the benefit of the Offeror and may be waived by the Offeror (either in whole or in part) at any time by written notice to the Company. The Offer Conditions in Section 6.4(e), 6.4(l) and 6.4(m) are for the benefit of both the Company and the Offeror and may be waived by the Company jointly with the Offeror (either in whole or in part) by written notice, provided, however, that a party may only waive the fulfilment of such Offer Condition if the non-fulfilment of such Offer Condition is not caused by such party. The Offer Condition in Section 6.4(j) is for the benefit of the Company and may be waived by the Company (either in whole or in part) at any time by written notice to the Offeror. The Offer Condition in Section 6.4(n) is for the benefit of the Company and may be waived (either in whole or in part) by the Offeror without prior written consent of the Company. The parties will notify each other forthwith of any facts or circumstances which may cause them to invoke any of the conditions set forth in Section 6.4 of this Offer Document.

A waiver by the Offeror of the Offer Condition in Section 6.4(a) will require the approval of the Supervisory Board, in the event that the number of tendered Shares and tendered Warrants, together with the Shares and Warrants already directly or indirectly held by the Offeror at the Acceptance Closing Date and the Shares and Warrants which the Offeror may acquire as a result of agreements entered into prior to the Acceptance Closing Date, would represent less than 50% plus one Share of the aggregate of the Shares and the Warrants.

6.5. Irrevocable undertakings

ABN Amro Effecten Compagnie B.V., Stichting Administratiekantoor Timeless (Mr. J.F.J. van Veggel), Switch B.V. (Mr. A.D.J.G. van Dam), Delta Lloyd N.V., Delta Deelnemingen Fonds N.V., Mr. J.C.M.A. Gillis, and Mr. P.S.M. Ruigrok have irrevocably committed themselves to tender all their Securities under the Offers. Such undertakings represent approximately 44.1% of the aggregate of the Shares and the Warrants as at the date of this Offer Document. A detailed breakdown of these undertakings is available in the table below.

Securities Holders	Shares	% Shares	Warrants	% total*
ABN Amro Effecten Compagnie B.V.	9,328,554	10.1%	2,194,753	11.7%
Delta Lloyd N.V.	5,000,000	5.4%	-	5.1%
Delta Deelnemingen Fonds N.V.	5,000,000	5.4%	-	5.1%
Switch B.V.	9,171,849	9.9%	1,581,274	11.0%
Stichting Administratiekantoor Timeless	9,204,952	10.0%	1,581,274	11.0%
Mr. Gillis	146,756	0.2%	26,446	0.2%
Mr. Ruigrok	12,088	0.0%	-	0.0%
Total	37,864,199	40.9%	5,383,747	44.1%

* Combined number of Shares and Warrants of Securities Holder divided by number of all outstanding Shares and Warrants

With the exception of Mr. J.F.J. van Veggel (via Timeless), Mr. J.C.M.A. Gillis, and Mr. P.S.M. Ruigrok, no other member of the Supervisory Board or Management Board holds any Securities.¹

¹ Mr. A.D.G.J. van Dam resigned from the Supervisory Board on 9 November 2005. See Section 11.9 (Supervisory Board).

6.6. Substantiation of the Offer Prices

For each Share and each Warrant tendered and delivered under the terms and conditions set out in this Offer Document, the Offeror offers a Share Offer Price being EUR 10.15 and a Warrant Offer Price being EUR 2.30, respectively. As stated, the Share Offer Price is cum dividend and other distributions implying that the profit of AM for the financial year 2005 is included in the Offer Prices. The Warrant Offer Price is based on an option value component of EUR 0.15 per Warrant and the difference between the Share Offer Price and the Warrant exercise price of EUR 8.00. The option value component is valued by applying Black & Scholes option valuation methodology using a price of EUR 10.15 per Share.

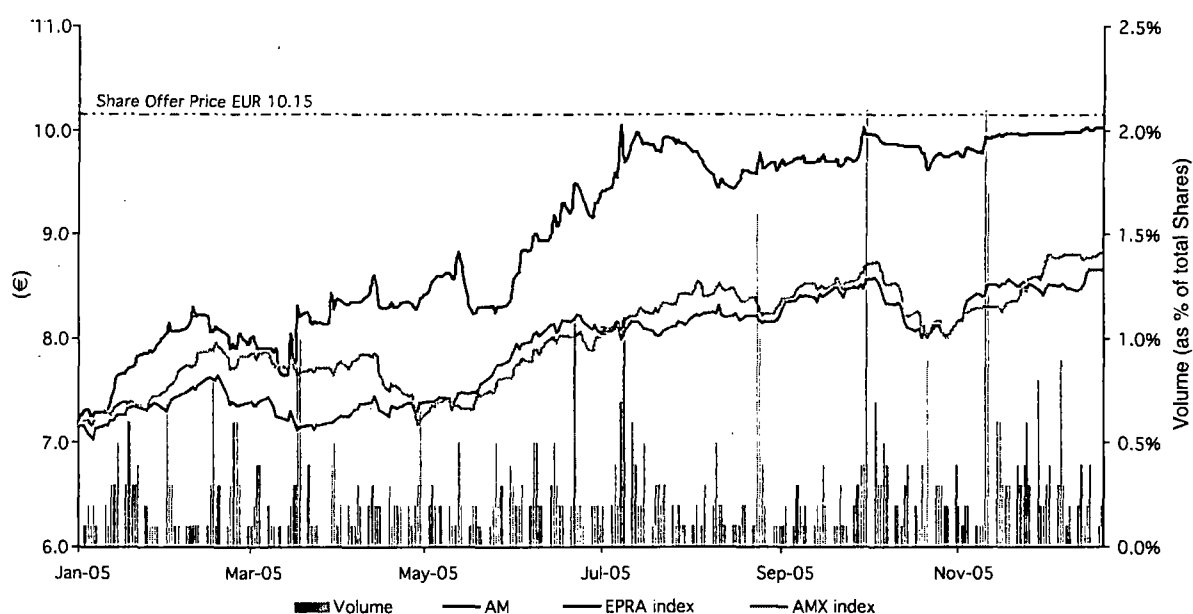
The Offeror and AM reached agreement on the Offers and the Offer Prices following negotiations between Royal BAM Group and AM, assisted by their respective advisers. A number of factors were important in determining the Offer Prices, including, amongst others:

- (i) Royal BAM Group's participation in a competitive process with a number of strategic and financial parties invited to make a bid for the division AM R&L. See Section 7.1 (Strategic reorientation, background and process);
- (ii) the historic share price performance of AM, especially since AM announced its was evaluating the Company's medium-term prospects on 17 March 2005, also compared with certain other comparable publicly traded companies;
- (iii) the proceeds of EUR 479 million from the Development Sale whereby MSREF will also assume outstanding debts and liabilities of AM Development. See Section 7.3 (Information regarding the Development Sale)
- (iv) the historic developments and Offeror's view on potential future developments in profitability of AM R&L and AM Holding;
- (v) an analysis of trading and transaction multiples based on financial terms, to the extent available, of certain comparable publicly traded companies and certain comparable transaction respectively;
- (vi) an analysis of bid premiums in recent recommended public cash offers for companies listed on Euronext Amsterdam.

In addition, certain publicly available financial information as derived from annual accounts, analysts reports, market reports, press releases and additional information provided by the Company regarding its financial, tax, accounting and legal affairs have been reviewed, such other analyses have been performed, and such other factors have been considered as were available to the Offeror and its advisers. To the extent required by law or to the extent required to assess the merits of the Offers and the Offer Prices, any relevant information following from the due diligence investigation is included in this Offer Document or has otherwise been made public. (See Section 1 (Important information and restrictions) and Section 18 (Press releases). Finally, the Offeror has based the Offer Prices on the results of the first three quarters of FY 2005, the contents of which are included in this Offer Document.

The Share Offer Price represents:

- a) a premium of approximately 31.6% over the closing price of EUR 7.71 for the Shares on 16 March 2005, the day prior to the publication of the 2004 results, at which time the Management Board announced the strategic orientation and mentioned a break-up of the Company and delisting as realistic options. In response to this announcement, the price of the Shares rose to EUR 8.30 on 17 March 2005. Adjusted for the declared and paid dividend of EUR 0.43 per share in May 2005, the Share Offer Price represents a premium of 39.4%;
- b) a premium of approximately 28.2% over the average closing price of EUR 7.92 for the Shares, for the one month prior to 17 March 2005;
- c) a premium of approximately 31.6% over the average closing price of EUR 7.71 for the Shares, for the three months prior to 17 March 2005;
- d) a premium of approximately 42.8% over the average closing price of EUR 7.11 for the Shares, for the six months prior to 17 March 2005;
- e) a premium of 3.8% over the closing price of EUR 9.78 for the Shares on 9 November 2005, the day prior to the issue of the press release dated 10 November 2005 announcing that the expectation was justified that AM, the Royal BAM Group and the Offeror could reach agreement on a public offer.



Note: EPRA European Public Real Estate index is a market capitalisation weighted index of the 87 most heavily traded real estate stocks including AM.

Source: Datastream, Bloomberg

In the event that after the Acceptance Closing Date any dividends or other distributions are declared in respect of the Shares, the price paid for any Share after the Acceptance Closing Date will be decreased with an amount equivalent to any such dividend or distribution per Share. In the case of a squeeze-out or a legal merger the Offeror anticipates that the fair value per Share shall be equivalent to the Share Offer Price less the amount of such dividend or distribution.

On 20 December 2005, Kempen & Co and NIBC rendered their fairness opinions in respect of the Offers in writing to the Boards. Such fairness opinions are reproduced in Section 10 (Fairness opinions). As at the date of such opinion, and based upon and subject to the factors and assumptions referred to in such opinion, Kempen & Co and NIBC consider the Offer Prices to be fair, from a financial point of view, to the Securities Holders.

6.7. Consequences of the Offers

6.7.1. Strategy

In the coming years, AM R&L will continue to operate as an independent entity, preserving its identity, and thereby aiming at expanding its market position. It will also be well placed to build on its distinctive capability as project developer with a unique vision for characteristic residential and multifunctional developments. A key feature will be the focus on consumer requirements, based on AM R&L's "Wonen op Maat®" customised housing concept. The organic growth of AM Residential, which expects to sell 5,500 new homes in 2005 (including sales on behalf of third parties) will also be maintained in the years ahead. AM Land, working in partnership with public authorities, municipalities and other players in large-scale and long-term area residential development projects, will be a driving force. In the next few years the Company will continue to work with Royal BAM Group's operating companies as well as third parties in the construction phase.

6.7.2. Legal structure of AM following the Offers

Legal structure if 95% or more of the Shares have been tendered

In the event that upon the Settlement Date the Offer Conditions in respect of the Shares have been fulfilled and the Offeror holds 95% or more of the Shares (excluding Shares held by the

Company and/or its subsidiaries), the Offeror may decide to acquire the remaining Shares not tendered (and not held by the Company and/or its subsidiaries) by means of a squeeze-out procedure in accordance with article 2:92a of the Civil Code.

Following the Settlement Date, the Offeror may also decide, instead of proceeding with a squeeze-out, by a simple majority vote of the general meeting of shareholders of the Company to resolve that a legal merger (*juridische fusie*) between the Offeror or any affiliate thereof and the Company will be entered into in accordance with articles 2:309 and 2:334 of the Civil Code or take any of the other steps set out below under "Additional means of acquiring the Securities held by the minority of the Securities Holders" in this section. The legal consequence of a legal merger including the possibility to pursue a squeeze-out thereafter, are the same as set out below under "Legal structure if less than 95% of the Shares have been tendered".

Legal structure if less than 95% of the Shares have been tendered

In the event that the Offeror has declared the Offers unconditional, but after the Settlement Date does not hold 95% or more of the Shares (excluding Shares held by the Company or its subsidiaries), the Offeror, subject to a simple majority vote of the general meeting of shareholders of the Company, may, following the Settlement Date, decide to effect a legal merger (*juridische fusie*). As a result of such legal merger, the Offeror and the Company would be merged in accordance with articles 2:309 and 2:334 of the Civil Code (which latter article refers to a so called "triangular merger" pursuant to which the shareholders of the disappearing company would become shareholder of a group company of the surviving company). If a triangular merger will be effected, the minority Shareholders will become shareholder in Royal BAM Group and will receive ordinary shares in Royal BAM Group, listed on Eurolist by Euronext Amsterdam.

In case of a legal merger, a merger proposal will be prepared by the management boards of the merging companies which will mention the particulars required to be included pursuant to Dutch law. In such event, a separate statement to the merger proposal will include details of the following:

- the method or methods according to which the exchange ratio for the Shares will have been determined;
- why such method or methods are considered appropriate under the circumstances;
- the valuation resulting from each method applied;
- if more than one method has been applied, whether the relative importance attributed to the valuation methods applied may be considered generally acceptable; and
- whether there have been any particular difficulties on such valuation and with the determination of the exchange ratio.

In the event of a legal merger, an accountant will be requested to examine the proposed legal merger and will be asked to certify that in his opinion the proposed exchange ratio for the Shares is reasonable. When designating such accountant, Offeror will procure that such accountant will not have audited the financial statements of the Company or Royal BAM Group in the previous three years. It is envisaged that all decisions in respect of a legal merger are made following the Settlement Date. Also, it is envisaged by Royal BAM Group that the Supervisory Board will have at least one independent member, who is expected to also be the chairman of the Supervisory Board. In view of the interests of the minority of the Securities Holders and to ensure a balanced decision-making process with respect to the legal merger, Offeror intends to procure that independent members of the Supervisory Board at such time (including the chairman) shall have the opportunity to obtain independent legal and financial advice in relation to such legal merger, if and when so requested by such member or members. Also, Offeror intends to procure that, upon request of the independent members of the Supervisory Board (including the chairman), a second independent accountant or valuation expert shall be appointed to provide a second opinion on the reasonableness of the proposed exchange ratio for the Shares. Finally, the Offeror intends to procure that, the chairman of the Supervisory Board shall have a casting vote in relation to any decisions of the Supervisory Board with respect to the legal merger.

Warrant Holders

In case the legal merger is effectuated, the Warrant Holders that have not tendered their Warrants under the Warrant Offer, will, in accordance with article 2:320 of the Civil Code, receive adequate

compensation or obtain a right in the surviving company which is similar to the right they had in the disappearing company, or in case of a triangular merger, in a group company of the Offeror, or if the Company is the surviving company, remain to be Warrant Holder in the Company. Such compensation or right of a Warrant Holder will be described in a merger proposal in accordance with article 2:312 paragraph 2 (c) of the Civil Code.

Additional means of acquiring the Securities held by the minority of the Securities Holders

In the event the Offeror has declared the Offers unconditional, the Offeror reserves the right to use any other legally permitted method to obtain the Securities held by the minority of the Securities Holders, including by way of liquidation, legal merger in accordance with articles 2:309 and 2:334 of the Civil Code (not involving Royal BAM Group), de-merger as specified in article 2:334a of the Civil Code or sale of all or substantially all of the assets of the Company. Finally, the Offeror and the Company reserve the right to have the Offeror contribute assets to the Company against the issuance of Shares, while at the same time pre-emptive rights (*voorkeursrechten*) of other Shareholders shall be excluded, all in accordance with Dutch law and the Articles of Association at that time.

Changes to the Articles of Association and structure

In the event the Offeror has declared the Offers unconditional, the Offeror reserves the right to submit proposals to the Shareholders for one or several changes to be made in the Articles of Association in order to alter the company structure and the capital structure of AM and/or proposals intended to achieve optimal financial, corporate governance, or other structuring. This should be done in order to align the company structure of AM with the group's new holding and financing structure that will exist once the Offers have been declared unconditional (*gestand zijn gedaan*).

6.7.3. Dividend policy

The Offeror expects to significantly amend the Company's dividend policy should the Offers be declared unconditional. Securities Holders should be aware that the Company may not pay dividends to the Shareholders in the future.

6.7.4. Liquidity and delisting

The purchase of the Securities by the Offeror pursuant to the Offers, amongst other things, will reduce the number of Securities Holders and the number of Securities that might otherwise trade publicly thus adversely affecting the liquidity of the Securities not tendered.

Subject to the Offers being declared unconditional, the Offeror further intends, in consultation with Euronext Amsterdam, to terminate the listing of the Securities on Euronext Amsterdam as soon as possible. This would further adversely affect the liquidity of any Securities not tendered.

6.7.5. Social consequences

The Offers as such will not have any negative consequences for the employment situation at the Company and/or its subsidiaries, except that as a result of the Offers and the future separation of AM Development and AM R&L, AM Holding may no longer be required. The Offeror is aware of these possible consequences and will allow the Company to assume responsibility for the related effects and costs thereof and will allow the Company to honour the redundancy arrangements made or to be made with the relevant employees.

The Offers as such will not have any negative consequences for the employment situation of the Offeror and/or Royal BAM Group. Positive advice has been obtained from the works council of the Company and the central works council of Royal BAM Group in accordance with the Works Councils Act (*Wet op de Ondernemingsraden*). The secretariat of the Social Economic Council (*Sociaal-Economische Raad*) has been informed in writing on 10 November 2005 of the Offers in accordance with the SER Merger Code 2000 (*SER-besluit Fusiegedragsregels 2000*).

6.7.6. Future composition of the Boards

All current members of the Supervisory Board shall resign as from the Settlement Date. The Offeror and the Company have agreed to procure that each resigning member of the Supervisory Board will be fully released from his duties on the Settlement Date.

It is currently envisaged that from the Settlement Date, the Supervisory Board will consist of three members, being Mr. W. van Vonno, Mr. A.H. van Tooren and Mr. L.C. Brinkman. At the Extraordinary General Meeting of Shareholders, the current Supervisory Board will nominate these persons as new members of the Supervisory Board.

Mr. J.F.J. van Veggel, Mr. A.L. de Haan and Mr. J.C.M.A. Gillis shall resign as member of the Management Board as at the Settlement Date. It is currently envisaged that from the Settlement Date onwards the Management Board will be formed by Mr. P.G.A. Noordanus and Mr. P.S.M. Ruigrok.

6.8. Financing of the Offers

Offeror will finance acceptance under the Offers through a committed bank facility (subject to usual market terms and conditions), arranged by ING Wholesale Banking and Fortis Bank (Nederland) N.V., and committed funds from Royal BAM Group, ING CI and Fortis Bank. See Section 14 (Information concerning the Offeror).

On 10 November 2005, Royal BAM Group issued 2.224 million new ordinary shares in its own capital at EUR 69.00 per share. The net proceeds will be used for Royal BAM Group's share of the funding of the Offeror.

6.9. Protection trust

The Foundation Priority has one issued and outstanding Priority Share in the share capital of AM, with a par value of EUR 5.00. The Foundation Priority will transfer the Priority Share for the nominal value to AM subject to the Offer Conditions that the Offers have been declared unconditional.

6.10. Certain arrangements between the Offeror and AM

The Offeror and the Company have entered into arrangements pursuant to which the Company has agreed to immediately reimburse the fees incurred by Royal BAM Group, the Offeror and their respective advisers by way of liquidated damages for an amount equal to EUR 3.5 million, in the event that the Offers are not declared unconditional for a reason not directly attributable to a breach by the Offeror of its obligations under the Merger Protocol. Upon termination of the Merger Protocol pursuant to a breach of the Merger Protocol or law by the Offeror, the Company will be paid an amount of EUR 3.5 million.

6.11. Treatment of existing incentive programs

Upon the Offers have been declared unconditional (*gestanddoening*), the Offeror will settle all outstanding Stock Appreciation Rights ("SARs") issued to the senior management of the Company and pay the holders of the SARs in aggregate the applicable amount in cash (after deduction of any applicable taxes and/or withholdings) no later than on the Settlement Date. A total of 575,000 SARs granted to senior management of AM is currently outstanding. The exercise price of the SARs, that are to be settled on the Settlement Date, is correlated with the Warrant Offer Price, taking into account the exercise price of the Warrants of EUR 8.00 per Share. On this basis, a total amount of EUR 2.587.300 (after deduction of any applicable taxes and/or withholdings) is to be paid in respect of the SARs that are terminated on the Settlement Date.

7. STRATEGIC REORIENTATION, BACKGROUND AND EXPLANATION OF THE DEVELOPMENT SALE

This Section, inter alia, aims to inform the Securities Holders about the Development Sale in connection with the proposed approval of the Development Sale by the general meeting of Shareholders in accordance with article 2:107a of the Civil Code (See also Section 17 (Extraordinary General Meeting of Shareholders)).

7.1. Strategic reorientation, background and process

In 2002 Amstelland N.V. and MDC merged. The resulting group comprised two separate business units: AM R&L and AM Development (the former MDC).

While AM's business units proved to be successful developers both in the Netherlands and across Europe, the Management Board recognized that both business units faced growing capital requirements in order to fund future growth. On the one hand, AM R&L intends to improve its strong position in district-wide developments for being a strategic partner with long term commitment for municipalities and regional public-private partnerships. It also aims to strengthen its position in growth regions in the Netherlands, like the Randstad and the province of Noord-Brabant. These strategic ambitions imply a substantial scale of pre-investments for future growth. On the other hand, AM Development, as a leading pan-European developer of commercial property, operates in a market characterised by continuing internationalization, increased scale and greater professionalism. The growth objectives of AM Development, the increasing scale and risk of its projects and AM Development's desire to continue participating in the property it has developed lead to a significant increase in AM Development's financing requirements.

At the same time, the stock market listing represented limited added value as a platform to fund future growth. The relatively unique position of AM as a listed real estate development company, and its lack of peers imply a limited upward potential on the stock market. At first sight, AM may seem a focused stock. However in practice it attracted two types of investors; a category which is in favour of the business model and the risk profile of AM R&L and another category that chooses for the business model and the risk profile of AM Development.

It was also recognized that there was relatively little synergy between AM's two separate business units, AM R&L and AM Development. The business units are active in different sectors, in different geographical markets and they serve different customers. Moreover, AM Development has a different geographical focus compared to AM R&L, which further limits the co-operation and mutual benefit of the two business units.

In this context, the Management Board, after discussions with the Supervisory Board started evaluating the group's medium-term prospects. The Management Board, with support from the Supervisory Board, decided to engage Kempen & Co and NIBC as financial advisers and to enter into discussions with potential buyers to solicit an offer for part of the Company or a public offer for the Company as a whole. As indicated in AM's press release dated 17 March 2005, the alternatives under evaluation included continued growth on the existing basis but also the possibility of a change of ownership of the Company.

The starting point of these discussions with potential interested parties was aimed at achieving an all-cash public offer for the Company as a whole by one or more interested buyers and allowing for the possibility of an immediate separation of AM's two core activities.

During this stage, the Company and its financial advisers actively conducted a competitive process, which resulted in a number of parties expressing interest in either the Company as a whole, or one of the business units (AM Development and AM R&L) individually.

On 8 July 2005, the Company issued a press release in response to media reports on a possible transaction involving the Company in which the Company confirmed that exploratory talks were being

held with parties potentially interested in taking over AM's activities. Indicative offers at the time valued the Company at up to EUR 9.50 per Share. See Section 18 (Press releases).

Although discussions with a number of potential interested parties did not lead to interests which justified further pursuing these discussions, talks with other parties, including MSREF, were continued. During July and August 2005, these exploratory talks resulted in more advanced discussions between the Company and MSREF. During these discussions a number of alternative transaction structures were considered, including an offer by MSREF for AM and a sale of AM Development to MSREF. AM came to the conclusion that, although MSREF was willing to offer an attractive price for AM Development, other parties could potentially attach a higher value to AM R&L. AM decided to approach a number of strategic and financial parties to receive indicative offers for AM R&L based on a public offer for AM and a back-to-back sale of AM Development.

Based on the indicative offers received for AM R&L, AM decided to start negotiations with Royal BAM Group on the acquisition of AM R&L and AM Holding through a public offer by Royal BAM Group. These negotiations between AM and Royal BAM Group resulted in a press release on 30 September 2005 by the Company reporting progress in talks had been made which might lead to a public offer to acquire the Company and a split up of its activities. The bid price would be a maximum of EUR 10.15 per Share and Royal BAM Group, in conjunction with a financial partner, would become the ultimate owner of AM R&L and AM Holding.

On 10 November 2005, Royal BAM Group and AM announced that the expectation was justified that agreement in connection with a public offer for AM could be reached whereby Royal BAM Group, through the Offeror, intended to offer EUR 10.15 per Share and EUR 2.30 per Warrant. In the meantime, MSREF, AM and Royal BAM Group had reached definitive agreement on the sale of the entire issued share capital of AM Development to MSREF for an amount of EUR 479 million immediately upon the intended offer being declared unconditional by the Offeror.

As set out in the joint press release dated 10 November 2005 (See Section 18 (Press releases)), in connection with the Development Sale, Mr. J.F.J. van Veggel and other members of the AM Development management team have been invited by MSREF to take a minority interest in the share capital of the entity (indirectly) acquiring AM Development. Mr. A.D.J.G. van Dam, together with Mr. J.F.J. van Veggel one of the co-founders and former major shareholders in MDC, shall also indirectly participate in the share capital of AM Development.

To avoid any potential conflict of interest or the appearance thereof in the realization of the intended sale of AM Development, Mr. A.D.J.G. van Dam had, in consultation with the Supervisory Board, decided to resign as a member of the Supervisory Board.

In view of the position of Mr. J.F.J. van Veggel, as a member of the Management Board and, through Timeless, a Shareholder in AM, other members of the Management Board represented the Company in discussions with Royal BAM Group and MSREF on key terms of the Offers and the Development Sale, including the Offer Prices and the consideration for the Development Sale respectively.

Throughout the process, the Supervisory Board and the Management Board have frequently met and discussed the progress of the process and key decisions in connection therewith. Mr. J.F.J. van Veggel and Mr. A.D.J.G. van Dam have not actively participated in the decision making process on price and other key terms of the Development Sale. All key terms of the Offers and the Development Sale were agreed by the Company after approval by the independent members of the Supervisory Board.

Finally, as announced in the press release of 10 November 2005, a number of Securities Holders, including all known holders of an interest in excess of 5% of the Shares (see Section 6 (Explanation of the Offers)), have entered into an irrevocable commitment with the Offeror to tender their Shares and Warrants in the Offers. Expression of such commitment in the form of an irrevocable undertaking was a prerequisite for the Company, Royal BAM Group and MSREF to enter into the Merger Protocol and Share Purchase Agreement respectively and to announce the contemplated Transactions on 10 November 2005.

Since the press release of 10 November 2005, definitive agreement has been reached with respect to the Offers and certain terms of this agreement are reflected in this Offer Document. See Section 6 (Explanation of the Offers).

7.2. Rationale

The sale of AM Development to MSREF and the completion of the Offers will lead to the separation of AM's two core activities: (i) residential and land development in the Netherlands and (ii) commercial property development on a pan-European scale and in Turkey. This will effect the implementation of AM's strategic orientation as announced on 17 March 2005, with the objective of securing the best possible financing for the future growth of AM's core activities.

AM considers that the combined Transactions will benefit the Company, Securities Holders, employees, customers, business partners and other stakeholders in a number of ways:

- (a) separation of the core activities should enable the businesses concerned to take better advantage of the growth opportunities in the markets addressed by the two separate business units as a result of, *inter alia*, improved funding opportunities and more focused business models;
- (b) being owned by MSREF will place AM Development in the best possible position to capture its growth potential. The growth objectives of AM Development, the increasing scale and risk of its projects and AM Development's desire to continue participating in the property it has developed leads to a significant increase in AM Development's financing requirements. It should have easier access to global capital markets and will be better positioned in the financial markets, creating better opportunities to raise funding including additional equity funding. Expanding the asset management and investment management activities of AM Development also requires specific skills which MSREF as owner can contribute. In partnership with MSREF, AM Development will be able to evolve into a pan-European owner/developer of shopping centres to meet the resulting increased capital requirements of AM Development;
- (c) the strategic fit between the development activities of AM R&L and Royal BAM Group's development and construction activities will provide a platform for strengthening and expanding the business of AM R&L, whereby AM R&L will have the benefit of working with Royal BAM Group's operating companies as well as third parties in the construction phase in the next few years. Following completion of the Offers, AM R&L will for several years operate as an independent entity, while preserving its identity;
- (d) the Offers and the Development Sale provides Securities Holders the opportunity to sell their Securities at an attractive premium and realize immediate value in cash for their holdings.

7.3. Information regarding the Development Sale

7.3.1. The Development Sale

AM and MSREF, among others, have entered into the Share Purchase Agreement in relation to the sale of AM Development. The Share Purchase Agreement provides that, upon completion, all issued and outstanding shares in the capital of AM Development will be sold and transferred to MSREF for an agreed cash price of EUR 479 million whereby MSREF will also assume outstanding debt and liabilities of AM Development. Based on the agreed price for all shares in the capital of AM Development and the unaudited net debt of AM Development as at 30 September 2005, the enterprise value of AM Development would amount to EUR 754 million.

In the Share Purchase Agreement, AM has stipulated that the Development Sale is conditional upon the Offers being declared unconditional by the Offeror and approval of the Development Sale by the Extraordinary Meeting of Shareholders. See Section 17 (Extraordinary General Meeting of

Shareholders). In addition, completion of the Development Sale is subject to a number of other conditions, including regulatory clearance from the European Commission, no material adverse change occurring to the business of AM Development and the absence of a breach of the Share Purchase Agreement by either AM or MSREF. The Shareholders will be requested at the Extraordinary General Meeting of Shareholders, *inter alia*, to approve the Development Sale subject to the condition precedent that the Offers are declared unconditional (*gestand zijn gedaan*).

Immediately upon the Offers being declared unconditional (*gestand zijn gedaan*) and subject to all other conditions having been satisfied or waived, the Development Sale will be completed. This completion will occur prior to the Settlement Date.

In connection with the disentanglement as a consequence of the Development Sale, AM Development shall assume all liabilities and commitments that specifically relate to the business of AM Development and AM shall assume all liabilities and commitments that specifically relate to the business of AM R&L.

Finally, the Share Purchase Agreement provides that AM will pay a termination fee in the amount of EUR 5 million and reimburse the actual fees and expenses incurred by MSREF or its affiliates (including third party adviser costs) in connection with the Development Sale, in the event that AM fails to close the Development Sale unless such failure is due to any act or omission that is reasonably attributable to MSREF.

The Share Purchase Agreement is construed in accordance with and shall be governed exclusively by the laws of the Netherlands.

7.3.2. The consequences of the Development Sale

Strategy

MSREF will place AM Development in the best possible position to finance and to achieve its future growth objectives. The key elements of AM Development's strategy as supported by MSREF are as follows:

- It is the intention to transform the business model from being a pure developer to becoming an owner-developer of shopping centres;
- The business will be expanded with an investment management arm for shopping centres management;
- The business will continue to expand its shopping centre development and asset management activities in new growth markets in Europe;
- The business will continue to concentrate strategic focus on shopping centres.

For a further description of AM Development's strategy, see also Section 11.5.2 (Business strategy – AM Development).

Social Consequences

The sale of AM Development as such will not have negative consequences for the employment situation with AM Development.

Future composition of the management board of AM Development

The management board of AM Development will consist of the current management board of AM Development and representatives of MSREF. The one-tier board will be chaired by Mr. J.F.J. van Veggel. Mr. A.L. de Haan will be the CEO. The management team of AM Development has been invited to invest in the acquisition vehicle which will (indirectly) acquire AM Development upon completion of the Development Sale. As part of the agreed Development Sale, Mr. J.F.J. van Veggel and other members of the management team will take a minority interest in the share capital of the entity that will (indirectly) acquire AM Development. See also Section 15 (Information concerning MSREF).

7.4. Key financials AM Development

For financial information on AM, including AM Development, for financial years 2002 to 2004 and the first three quarters of financial year 2005, reference is made to Section 13 (Financial information concerning AM). For further information on AM Development specifically, see Section 11.6 (Financial year). Below is set out a summary of selected financial information in relation to AM Development.

Amounts in millions of euro's, unless otherwise indicated

	Q1 - Q3 2005 (unaudited) IFRS	Year 2004 (audited) IFRS
Operating income		
– from consolidated subsidiaries	481.1	425.1
– share of unconsolidated associates and joint ventures	27.2	102.3
Total operating income	508.3	527.4
Operating result	62.2	71.3
Profit before tax	47.9	51.1

7.5. Support and voting

The Supervisory Board and Management Board unanimously support the Development Sale as part of the Offers. See Section 9 (Recommendation by the Supervisory Board and the Management Board). AM's central works council has rendered positive advice in respect of the Development Sale.

All known holders of an interest of 5% or more of the Shares and the Warrants as at the date of this Offer Document have undertaken to vote in favour of the Development Sale at the Extraordinary General Meeting of Shareholders.

8. FURTHER STATEMENTS REQUIRED PURSUANT TO THE SECURITIES MARKET SUPERVISION DECREE

In addition to the other statements set out in this Offer Document, the management board of the Offeror with regard to subjects (ii) and (vi), the management board of the Offeror and the Supervisory Board and the Management Board jointly with regard to subjects (i), (iii), (iv) and (v), hereby declare as follows:

- (i) There have been consultations between the Offeror and AM regarding the Offers, which have resulted in agreement on the Offers. Discussions regarding the Offer Prices, the financing of the Offers and the conditions to the Offers took place between the Offeror and the Management Board and their representatives. Discussions regarding the future strategy of AM have taken place between the Offeror and the Management Board.
- (ii) With due observance of and without prejudice to the restrictions referred to in Section 1 (Important information and restrictions), the Offers concern all outstanding Shares and Warrants and apply on an equal basis to all Securities and Securities Holders.
- (iii) No transactions have taken place or will take place on the basis of concluded agreements with individuals and/or legal persons within the meaning of article 9i, paragraph (s) and/or (t) and/or (u) of the Bte 1995, other than with respect to members of the Management Board and certain Shareholders and Warrant Holders. See Section 6.5 (Irrevocable undertakings).
- (iv) At the date of this Offer Document, the Offeror does not hold any Securities, whether directly or indirectly, and AM has no interest in the share capital of the Offeror, whether directly or indirectly.
- (v) The information referred to in article 9p sub 1 and 2 of the Bte 1995, to the extent required, has been, or will be, provided to the AFM.
- (vi) The AFM and Euronext Amsterdam have been informed of the Offers. No transactions in Shares or Warrants within the meaning of article 9i paragraph (t) of the Bte 1995 were undertaken by the Offeror.

9. RECOMMENDATION BY THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The Supervisory Board and the Management Board have duly considered the strategic, financial and social aspects of the Offers. The Supervisory Board and Management Board have concluded that the activities of the business unit AM Development and the business unit AM R&L have not developed a strategic fit since the merger of Amstelland and MDC in 2002 and that the current group structure, combined with the Company's current stock market listing, constrains the two separate business units in achieving their full potential and growth opportunities. Furthermore, the Supervisory Board and Management Board consider that the Offers and the Development Sale, which is subject, inter alia, to the condition precedent that the Offers are declared unconditional, are attractive, not least because the combined transaction strengthens the basis for achieving the growth strategy of AM's individual business units and takes account of the interests of the Company and all stakeholders of the Company.

Against this background, the Supervisory Board and the Management Board have concluded that the Offers are reasonable and fair to Shareholders and Warrant Holders. In this respect, reference is made to the fairness opinions rendered by Kempen & Co and NIBC, as included in Section 10 (Fairness opinions). With reference to the above, the Supervisory Board and the Management Board support the Offers and unanimously recommend the Offers for acceptance by Securities Holders. Also, the Supervisory Board and Management Board unanimously support the Development Sale as part of the Offers.

Supervisory Board

Mr. L.C. Brinkman (chairman)

Mr. M.J.L. Jonkhart

Management Board

Mr. P.G.A. Noordanus (chairman)

Mr. J.F.J. van Veggel (vice-chairman)

Mr. P.S.M. Ruigrok

Mr. J.C.M.A. Gillis

Mr. A.L. de Haan

10. FAIRNESS OPINIONS

10.1. Fairness opinion Kempen & Co



KEMPEN & CO

Merchant Bank

AM N.V.
The Supervisory Board and the Management Board
P.O. Box 520
3430 AM Nieuwegein

Amsterdam, 20 December 2005

Dear Sirs,

We understand that Terra Amstel B.V. ("Offeror"), a wholly owned subsidiary of Royal BAM Group N.V. ("Royal BAM Group"), is proposing to make a public offer (the "Offers") for all outstanding ordinary shares with a nominal value of EUR 0.10 per share (the "Shares") and all outstanding warrants with an exercise price of EUR 8.00, which can be exercised until 20 August 2007, (the "Warrants") of AM N.V. ("AM" or the "Company"). We understand that Offeror intends to offer the holders of the Shares (the "Shareholders") a cash consideration of EUR 10.15 per Share and the holders of the Warrants (the "Warrant Holders") a cash consideration of EUR 2.30 per Warrant (together the "Offer Prices").

The Supervisory Board and the Management Board of AM have requested the opinion (the "Opinion") of Kempen & Co Corporate Finance B.V. ("Kempen & Co") as to the fairness, from a financial point of view, of the Offer Prices to the Shareholders and Warrant Holders.

For the purpose of providing the Opinion, we have:

- (i) Reviewed the financial terms and conditions of the Offers as set out in the Offer Memorandum (*biedingsbericht*);
- (ii) Reviewed certain publicly available information regarding the Company, such as (semi) annual reports and press releases;
- (iii) Reviewed certain internal information relating to the Company and its activities, in particular of a financial nature, as prepared by the management of the Company including various financial forecasts;
- (iv) Held discussions with certain members of the senior management of the Company regarding the current and future activities and prospects of the Company and certain other matters we deemed necessary or relevant for the purpose of the Opinion;
- (v) Reviewed public information with respect to certain other companies active in the same sector and market segments as the Company;
- (vi) Reviewed the financial conditions of certain transactions we believe to be comparable to the Offers, to the extent that the information is publicly available;
- (vii) Reviewed the historical share price development and trading volumes of the shares of the Company; and
- (viii) Performed other (financial) analyses and considered such other information we have deemed necessary or relevant in arriving at our opinion.

In connection with the Opinion, we have assumed and relied upon the accuracy and completeness of the financial and other information, which was provided to us or is publicly available.

We have not independently verified the accuracy and / or completeness of such information. We have assumed that no information has been withheld from us that could have an impact on the Opinion. With respect to the forecasts, budgets, and (financial) analyses regarding the Company that have been provided to us by the Company, we have assumed that these have been prepared on a basis reflecting the best currently available estimates, assumptions and judgments of the management of the Company and we accept no responsibility for and express no view as to such forecasts, budgets, and (financial) analyses.

Kempen & Co has not provided, obtained or reviewed any legal, tax, regulatory, accounting, actuarial or other advice and as such assumes no liability or responsibility in connection therewith. Accordingly, in rendering the Opinion, we have not taken into consideration the possible implications of any such advice. The Opinion, as expressed in this letter, is based on economic, monetary and market conditions as they exist as per the date of this letter. Subsequent developments in the aforementioned conditions may affect the Opinion and the assumptions made in preparing the Opinion. Kempen & Co is not obliged to update, revise or reaffirm the Opinion if such conditions change.

In connection with the Offers, Kempen & Co is acting as financial advisor to the Company and will receive a fee for its services. From time to time Kempen & Co or affiliated companies may (have) maintain(ed) professional relationships with AM, Royal BAM Group and / or affiliated companies, as well as executed transactions, for their own account or for the account of their customers in shares, warrants and other securities of AM and / or Royal BAM Group.

This letter is provided solely for the benefit of the Supervisory Board and the Management Board of the Company in connection with and for the purposes of their evaluation of the Offers. The Opinion contained in this letter does not constitute a recommendation by Kempen & Co to the Shareholders and the Warrant Holders as to whether they should tender their Shares and / or Warrants pursuant to the Offers. Notwithstanding the aforementioned, this letter may be reproduced, for informational purposes only, in its entirety in the offer memorandum, which will be published for the benefit of the Shareholders and the Warrant Holders.

Based on and subject to the foregoing, Kempen & Co is of the opinion that as per the date of this letter the Offer Prices are reasonable and fair, from a financial point of view, to the Shareholders and Warrant Holders.

This letter shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch courts.

Yours sincerely,

KEMPEN & CO CORPORATE FINANCE B.V.

10.2. Fairness opinion NIBC

NIBC Capital

AM N.V.
The Supervisory Board and the Management Board
P.O. Box 520
3430 AM Nieuwegein
The Netherlands

20 December 2005

It is understood that Koninklijke BAM Groep N.V. ("Royal BAM Group"), through its bidding vehicle Terra Amstel B.V. (the "Offeror"), intends public offers (the "Offers") for all issued and outstanding shares (the "Shares") and for all issued and outstanding warrants (the "Warrants") of AM N.V. ("AM"). You have requested NIBC Bank N.V. ("NIBC") to provide you, from a financial perspective, with an opinion regarding the fairness (the "Fairness Opinion" or the "Opinion") to the holders of Shares (the "Shareholders") and the holders of Warrants (the "Warrant Holders") of the intended Offers. The terms and conditions of the Offers are more fully set forth in the Offer Document as defined below. The Offeror is understood to offer a cash amount of EUR 10.15 per Share to the Shareholders and a cash amount of EUR 2.30 per Warrant to the Warrant Holders (together the "Offer Prices").

In arriving at the Opinion, NIBC has reviewed and considered the following information:

- i. The terms and conditions of the Offers as set out in the offer document substantially in the form of the draft dated 5 December 2005 (the "Offer Document");
- ii. Certain publicly available business and financial information relating to AM, such as annual reports, company presentations and press releases;
- iii. Internal financial budgets and forecasts relating to AM, prepared by the Management Board of AM;
- iv. Discussions with members of the Management Board of AM regarding certain aspects of the Offers, the past and current business operations of AM, the financial condition and future prospects of the company, and certain other matters we believe necessary or appropriate to our inquiry;
- v. Historical market prices of the AM Shares;
- vi. Certain publicly available information of companies engaged in business we believe to be comparable to AM;
- vii. From a financial point of view, transactions we believe to be comparable to the Offers;
- viii. Such other reviews and analyses as we, in our absolute discretion, deemed relevant and appropriate for the purpose of this Opinion.

In performing our analysis, we have used such valuation methodologies as we have deemed necessary or appropriate for the purposes of this Opinion. Our view is based on:

- i. Our consideration of the information AM has supplied to us to date;
- ii. Our understanding of the terms upon which the Offeror intends to declare the Offers unconditional;
- iii. The Offers being declared unconditional on a timely basis.

NIBC has assumed and relied upon, without independent verification, the truth, accuracy and completeness of financial and other information and data publicly available or provided to us or otherwise reviewed by or discussed with us. We have not assumed and do not assume any liabilities and responsibilities therefore. In addition, we did not make an independent appraisal of the assets and liabilities of AM. Accordingly, NIBC does not assume any responsibility or liability therefore. We have

discussed the forecasts of AM with the Management Board and we have assumed these forecasts reflect the best currently available estimates and judgements of the Management Board of AM with regard to the future financial performance of the company and that no event subsequent to the date of any such financial forecasts and undisclosed to NIBC has had a material effect on them. We have assumed and received confirmation from AM, represented by its Management Board, that the assumptions specified above are reasonable and to the best of its knowledge no information has been withheld from us that could have had a material effect on this opinion.

Further, this opinion is based on financial, economic, monetary, market and other conditions in effect on, and the information made available to NIBC, or used by us up to, the date hereof. This Opinion focuses on the fairness, from a financial point of view, of the Offer Prices, and does not address any other issues such as the decision to recommend the Offers to the holders of AM Shares and AM Warrants, which are matters solely for the Supervisory Board and the Management Board of AM. Subsequent developments in the aforementioned conditions might affect this Opinion and the assumptions made in preparing this Opinion, with regard to which NIBC is under no obligation to update, revise or reaffirm this Opinion. NIBC has not performed an independent investigation as to regulatory, legal, fiscal, accounting or actuarial related aspects of the Offers and accordingly NIBC does not assume any responsibility or liability in respect thereof.

This letter and the opinion are provided solely for the benefit of the Supervisory Board and the Management Board of AM in connection with the Offers. It is not provided on behalf of, and shall not confer rights or remedies upon and does not constitute a recommendation by NIBC to any holder of AM Shares or AM Warrants. At the request of AM, this letter may nevertheless, for information purposes only, be incorporated in full in the Offer Document.

In the past, NIBC and its affiliates have provided financing services to AM, Royal BAM Group and/or its affiliates respectively and have received fees from each of them respectively for the rendering of these services. NIBC and/or its affiliates may, from time to time, engage in transactions and perform services for AM, Royal BAM Group and/or its affiliates in the ordinary course of their business. In addition, in the ordinary course of their trading, brokerage and finance activities, NIBC and/or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of AM, Royal BAM Group and/or its affiliates. NIBC has acted as financial advisor to AM with respect to the Offers and will receive a fee from AM for its services.

On the basis of and subject to the foregoing, it is the opinion of NIBC as of the date hereof that the Offer Prices are fair, from a financial point of view, to the holders of AM Shares and AM Warrants.

Very truly yours,

NIBC Bank N.V.

11. INFORMATION CONCERNING AM

11.1. Overview

AM is a Dutch listed company active in property development. With the restructuring of its activities, including the sale of its building & infrastructure activities and its trade & industry activities in 2000 and 2001 respectively the Company transformed from a building company into a pure play property developer. The Company is currently engaged in the development of houses in the Netherlands and the development of retail and office property on an European scale.

11.2 History

The first legal predecessor of AM was incorporated in 1902 and was converted into N.V. Nederlandse Basalt Maatschappij in 1912 before changing its name in 1960 into N.V. Verenigde NBM-Bedrijven. The Company was listed on the Amsterdam stock exchange in 1972. Following the 1988 take-over of Amstelland Concernbeheer the Company changed its name into NBM-Amstelland N.V.

From 1988 until 1998 the Company expanded considerably through autonomous growth and the acquisition of Dirk Verstoep (1989), Van Welzenes Spoorbouw (1990), Roelfsema Beheer (1993), Cementbouw Beheer (1995) and Wilma Holding (1998).

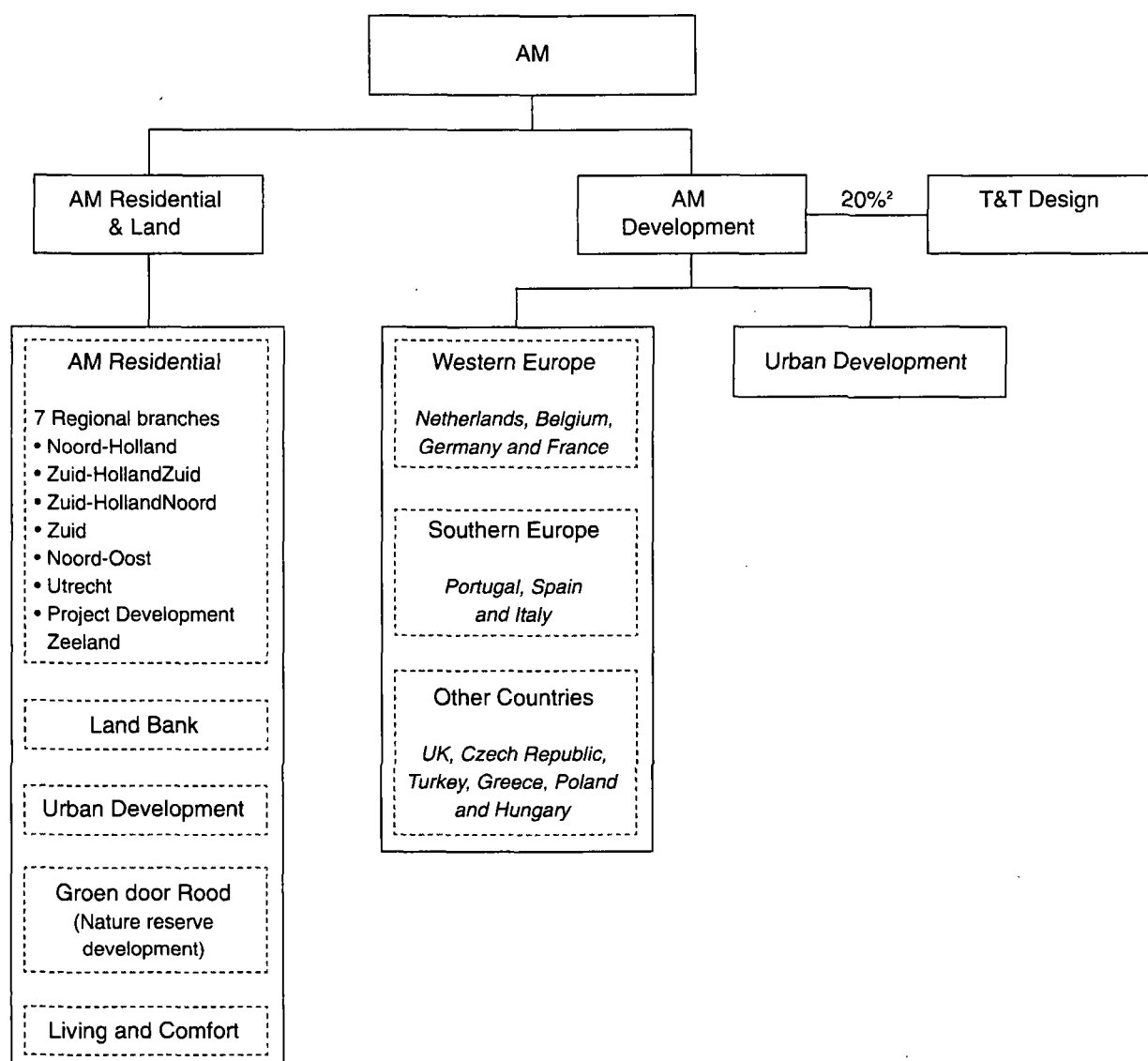
In 2000, after restructuring of the Company's building and construction activities, the building and infrastructure activities of the Company were sold to Royal BAM Group, including the transfer of the ownership of the commercial name "NBM". As part of this transaction AM and Royal BAM Group entered into a preferred supplier agreement pursuant to which the Company agreed to grant a minimum volume of construction work to Royal BAM Group during the period 2001 – 2005. After the transaction NBM-Amstelland N.V. changed its name into Amstelland N.V.

In 2001, the Company transferred into a pure play developer of houses by selling its trade and industry activities (Cementbouw) to CVC Capital.

In 2002, the Company acquired the commercial developer MDC. Following the acquisition, Amstelland N.V. changed its name into Amstelland-MDC N.V. before changing its name into AM N.V. in 2003.

After an absence of two years, AM again became a constituent of the AMX Index of Euronext Amsterdam in 2005.

11.3. Organizational structure



² It is expected that the 20% interest in T&T Design B.V., which is currently held by AM, will be transferred to AM Development prior to the completion of the Development Sale.

AM consists of two separate legal entities, AM R&L and AM Development. These entities are governed by AM Holding which together form AM. Prior to 2004, the residential and land bank activities operated separately. In 2004, these activities were combined to form the current structure.

AM R&L is organised following a domestic regional structure assigning separate branches to significant operating areas. AM Development is organised geographically with country organisations in the Netherlands, Belgium, Germany, United Kingdom, Czech Republic, France, Greece, Italy, Spain, Hungary, Poland, Portugal and Turkey. Within AM Development, each project is carried out in a separate legal entity.

11.4. Business overview

11.4.1. AM R&L

AM R&L is engaged in the development of houses and land positions and is the second largest developer of houses in the Netherlands. It is primarily focused on the district wide development of residential property and housing estates in the Netherlands. Typically, AM R&L acquires greenfield (agricultural) and brownfield (former industries, hospitals and harbours) locations which then will be transformed into a residential location by zoning revisions.

AM R&L consists of two business units, AM Residential and AM Land. AM Land is engaged in the acquisition, management and development of greenfield land positions into building ready sites and owns a substantial land bank. AM Residential is engaged in the development of the projects on land positions owned and developed by AM Residential as well as projects awarded by price competitions. In 2003, AM Residential acquired Projectbouw Zeeland B.V., which currently operates as one of the seven regions of AM Residential.

AM R&L is the second largest Dutch housing developer after Bouwfonds (a subsidiary of ABN AMRO). AM R&L is renowned for its design and consumer oriented approach, which supports AM R&L's position towards (municipal) authorities and enables AM R&L to win price competitions. Moreover, its decentralized, regional organization enables AM R&L to exploit existing contacts and develop relationships with municipal and regional authorities. These relationships put AM R&L in a solid position to acquire new housing development projects.

In addition to the development of green sites, AM R&L is also active in urban restructuring projects. Over the last few years, AM R&L has also been engaged in area development. In these projects, AM R&L takes full responsibility for the development of the whole development area. This includes housing, green / open space planning, and infrastructural planning.

11.4.2. AM Development

AM Development develops shopping centres, city centres and office buildings on a European scale as well as in Turkey. AM Development is recognised as one of the largest retail developers in Europe and aims at top-5 positions in all markets in which it is active. AM Development is active in this sector in Southern and Central Europe and Turkey and the more mature markets of Western Europe. The main opportunities in these mature markets relate to the restructuring of town centres and the development of new central amenities serving expansion zones. In Southern and Central Europe and Turkey, there is particular demand for large shopping centres tenanted by international retail formats and incorporating leisure facilities. AM Development has retail projects in preparation and under construction in the Netherlands, Belgium, France, Germany, the United Kingdom, Spain, Portugal, Italy, the Czech Republic, Hungary, Poland and Turkey. AM Development is also active in shopping centre management, dynamic management and marketing of shopping centres, including facilities support.

Apart from project development and shopping centre management AM Development recently started Asset Management by introducing the AM ImmoEast Central Europe Retail Property Fund C.V., a fund focusing on Central Europe for investments in retail and managed by AM and ImmoEast in a joint-venture.

AM Development is serviced on an exclusive basis by the urban-planners and architects of T&T Design B.V. AM has a 20% stake in T&T Design B.V., which operates from AM Development's Gouda offices.

Western Europe

AM Vastgoed B.V., a subsidiary of AM Development for developing commercial property in the Netherlands, maintains a top-5 position in the Dutch commercial property market. AM Development Belgium, which is managed in part from the Netherlands, has three development projects underway. AM Development has been operating for some time in Germany and France, and has developed numerous projects: Clemens Galerien in Solingen, Neutor Platz in Bocholt, Volme Galerie in Hagen,

Kamp Promenade in Osnabrück, Schlossle Galerie in Pforzheim and Les Quatre Chemins in Vichy. AM Development has consolidated its position in the United Kingdom with its Victoria Square city-centre regeneration project in Belfast and the acquisition of new projects.

Southern Europe

In the past fifteen years, AM Development has built up a solid position in the commercial property development market in Portugal. Currently, AM Development is building up its business in Spain where it has several projects in portfolio. In the Italian market AM Development has established a joint venture with CDS, an Italian developer / builder.

Central Europe and Turkey

In addition to western and southern Europe, AM Development operates in developing markets in Central Europe and Turkey. AM Development strengthened its position in the Czech market with the acquisition of Ahold's interest in the Retail Development Company (RDC) and its change of name to AM Development Czech Republic in 2004. The markets in Poland and Hungary are currently being explored with local advisers, which resulted in a land acquisition in Poland. In Poland, the first acquisition of a development plot took place. In Turkey, AM Development entered the market by means of a joint venture with Turkmall, a local developer with a proven track record. The joint venture operates under the name MDC Turkmall and currently has its first projects in portfolio. In Greece, AM Development established a joint venture in retail development with Hellasmall.

11.5. Business strategy

AM focuses on the following strategic priorities:

11.5.1. AM R&L

Accelerating production in residential and land development

AM R&L will continue to focus policy on transferring land to joint ventures with third parties in order to properly manage the balance sheet and, where possible, to increase production. AM R&L intends to develop residential projects which are more suited to the letting market than the owner-occupied sector sooner and to sell these to large residential investors. AM R&L will also make an effort towards participating interests in large-scale area development using development planning principles.

Selective acquisition of land holdings in the Dutch residential market

AM R&L aims to avoid keeping new land holdings on the balance sheet for the long term, but to take them off the balance sheet while retaining the development rights. This should create scope for investment in new projects.

Reinforcing acquisition strength for residential development by using conceptual approaches

Parallel to the current methodologies, acquisition of new projects will increasingly be done using a conceptual approach in competitions and other selections. Potential purchasers will be involved effectively in projects through interactive workshops and virtual communities (intranet sites for projects) will be used. Furthermore, by working not only at the project level, but also acting more as a district-wide developer, AM R&L aims to become an expert partner in large-scale planning with local and regional governments.

11.5.2. AM Development (retail and office development)

Strengthening the position for shopping centres in growth markets

The business will continue to expand their shopping centre developments in new growth markets in Europe, in particular in Southern and Central Europe as well as in Turkey. In other European countries, AM Development will actively seek to team up with local partners, investors or retail chains.

Transform the business model towards asset management

AM Development wants to transform its business model from being a pure developer to becoming an owner developer of shopping centres with a view to generate a more stable income flow yet requiring substantial additional capital investments.

Strengthening shopping centre management

The business will be expanded with an investment management arm for shopping centres, partly in relation to the envisaged asset management strategy, in countries other than its key markets.

Selective acquisition of positions in Dutch and Portuguese office developments; offering customised offices

AM Development believes that Dutch and Portuguese office development will remain weak for the next few years and it will take selective positions that will allow AM Development to benefit from the future recovery in this market. In addition, more customised offices will be developed for users known in advance.

11.6. Financial year

Q3 Figures: On Target

After the first nine months of 2005, AM reports total operating income of EUR 983 million (nine months 2004: EUR 728 million) and net profit for the period attributable to Shareholders of EUR 69 million (nine months 2004: EUR 15 million). The operating margin (operating result as a percentage of operating income) increased to 11.2% (nine months 2004: 5.1%). After the downturn in 2004, the figures are in line with those of the first half of 2005.

Both of AM's core activities – development of residential environments in the Netherlands and commercial property (mainly shopping centres) in Europe – made a positive contribution to this growth in the first nine months of 2005. With the sale of approximately 4,700 homes during this period, AM Residential sustained the rising trend and reported further growth in operating income, results and margin. After the sale of several shopping centres in the fourth quarter of last year, AM Development reported higher profit in the first nine months of 2005, thanks to the large number of pre-sold projects under construction which contributed directly to the result.

Earnings per share

Earnings per share rose in the first nine months of 2005 to EUR 0.75 (nine months 2004: EUR 0.17). The weighted average number of shares in issue increased from 89.4 million in the first nine months of 2004 to 91.3 million in the same period of 2005.

Targets

The 2005 Q3 figures are in line with the targets for the full year. As well as growth in earnings per share, AM's targets for the period 2005–2007 are an average operating margin of 8–10% and a capital ratio of at least 35%. These figures show an improvement on 2004, when AM's results were adversely affected by delays on a number of major projects and relatively heavy investments in new positions.

Financial position and cash flow

The capital ratio (capital base as a percentage of balance sheet total) remained above the target level of 35%, standing at 41.3% as at 30 September 2005 (31 December 2004: 38.2%). Total equity increased to EUR 616 million (31 December 2004: EUR 566 million) due to the net profit for the period and distribution of cash dividend.

Net cash flow in the first nine months of 2005 was EUR 78 million negative. The cash flow from operating activities for this period was EUR 24 million positive. Over the same period, the cash flow from investing activities was EUR 50 million negative, mainly due to the winding-up of NBM-Amstelland's former operations in Germany. The EUR 52 million negative cash flow from financing activities for this period mainly reflects the repayment of short-term project loans and the distribution of the cash dividend.

Market conditions

AM is active in two distinctive markets: housing and land development in the Netherlands (AM R&L) and commercial real estate development on a European scale (AM Development). The housing market in the Netherlands continued to outperform the Dutch economy in the first nine months of 2005. Stimulated by the low mortgage interest rate, demand was strong and prices were stable. New housing output rose, despite the growing debate on air quality in relation to spatial planning.

AM is active in commercial real estate in the growth markets of Southern and Central Europe and Turkey and the more mature markets of Western Europe. The main opportunities in these mature markets related also in 2005 to the restructuring of town centres and the development of new central amenities serving expansion zones. In Southern and Central Europe and Turkey, demand remained good for large shopping centres tenanted by international retail formats and incorporating leisure facilities. The depressed state of the Dutch office property market persisted in the first nine months of 2005, with little prospect of improvement in the short term.

11.7. Financial outlook

Outlook for remainder of 2005

With sustained growth in housing development in the Netherlands and the recovery of planning delays in 2004 in retail development across Europe, earnings per share will turn out higher in 2005 than in 2004. AM expects an operating margin in 2005 of approximately 10%, which is in line with the target of an operating income of at least 8–10% on average in the years 2005–2007. Securities Holders have to take notice and have to be aware that certain costs regarding the sale of AM Development and delisting of the company have not been included in these expected results. AM also expects to maintain a capital ratio of over 35%.

11.8. Dividend

AM's overall dividend policy has been to provide a stable trend in dividend distributions. For this purpose dividend distribution has been made more flexible. As per fiscal year 2004 the dividend policy is to distribute between one-third and two-thirds of the net result to the Shareholders as dividend. Previously this was 40% to 50% of net profit. Dividend has been paid to the Shareholder's option either in cash or in shares. The table below shows dividend per Share paid by the Company to the Shareholders for the financial years 2002, 2003 and 2004

Year	Cash dividend per Share
2002.	EUR 0.33
2003.	EUR 0.43
2004.	EUR 0.43

11.9. Supervisory Board

The Supervisory Board currently consists of:

- L.C. Brinkman (chairman)
- M.J.L. Jonkhart

Mr. A.D.J.G van Dam resigned on 9 November 2005. See also Section 7.1 (Strategic reorientation, background and process).

No member of the Supervisory Board who steps down upon the Settlement Date will be paid a compensation as referred to in article 9i paragraph (p) of the Bte 1995.

11.10. Management Board

The Management Board currently consists of:

- P.G.A. Noordanus, chairman
- J.F.J. van Veggel, vice-chairman
- A.L. de Haan
- J.C.M.A. Gillis
- P.S.M. Ruigrok

The management board of AM R&L currently consists of:

- P.S.M. Ruigrok, chairman
- R. van Steeg
- W. Kuyvenhoven

The management board of AM Development currently consists of:

- J.F.J. van Veggel, chairman
- A.L. de Haan, vice-chairman
- J.C.M.A. Gillis
- N.W. Veldhuis
- H.J.P. van Duren
- P.F.H.M. Sandkuyl
- L.A.S. van der Ploeg
- B.H.J. van Veggel

No member of the Management Board who steps down upon the Settlement Date will be paid a compensation as referred to in article 9i paragraph (p) of the Bte 1995.

11.10.1. AM

P.G.A. Noordanus, Chairman, born 1948

Prior to assuming his function at AM in January 2004, Mr. Noordanus was partner at Boer & Croon Strategy and Management group. Before that, Mr. Noordanus was the vice mayor of the city of The Hague. Mr. Noordanus also held positions as professor at the Technical University Delft (TU Delft) and was the former chairman of the VROM-council (Government advisory council).

J.F.J. van Veggel, Vice-Chairman, born 1948

Mr. Van Veggel is Vice-Chairman of AM and Chairman and Chief Creative Officer of AM Development. Mr. Van Veggel was co-founder of MDC which merged with Amstelland in 2002.

A.L. de Haan, member, born 1954

Since June 2005 Mr. De Haan is a member of the Management Board and Chief Operating Officer and Vice-Chairman of AM Development. Before joining AM Mr. De Haan was managing director at Commerz Grundbesitz-Investment, responsible for acquisition, management and development. Mr. De Haan has a supervisory mandate for Arcadis Homola AG and has a seat in the advisory board of Eurohypo. Mr. De Haan has a degree in civil law from the University of Utrecht and is Hon. Fellow of the Royal Institute of Chartered Surveyors.

J.C.M.A. Gillis, member, born 1954

Mr. Gillis has been a member of the Management Board since 6 May 2004 and a member of the management board of AM Development since 1 April 2000. Prior to joining AM, Mr. Gillis was the chairman of the board of ING Real Estate International. Alongside his position in AM, Mr. Gillis is also member of the advisory board of the International Council of Shopping Centres (ICSC), a member of the European Council of the Urban Land Institute (Brussels/Washington), a member of the Royal Institute of Chartered Surveyors, Certified Marketeer and a member of the board of the Dutch council of Shopping Centres. Mr. Gillis has a master degree in business administration.

P.S.M. Ruigrok, member, born 1954

Mr. Ruigrok is board member of AM and the chairman of AM R&L and worked within AM since 1997. Since May 2004 Mr. Ruigrok is member of the Management Board. Before AM Mr. Ruigrok was regional director of Bouwfonds Woningbouw and regional director of Arcadis. Alongside his work at AM, Mr. Ruigrok currently is chairman of the Home Warranty organisation ("Stichting Waarborgfonds Koopwoningen"). Previously Mr. Ruigrok was chairman of NEPROM (Dutch organisation of real estate developers). Mr. Ruigrok holds a degree in architecture, building and planning (Master of Science) from the Eindhoven University of Technology.

11.10.2. AM R&L

R.D.L. van Steeg, board member, born 1956

Mr. van Steeg is the COO of AM R&L. Prior to this, he was the CEO of AM Land. Before joining AM, Mr. van Steeg was the head of land development municipality of Groningen and the secretary of the Dutch Society of Land Developers. Mr. van Steeg has a master degree in social and planning sciences. He studied at the universities of the municipalities of Groningen and Amsterdam.

W. Kuyvenhoven, CFO, born 1970

Mr. Kuyvenhoven is a former corporate strategist of AM Holding. Prior to joining AM, he held positions as director of corporate finance at Petercam Bank NV and as equity analyst at Rabobank and ABN AMRO.

11.10.3 AM Development

N.W. Veldhuis, board member, born 1946

Mr. Veldhuis has worked with AM Development since 1997 and is charged with the international expansion of AM Development's activities. Before joining AM Development, Mr. Veldhuis was the Real Estate Director of Vendex International.

H.J.P. van Duren, board member, born 1962

Within the board of AM Development Mr. Van Duren is responsible for Feasibility and Investments and Quality and Risk Management. He started at AM Development in 1987 as market researcher. Mr. Van Duren graduated from the Technical University in Delft, Faculty of Architecture in 1988 on "Management of Commercial Real Estate".

P.F.H.M. Sandkuyl, board member, born 1956

Mr. Sandkuyl is group director legal affairs and HRM of AM Development, which he joined in 1991. From 1983-1988 he worked as tax inspector with the Dutch Revenue Service and from 1988-1991 as tax adviser with KPMG Meyburg. Mr. Sandkuyl graduated in 1981 (civil law) and 1983 (tax law) from the Rijksuniversiteit of Leiden.

L.A.S. van der Ploeg, Chief Financial Officer, born 1970

Mr. Van der Ploeg is responsible for Finance, Tax & ICT within the board of AM Development. Prior to joining MDC, Mr. Van der Ploeg served as senior auditor within Ernst & Young in Amsterdam, New York and Sydney. Mr. Van der Ploeg is member of NIVRA, the Dutch Institute for Certified Public Accountants, member of the VRC, the Association of Certified Controllers and member of the Controllers Institute.

B.H.J. van Veggel, board member, born 1959

Mr. Van Veggel is co-founder and managing director of AM Development, Southern Europe, in charge of the offices of AM Development in Portugal, Spain and Italy. Mr. Van Veggel graduated from the Nyenrode Business School in the Netherlands.

11.11. Other important information and recent developments

Former activities of NBM-Amstelland

AM and its legal predecessors have been working for five years to liquidate NBM-Amstelland's former residential activities in Germany, which date from the early 1990s. Most of the property portfolio was disposed of in a single tranche in 2004 and the remaining activities have now been sold. This means that AM has completed the liquidation in 2005, after which its existing tax assets in the Netherlands can be realised. The winding-up of these activities is expected to yield a modest positive result.

12. Capital and shares

12.1. Authorised and issued capital

The Company's share capital amounts to EUR 9,249,962.20. The authorised capital of the Company consists of 249,999,950 Shares, each with a nominal value of EUR 0.10, and one Priority Share, with a nominal value of EUR 5.00. The Company's issued and outstanding capital consists of 92,499,572 bearer shares (*toonderaandelen*) of which 92,493,914 shares are represented by a global certificate as deposited by Negicef on behalf of all entitled Shareholders and 5,658 bearer Shares in physical form (*K-stukken*). In addition, the Company authorised and issued 5,750,000 Warrants which may be converted in Shares against payment of an exercise price of EUR 8.00 per Share of which 143,630 have been exercised. The Priority Share in the capital of the Company is held by the Foundation Priority.

12.2. Share price development

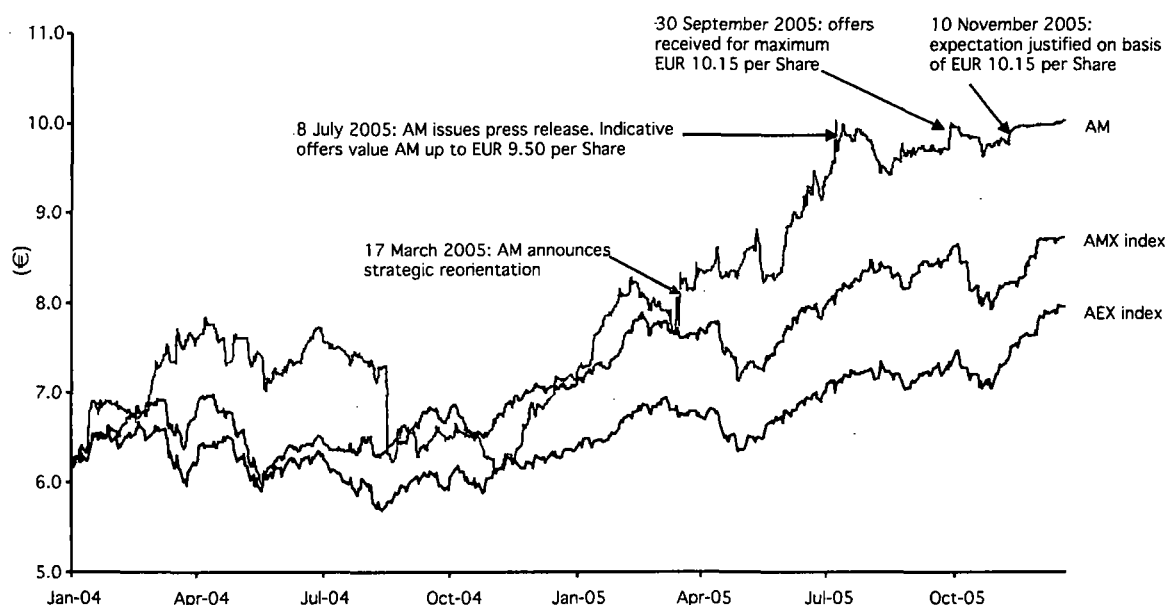
The table below sets out the monthly high and low closing prices for the Shares for the period January 2004 through 20 December 2005.

Period	Euronext Amsterdam closing price per Share (EUR)	
	High	Low
January 2004	6.89	6.15
February 2004	6.98	6.65
March 2004	7.70	7.18
April 2004	7.82	7.30
May 2004	7.60	7.01
June 2004	7.71	7.18
July 2004	7.62	7.30
August 2004	7.36	6.23
September 2004	6.61	6.27
October 2004	6.65	6.26
November 2004	6.87	6.12
December 2004	7.18	6.74
January 2005	8.04	7.25
February 2005	8.29	7.90
March 2005	8.43	7.66
April 2005	8.60	8.27
May 2005	8.82	8.23
June 2005	9.47	8.60
July 2005	10.05	9.41
August 2005	9.80	9.43
September 2005	10.02	9.66
October 2005	9.96	9.63
November 2005	9.98	9.75
December 2005*	10.03	9.97

* Until 20 December 2005

(Source: Data stream)

The following graph shows the share price development of AM from 1 January 2004 through 20 December 2005, as published in the Daily Official List of Euronext Amsterdam.



The Share Offer Price represents:

- (i) a premium of approximately 31.6% over the closing price of EUR 7.71 for the Shares on 16 March 2005, the day prior to the publication of the 2004 results, at which time the Management Board announced the strategic orientation and mentioned break-up of the Company and delisting as realistic options. In response to this announcement, the price of the Shares rose to EUR 8.30 on 17 March 2005. Adjusted for the declared and paid dividend of EUR 0.43 per Share in May 2005, the Share Offer Price represents a premium of 39.4%; and
- (ii) a premium of 3.8% over the closing price of EUR 9.78 for the Shares on 9 November 2005, the day prior to the issue of the press release dated 10 November 2005 announcing that the expectation was justified that AM, Royal BAM Group and the Offeror could reach agreement on a public offer.

12.3. Main Shareholders and Warrant Holders

Based on information provided by the Securities Holders, the following Securities Holders with an interest in excess of 5% are known to the Company:

Securities Holders	Shares	% Shares	Warrants	% Total ⁽¹⁾
ABN Amro Effecten Compagnie B.V.	9,328,554	10.1%	2,194,753	11.7%
Stichting Administratiekantoor Timeless	9,204,952	10.0%	1,581,274	11.0%
Switch B.V.	9,171,849	9.9%	1,581,274	11.0%
Delta Lloyd N.V.	5,000,000	5.4%	-	5.1%
Delta Deelnemingen Fonds N.V.	5,000,000	5.4%	-	5.1%
Total	37,705,355	40.8%	5,357,301	43.9%

(1) Combined number of Shares and Warrants of Securities Holder divided by number of all outstanding Shares and Warrants

12.4. Overview of Shares held directly or indirectly by members of the Boards

The table below provides an overview of the Shares held directly or indirectly by the members of Boards.

Supervisory Board	Shares	% of Shares outstanding
L.C. Brinkman	-	-
M.J.L. Jonkhart	-	-
Management Board	Shares	% of Shares outstanding
P.G.A. Noordanus	-	-
J.F.J. van Veggel	9,204,952	10,0%
A.L. de Haan	-	-
P.S.M. Ruigrok	12,088	0.0%
J.C.M.A. Gillis	146,756	0.2%
Total	9,364,796	10.2%

12.5. Options, Stock Appreciation Rights and Warrants

12.5.1. Options

As at 31 December 2004, there were no staff option rights for ordinary shares outstanding.

12.5.2. Stock Appreciation Rights (SARs)

In 2001, a new scheme was introduced for the remuneration of senior managers, taking the form of stock appreciation rights (SARs). In 2001 and 2002, stock appreciation rights (SARs) were granted to the management of AM. In 2001, a total of 1,785,000 SARs were granted to seventeen senior managers at EUR 6.00. In 2002, an additional 200,000 SARs were granted to seven senior managers of the management. The exercise price of these SARs is EUR 5.18. Possible liabilities in respect of the net asset value of the SARs are included in current liabilities (2004: EUR 1,600,000, year-end 2003: EUR 920,240). One senior manager left the Company's service in 2004 (2003: 2), and 40,000 SARs (2003: 80,000 SARs), with an exercise price of EUR 6.00, consequently lapsed. Seven senior managers have exercised a total of 1,290,000 SARs granted to them, made up of 60,000 at an exercise price of EUR 5.18 and 1,230,000 at EUR 6.00. The costs associated with the transactions were borne by the Company.

Supervisory Board	SARs
L.C. Brinkman	-
M.J.L. Jonkhart	-
Total	-
Management Board	SARs
P.G.A. Noordanus	-
J.F.J. van Veggel	-
A.L. de Haan	-
P.S.M. Ruigrok	150,000
J.C.M.A. Gillis	-
Total	150,000

12.5.3. Warrants

As part of the acquisition price paid for MDC in 2002, 5,750,000 Warrants were granted to the shareholders of MDC. Currently, 5,606,370 Warrants are outstanding with an exercise price of EUR 8.00. The Warrants may be exercised at any time until 20 August 2007.

Supervisory Board	Number of Warrants
L.C. Brinkman	-
M.J.L. Jonkhart	-
Total	-

Management Board	Number of Warrants
P.G.A. Noordanus	-
J.F.J. van Veggel	1,581,274
A.L. de Haan	-
P.S.M. Ruigrok	-
J.C.M.A. Gillis	26,446
Total	1,607,720

13. FINANCIAL INFORMATION CONCERNING AM

13.1. Unaudited financial information for the nine months to 30 September 2005 (IFRS)

13.1.1. Consolidated income statement (IFRS)

Amounts in millions of euro's,
unless otherwise indicated

	1st three quarters 2005 (IFRS)	Year 2004 (IFRS)	1st three quarters 2004 (IFRS)
Operating income			
– from consolidated subsidiaries	839.5	938.3	527.6
– our share of unconsolidated associates and joint ventures	143.2	317.0	200.0
Total operating income	982.7	1,255.3	727.6
Profit from operations	98.6	78.1	22.7
Income from associates and joint ventures	11.2	37.7	14.2
Operating result	109.8	115.8	36.9
Financial income and expenses	-17.2	-25.4	-12.2
Profit before tax	92.6	90.4	24.7
Income tax expenses	-20.3	-24.0	-8.6
Net profit continued operations	72.3	66.4	16.1
Result on discontinued operations	-	-4.8	-
Net profit for the period	72.3	61.6	16.1
Minority interest	-3.5	-2.6	-0.7
Net profit for the period attributable to shareholders	68.8	59.0	15.4
Weighted average number of shares outstanding x 1,000	91,341	89,643	89,394
Per share of EUR 0.10 nominal value in EUR			
Net profit continued operations	0.75	0.71	0.17
Operating result as % of operating income	11.2%	9.2%	5.1%

13.1.2. Consolidated balance sheet (IFRS)

Amounts in millions of euro's,
unless otherwise indicated

	30 Sept. 2005 (IFRS)	31 Dec. 2004 (IFRS)	30 Sept. 2004 (IFRS)
Property and equipment	13.3	13.2	13.6
Intangible assets	219.0	218.1	218.4
Investments in associates and joint ventures	67.8	92.4	84.0
Other investments	10.5	6.8	14.0
Deferred tax assets	16.4	19.3	29.9
Total non current assets	327.0	349.8	359.9
Inventories	713.3	557.3	698.6
Income tax receivables	65.5	51.4	45.0
Trade and other receivables	335.8	413.0	251.1
Cash and cash equivalents	50.9	103.4	60.7
Total current assets	1,165.5	1,125.1	1,055.4
Discontinued operations	-	6.8	6.8
Total assets	1,492.5	1,481.7	1,422.1
Equity attributable to shareholders	612.2	565.1	521.9
Minority interest	3.7	1.2	2.5
Total equity	615.9	566.3	524.4
Interest-bearing loans and borrowings	220.4	220.0	265.7
Employee benefits	4.1	4.1	4.1
Provisions	7.0	22.1	29.8
Deferred tax liabilities	54.8	50.8	36.9
Total non-current liabilities	286.3	297.0	336.5
Bank overdraft	121.3	96.3	120.8
Interest-bearing loans and borrowings	69.7	99.9	103.0
Trade and other payables	395.0	396.1	309.9
Current tax liabilities	4.3	5.4	6.3
Total current liabilities	590.3	597.7	540.0
Discontinued operations	-	20.7	21.2
Total equity and liabilities	1,492.5	1,481.7	1,422.1

13.1.3. Movements total equity (IFRS)

Amounts in millions of euro's,
unless otherwise indicated

	1st three quarters 2005 (IFRS)	Year 2004 (IFRS)	1st three quarters 2004 (IFRS)
Total equity as at 1 January	566.3	531.7	531.7
Net profit for the period	72.3	61.6	16.1
Cash dividend distribution	-23.2	-23.4	-23.4
Other	0.5	-3.6	0.0
Total equity as at end of period	615.9	566.3	524.4
Capital base as % of the balance sheet total	41.3%	38.2%	36.9%
Net debt	360.5	312.8	428.8

13.1.4. Summarised Cash flow statement (IFRS)

Amounts in millions of euro's,
unless otherwise indicated

	1st three quarters 2005 (IFRS)	Year 2004 (IFRS)	1st three quarters 2004 (IFRS)
Cash flow from operating activities	24.5	173.4	86.6
Cash flow from investing activities	-49.6	-7.4	-40.9
Cash flow from financing activities	-52.4	3.0	56.1
Net cash flow	-77.5	169.0	101.8
Cash at 1 January	103.4	1.0	1.0
Banks (excluding project financing) as at 1 January	-96.3	-162.9	-162.9
	7.1	-161.9	-161.9
Cash at 30 September / 31 December	50.9	103.4	60.7
Banks (excluding project financing) as at 30 September / 31 December	-121.3	-96.3	-120.8
	-70.4	7.1	-60.1
Net cash flow	-77.5	169.0	101.8

13.1.5. Segment reporting (IFRS)

Consolidated income statement 1st three quarters 2005 (IFRS)	Retail	Offices	Total Commercial Property	Total Residential & Land	Total
Amounts in millions of euro's, unless otherwise indicated					
Operating income from consolidated subsidiaries	449.9	31.2	481.1	358.4	839.5
Operating income of unconsolidated associates and joint ventures	11.8	15.4	27.2	116.0	143.2
Total operating income	461.7	46.6	508.3	474.4	982.7
Profit from operations	61.2	-2.2	59.0	39.6	98.6
Income from associates and joint ventures ..	2.0	1.2	3.2	8.0	11.2
Operating result	63.2	-1.0	62.2	47.6	109.8
Financial income and expenses	-12.5	-1.8	-14.3	-2.9	-17.2
Profit before tax	50.7	-2.8	47.9	44.7	92.6
Income tax expenses					-20.3
Net profit continued operations					72.3
Result on discontinued operations					-
Net profit for the period					72.3
Minority interest					-3.5
Net profit for the period attributable to shareholders					68.8
Operating margin	13.7%	-2.1%	12.2%	10.0%	11.2%

Consolidated income statement year 2004 (IFRS)	Retail	Offices	Total Commercial Property	Total Residential & Land	Total
<i>Amounts in millions of euro's, unless otherwise indicated</i>					
Operating income from consolidated subsidiaries	397.4	27.7	425.1	513.2	938.3
Operating income of unconsolidated associates and joint ventures	85.6	16.7	102.3	214.7	317.0
Total operating income	483.0	44.4	527.4	727.9	1,255.3
Profit from operations	45.1	2.5	47.6	30.5	78.1
Income from associates and joint ventures	20.2	3.5	23.7	14.0	37.7
Operating result	65.3	6.0	71.3	44.5	115.8
Financial income and expenses	-17.7	-2.5	-20.2	-5.2	-25.4
Profit before tax	47.6	3.5	51.1	39.3	90.4
Income tax expenses					-24.0
Net profit continued operations					66.4
Result on discontinued operations					-4.8
Net profit for the period					61.6
Minority interest					-2.6
Net profit for the period attributable to shareholders					59.0
Operating margin	13.5%	13.5%	13.5%	6.1%	9.2%

13.2. Notes to the unaudited financial information for the nine months to September 2005 (IFRS)

13.2.1. Explanatory Notes IFRS and accounting principles introduction

European Union law (EU) (IAS Regulation EC 1606/2002) requires that the next annual consolidated financial statements of the company, for the year ending 31 December 2005, be prepared in accordance with accounting standards adopted for use in the EU further to the IAS Regulation (EC 1606/2002, 'accounting standards adopted by the EU').

This interim financial information has been prepared on the basis of the recognition and measurement requirements of accounting standards adopted by the EU as of 30 September 2005 that are effective (or available for early adoption) at 31 December 2005, the AM's first annual reporting date at which it is required to use accounting standards adopted by the EU. Based on these standards, management has applied the accounting policies, as set out in the appendix to the company's 2004 financial statements, as modified in these interim financial statements, which they expect to apply when the first annual financial statements are prepared in accordance with accounting standards adopted by the EU for the year ending 31 December 2005.

However, the accounting standards adopted by the EU that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 December 2005 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 December 2005.

13.2.2. Proposed sale of AM Development

On 9 November 2005 the Company entered into an agreement with MSREF for the sale of its commercial property development division, AM Development. In the financial information presented in this Offer Document the financial information relating to AM Development is included in the consolidated data on a basis consistent with prior periods rather than on a discontinued basis as required by IFRS 5 *Non-current assets held for sale and discontinued operations*. Information relating to the results of the commercial development activities is provided in the segment reporting. See Section 13.1.5 (Segment reporting).

13.2.3. Significant accounting policies

The significant changes in the Company's accounting policies arising from the adoption of IFRS are set out below. With the exception of these changes, the accounting policies applied under IFRS are consistent in all material respects with the accounting policies previously applied under Dutch GAAP as set out in Section 13.5 (Notes to the consolidated financial statements at 31 December 2004 (Dutch GAAP)).

- The Company has applied IFRS 3 to all business combinations that have occurred since 1 January 2004 (the date of transition to IFRS). From 1 January 2004, goodwill is no longer amortised under IFRS, but is tested annually for impairment.
- Under Dutch GAAP all costs related to projects (including interest and a mark-up for indirect costs) were capitalised, less any provision deemed necessary. Under IFRS, costs for projects can only be capitalised from the moment that it is probable that a project will generate revenue. Until this criterion is met, any project-related costs are charged to the income statement. Furthermore, results of commercial development projects are recognised under IAS 11 as the project progresses. Progress is measured on the basis of technical surveys, whereas under Dutch GAAP progress was measured using the cost-to-cost method.
- Under Dutch GAAP pension obligations for defined benefit plans were recognised on the basis of the funding arrangement agreed with the AM's pension fund. Under IFRS, a provision is included for future pension liabilities in accordance with IAS 19.
- Under Dutch GAAP provisions were stated at nominal value, whereas under IFRS provisions are discounted to their present value.

The effects of the transition to IFRS on equity and net profit attributable to shareholders are summarised in the following table:

Amounts in millions of EUR

	Equity at 31 December 2004	Net profit for 2004
Dutch GAAP accounts	600.3	60.8
IFRS adjustments:		
• Goodwill amortisation	11.3	11.3
• Projects	-44.7	-13.3
• Pensions	-2.7	1.0
• Provisions – discounting	1.1	-1.3
• Other	-0.2	0.5
IFRS	<u>565.1</u>	<u>59.0</u>

13.3. Review report

Introduction

We have reviewed the consolidated condensed balance sheet of AM as of 30 September 2005, and the related consolidated condensed statements of income, changes in equity and cash flows for the nine month period then ended (the interim financial information) as included in this offer document in Section 13.1 (Unaudited financial information for the nine months to 30 September 2005 (IFRS)). This consolidated interim financial information is the responsibility of the Company's management. Our responsibility is to issue a report on this interim financial information based on our review.

Scope

We conducted our review in accordance with standards for review engagements generally accepted in the Netherlands. These standards require that we plan and perform the review to obtain moderate assurance about whether the interim figures are free of material misstatement. A review is

limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with the basis set out in the notes, which describes how the recognition and measurement requirements of accounting standards adopted by the EU have been applied, including the assumptions management has made about the policies expected to be adopted when management prepares its first annual financial statements in accordance with accounting standards adopted by the EU as of 31 December 2005.

Emphasis of matter

Without qualifying our review conclusion, we draw attention to the notes to the consolidated interim financial information that explain why there is a possibility that the Company's management may determine that changes to the accounting policies adopted in preparing the consolidated interim financial information are necessary when management prepares its first annual financial statements in accordance with accounting standards adopted by the EU as of 31 December 2005.

Without qualifying our review conclusion, we also draw attention to the notes to the consolidated interim financial information that explain that the information relating to the Company's commercial property division, AM Development, has been included in the interim financial statements on a basis consistent with prior periods rather than on a discontinued basis as required by IFRS 5 Non-current assets held for sale and discontinued operations.

Amstelveen, 22 December 2005

KPMG Accountants N.V.

13.4. Financial statements for the financial years 2002, 2003, 2004 (Dutch GAAP)

13.4.1. Consolidated balance sheet as at 31 December 2004, 2003 and 2002 (Dutch GAAP) (before profit appropriation)

Amounts x EUR 1,000

	31-12-2004 (Dutch GAAP)	31-12-2003 (Dutch GAAP)	31-12-2002 (Dutch GAAP)
Fixed assets			
Intangible fixed assets	197,686	209,336	209,187
Tangible fixed assets	13,191	14,390	15,358
Financial fixed assets	107,766	88,697	58,457
	318,643	312,423	283,002
Current assets			
Land, buildings and development rights	337,354	411,187	298,626
Projects	388,843	414,832	299,308
Debtors	251,970	217,466	159,291
Cash	103,430	964	75,038
	1,081,597	1,044,449	832,263
Total	1,400,240	1,356,872	1,115,265
Group equity			
Shareholders' equity	600,315	563,036	498,265
Minority interests	2,026	2,039	9,962
Provisions	88,809	100,446	45,395
Long-term liabilities			
Long-term loans	219,463	147,927	143,763
Subordinated loans	558	1,116	1,644
	220,021	149,043	145,407
Current liabilities			
Interest-bearing current liabilities	196,164	303,528	195,893
Other current liabilities	292,905	238,780	220,343
	489,069	542,308	416,236
Total	1,400,240	1,356,872	1,115,265

13.4.2. Consolidated profit and loss account for the financial years 2004, 2003 and 2002 (Dutch GAAP)

Amounts x EUR 1,000

	2004 (Dutch GAAP)	2003 (Dutch GAAP)	2002 (Dutch GAAP)
Invoiced sales	961,635	851,510	630,828
Movements in work in progress / finished projects	49,705	73,459	85,989
Other operating income	9,071	12,829	9,496
Operating income	1,020,411	937,798	726,313
Costs of subcontracted work and other external charges	819,185	718,661	565,501
Salaries, social security costs and pensions	57,416	55,073	35,190
Amortisation of intangible fixed assets	12,069	11,365	5,343
Depreciation of tangible fixed assets	2,425	2,726	2,258
Other operating expenses	47,324	40,312	28,957
Operating expenses	938,419	828,137	637,249
Operating result	81,992	109,661	89,064
Results of unconsolidated participating interests	35,133	11,893	7,312
Result on operations	117,125	121,554	96,376
Financial income and expenses	-24,994	-17,943	-10,869
Result on ordinary activities before tax	92,131	103,611	85,507
Taxation	-23,003	-26,886	-30,993
Result after tax	69,128	76,725	54,514
Minority interests	-3,565	-1,860	-2,296
Net result on continued activities	65,563	74,865	52,218
Net result on discontinued activities	-4,768	-	-
Net result	60,795	74,865	52,218
Weighted profit per Share, diluted			
– before amortisation of goodwill	0.87	0.99	0.84
– after amortisation of goodwill	0.73	0.86	0.76
Notes			
Operating income			
– from consolidated participating interests	1,020,411	937,798	726,313
– our share of unconsolidated participating interests	332,649	195,625	120,444
Total operating income	1,353,060	1,133,423	846,757
Operating margin	8.7%	10.7%	11.4%

13.4.3. Consolidated cash flow statement for the financial years 2004, 2003 and 2002 (Dutch GAAP)

Amounts x EUR 1,000

	2004 (Dutch GAAP)	2003 (Dutch GAAP)	2002 (Dutch GAAP)
Operating activities			
Net result	60,795	74,865	52,218
Amortisation of intangible fixed assets / depreciation of tangible fixed assets	14,494	14,091	7,601
Movements in provisions	23,007	50,271	22,519
Movements in working capital	74,379	-45,419	19,934
Dividend from participating interests more / less than net result	-2,539	-1,452	15,419
Minority interests	3,565	1,860	2,296
Cash flow from operating activities	173,701	94,216	119,987
Investing activities			
Net investment in group companies	-324	-4,915	-163,272
Net investment in tangible fixed assets	-1,214	-1,605	-2,007
Net investment in participating interests	-20,730	-9,017	-35,866
Net investment in land and buildings	34,968	-84,527	-41,998
Loans granted	-27,686	-30,076	-8,451
Repayments received	7,362	6,556	46
Cash flow from investing activities	-7,624	-123,584	-251,548
Financing activities			
Long-term loans drawn down	127,500	22,000	100,000
Repayment of long-term loans	-57,408	-17,908	-10,306
Movements in short-term project financing	-39,853	-186,353	-32,593
Payment of dividend	-23,449	-15,729	77,500
Movements in minority interests	-3,811	-9,604	-110
Cash flow from financing activities	2,979	-207,594	134,491
Net cash flow	169,056	-236,962	2,930
Cash as at 1 January	964	75,038	72,108
Banks (excluding project financing) as at 1 January	-162,888	-	-
	-161,924	75,038	72,108
Cash as at 31 December	103,430	964	75,038
Banks (excluding project financing) as at 31 December	-96,298	-162,888	-
	7,132	-161,924	75,038
Net cash flow	169,056	-236,962	2,930

13.5. Notes to the consolidated financial statements at 31 December 2004 (Dutch GAAP)

General Unless otherwise stated, all amounts are in thousands of euros.

Consolidation principles Included in the consolidation are AM and its group companies, i.e. companies in which AM directly or indirectly, whether pursuant to an agreement with third parties or otherwise, holds half or more of the voting capital and has a decisive influence on policy. Some of the property development activities in Germany (former NBM-Amstelland activities) have not been included in the consolidation because the interest is held exclusively with a view to its disposal.

The financial information relating to consolidated companies is included in full, with minority interests shown separately. Joint ventures are carried at net asset value, determined according to AM accounting policies.

The assets, equity and liabilities of participating interests acquired during the year are included at their fair value at the time of acquisition. The results of these participating interests are recognised as from the date of acquisition.

A list of participating interests, as referred to in Section 379 and Section 414, Book 2, of the Civil Code, has been deposited at the office of the Trade Register in Utrecht. For the profit and loss account of the company, use has been made of the exemption provided by Section 402, Book 2, Part 9, of the Civil Code.

Accounting policies (Dutch GAAP)

Foreign currencies For the purpose of the consolidation, translation of assets, equity and liabilities of companies outside the euro zone is at the applicable exchange rates on balance sheet date. These companies' profit and loss account items are translated at average rates. Exchange differences arising on the valuation of investments in and loans to participating interests as at balance sheet date are accounted for directly as movements in shareholders' equity. Debtors and creditors in foreign currencies are translated at the applicable rates on balance sheet date. Associated exchange differences are taken to the profit and loss account.

Intangible fixed assets Goodwill relates to the difference at the time of acquisition between the historical cost and the fair value of companies taken over. Goodwill is amortised on a straight-line basis over the estimated economic life of the assets concerned. Expectations concerning the economic gains from the acquired businesses justify amortising goodwill over a maximum of 20 years. An impairment test is carried out each year to assess whether the amount of goodwill carried or the amortisation period should be revised.

Tangible fixed assets Land and buildings are carried at cost. Buildings are depreciated to a residual value over their estimated economic lives, which range from ten to forty years. Land is not depreciated. Valuation of other tangible fixed assets is at cost less straight-line depreciation based on economic life. The estimated economic life of these other tangible fixed assets ranges from two to ten years.

Financial fixed assets Included in financial fixed assets are unconsolidated participating interests, loans to participating interests, other long-term receivables and securities. Valuation of participating interests is on the basis of the group share of the net asset value measured according to AM accounting policies. Participating interests in liquidation are carried at net asset value less any provisions deemed necessary. The results are accounted for in the profit and loss account according to the percentage of interest. Included in shareholders' equity is a statutory reserve for non-distributable profits of participating interests, the amount of which is determined by the collective method. Loans to participating interests and other long-term receivables are carried at face value less any provisions deemed necessary. Securities relate to shares in companies not treated as participating interests. They are carried at the lower of net asset value and historical cost. Dividends are accounted for as income.

Land, buildings and development rights Land is carried at cost, including costs directly associated with acquisition, interest on borrowed capital and indirect costs. Interest and indirect costs are only capitalised if actual development is expected to begin within eight years. An appraisal is carried out each year to ensure that the carrying amount does not exceed current market value. If necessary, a provision is formed. Buildings are carried at cost, less a provision as necessary. The carrying amount in respect of development rights comprises the capitalised deficit on onward sale of land to third parties, less a provision as necessary.

Projects Included in projects are the construction works less invoiced instalments. Projects that have not yet reached the preparation stage are carried at direct cost plus indirect costs (interest and overheads) less any provisions deemed necessary. Projects in preparation or under construction and completed projects are carried at direct cost plus a mark-up for indirect costs and less any provisions deemed necessary. The amount carried in respect of the direct and indirect costs is net of invoiced instalments but includes an interest mark-up.

Construction cost includes interest on loans specifically contracted for the work (site preparation and project construction). Where the work is financed by means of loans not specifically contracted for that purpose, the amount of interest capitalised is calculated by multiplying the weighted average interest rate on the loans concerned by the actual expenditure on the work over the construction period and taking account of the ratio of equity and borrowed capital in the project funding. The amount of the expenditure is taken as the sum of the amounts attributable to the work less any instalment payments from clients. Profit is recognised on units sold in proportion to costs incurred. Finished projects which have not been sold are shown separately. They are carried at the lower of integral cost and estimated net realisable value.

Debtors Debtors are carried at face value less any necessary provisions.

Cash Cash is carried at face value and is freely disposable, unless otherwise mentioned.

Current and long-term liabilities These are carried at face value.

Pensions Pension commitments are insured with a company pension fund (which in turn covers most of the risk through reinsurance) or directly with underwriters. The pension commitments borne by the pension fund concern rights under final-pay and average-pay schemes, calculated on a specific basis. The commitments are funded by annual contributions charged by the pension fund to the employer. The pension charge is determined by the annual amount of contributions payable, plus additional amounts if necessary in case of underfunding. Adequacy tests show that the funding level of the pension fund satisfies the minimum standards of *De Nederlandsche Bank* (DNB). Pension arrangements involving a defined contribution scheme are insured with underwriters. There is no actuarial risk for the employer with such schemes, so that the pension charge is equal to the annual amount of contributions payable.

Provision for deferred taxation AM forms a fiscal entity with nearly all the wholly-owned subsidiaries in the Netherlands. Within the fiscal entity, taxation is settled with the subsidiaries as if they were independently liable for taxation. The deferred taxation position of the fiscal entity of AM is shown net in the company's balance sheet.

The taxation in respect of the rundown of the former NBM-Amstelland property development activities in Germany shown in the 2004 balance sheet, in view of the good progress being made with the final liquidation of the remaining unsold German companies, has been included as a tax asset.

Deferred tax liabilities are included in respect of taxable temporary differences between the book values for reporting purposes and for tax purposes. Deferred tax assets are included in respect of loss relief carried forward and temporary differences available for set-off, including losses arising out of planned liquidations of participating interests, to the extent that realisation of the assets concerned is probable.

Rental guarantee and warranty provision The provision for rental guarantees and warranty commitments relates to possible liabilities and current lawsuits relating to completed projects as well as to rental guarantees which have been given.

Provision for rundown of former NBM-Amstelland property development in Germany This provision concerns the estimated losses on the disposal or liquidation of the former NBM-Amstelland property development activities in Germany. Part of the provision has been set off against the value of the participating interests and loans granted.

Other provisions The other provisions relate to risks concerned with expected liabilities originating during the year or in preceding years. These provisions are carried at face value.

Dividend The liability in respect of dividend payments is carried in the balance sheet in the year in which the dividend declaration is made.

Operating income The operating income comprises the actual sales according to progress made with the construction of projects. Operating income is shown net of value added tax and after the

elimination of intercompany sales. The other operating income mainly concerns the revenues from operating completed projects which have not been sold on and fees for the management of completed projects which have been sold.

Taxation The taxation is calculated at the tax rates applicable to the results before tax, taking into account deductible / non-deductible expenses and other elements of the results qualifying for tax exemption or special treatment. The taxation on profit included in current assets and current liabilities relates to the amount of taxation payable in respect of the year under review and prior years, less taxation on profit already paid against provisional assessments.

Notes to the consolidated balance sheet as at 31 December 2004 (Dutch GAAP)

Amounts x EUR 1,000

Intangible fixed assets	Book value 31-12-2003	Additions	Disposals	Amorti- sation	Impair- ment	Book value 31-12-2004
Goodwill	209,336	613	-194	-11,355	-714	197,686
	209,336	613	-194	-11,355	-714	197,686

The additions and disposals relate to the interest in T&T Design B.V. and a further payment connected with the acquisition of Projectontwikkeling Zeeland. Amortisation of investments made during the course of the year is calculated pro rata.

Following an impairment test, the amount of goodwill paid for Fundament All Media was written down in 2004.

tangible fixed assets	Land and buildings	Other capital equipment	Total
Book value 31 December 2003			
Cost	10,971	21,901	32,872
Accumulated depreciation and diminutions in value	-1,870	-16,612	-18,482
	9,101	5,289	14,390
Movements in the year			
Additions	-	1,478	1,478
Disposals	-58	-206	-264
Depreciation	-292	-2,133	-2,425
Exchange differences	-	12	12
	-350	-849	-1,199
Book value 31 December 2004			
Cost	10,797	22,444	33,241
Accumulated depreciation and diminutions in value	-2,046	-18,004	-20,050
	8,751	4,440	13,191

financial fixed assets	Unconsolidated participating interests	Securities	Loans to participating interests	Other long-term receivables	Total
Book value 31 December 2003	45,360	6,408	33,089	3,840	88,697
Share in results	35,133	207	—	—	35,340
Dividend	-32,406	—	—	—	-32,406
Investments / new loans	7,403	18	13,907	13,779	35,107
Disposals / repayments	-5,206	—	-6,082	-1,280	-12,568
Provisions	-1,518	—	—	-9,000	-10,518
Other	4,052	17	45	—	4,114
Book value 31 December 2004	52,818	6,650	40,959	7,339	107,766

The average interest rate on the loans granted is 5.6% (2003: 5.9%).

The interest rate of approximately 77% of the existing loans is fixed.

land, buildings and development rights	31-12-2004	31-12-2003
Development rights	10,754	11,786
Land and buildings	326,600	399,401
Total land, buildings and development rights	337,354	411,187

projects	31-12-2004	31-12-2003
Capitalised project costs	1,170,903	1,108,398
Capitalised profit mark-up	140,483	109,725
Accumulated sales on current projects	1,311,386	1,218,123
Invoiced instalments	-952,683	-858,956
Total current projects	358,703	359,167
Total completed and unsold projects	30,140	55,665
Total projects	388,843	414,832
Balance of current projects > instalments	426,852	391,505
Balance of current projects < instalments	-68,149	-32,338
	358,703	359,167

As at year-ends 2004 and 2003, no amounts had been held back by clients on invoiced instalments. The completed but unsold projects as at year-end had been partially let, and generated partially a positive cash flow.

debtors	31-12-2004	31-12-2003
Trade debtors	60,275	47,585
Taxation on profit	69,610	60,307
Unconsolidated participating interests	27,488	43,978
Other amounts receivable	85,931	60,526
Prepayments and accrued income	8,666	5,070
	251,970	217,466

The concentration of credit risks is not uncustomary for the industry. Of the amount shown in respect of taxation on profit, approximately 50% is expected to be recovered later than 2005.

cash	31-12-2004	31-12-2003
Cash in hand and at bank	60,430	964
Time deposits	43,000	—
	103,430	964

As at year-end 2004, the time deposits had an average maturity of 3 days.

capital base	31-12-2004	31-12-2003
Shareholders' equity	600,315	563,036
Minority interests	2,026	2,039
Subordinated loans	558	1,116
Falling due within 12 months	558	559
	603,457	566,750
Shareholders' equity as a percentage of the balance sheet total	42.9%	41.5%
Capital base as a percentage of the balance sheet total	43.1%	41.8%

summary of the overall result	2004	2003
Net result	60,795	74,865
Translation differences on participating interests outside the eurozone	146	172
Other direct movements in shareholders' equity	-213	62
	60,728	75,099

provisions	Deferred taxation	Partici- -pating interests	Rental guarant- ees and warranty commitments	Reorgan- isation costs	Property Develop- ment in Germany	Other	Total
Book value 31 December 2003	21,989	10,434	23,553	2,526	40,826	1,118	100,446
Reclassification of deferred tax asset from debtors ..	-5,693	—	—	—	—	—	-5,693
Book value after reclassification	16,296	10,434	23,553	2,526	40,826	1,118	94,753
Added / released ...	35,003	—	-9,445	-1,292	—	-168	24,098
Utilised	—	—	—	-1,040	-18,565	-50	-19,655
Reclassified as financial fixed assets	—	-777	—	—	—	—	-777
Other	—	—	—	-194	663	-900	-431
	51,299	9,657	14,108	—	22,924	—	97,988
Reclassification of asset-linked provisions	-179	—	—	—	-9,000	—	-9,179
Book value 31 December 2004	51,120	9,657	14,108	—	13,924	—	88,809

Approximately EUR 50 million of the provisions is of a long-term nature (2003: approximately EUR 55 million). Out of the total amount of the provision of EUR 22.9 million in respect of the rundown of the property development activities in Germany, an amount of EUR 9 million has been deducted from the value of a loan which has been granted. In 2003, out of the total amount of the provision of EUR 89.3 million, an amount of EUR 48.5 million was deducted from the book value of the participating interest.

deferred taxation

	31-12-2003	Profit and loss account	31-12-2004
Tax on temporary differences	25,250	19,073	44,323
Available relief on temporary differences	-3,261	440	-2,821
Total deferred taxation in the Netherlands	21,989	19,513	41,502
Total deferred taxation outside the Netherlands	-5,693	15,490	9,797
Total	16,296	35,003	51,299

A significant amount of the provision for deferred taxation can be considered long-term in nature. For reasons of prudence, no tax asset has been recognised in respect of part of the expected losses due to the planned discontinuation of the activities in Germany and start-up losses in various European countries. These losses together amount to EUR 95 million (2003: EUR 82 million).

long-term liabilities

	31-12-2004	31-12-2003
Loans from financial institutions	215,333	143,729
Mortgage loan	4,130	4,198
	219,463	147,927

The analysis by remaining term to maturity of the long-term liabilities and facilities is as follows:

Due after one year but within 5 years	215,606	144,002
Due after more than 5 years	3,857	3,925

The average interest rate on the contracted loans as at balance sheet date was 3.8% (2003: 4.2%). The interest rate on approximately 80% of the outstanding amount is based on the three-month Euribor rate.

subordinated loan

	31-12-2004	31-12-2003
Subordinated loan	558	1,116

The remaining term as at year-end 2004 was one year. The fixed interest rate on the contracted loan as at balance sheet date was 7% (2003: 7%).

current liabilities	31-12-2004	31-12-2003
Repayments due on long-term loans	16,987	17,908
Banks	96,298	162,888
Project financing	82,879	122,732
Total interest-bearing current liabilities	196,164	303,528
Trade creditors	155,682	112,994
Outstanding payments in respect of completed projects	19,897	30,697
Unconsolidated participating interests	24,834	16,289
Taxation on profit	5,386	10,086
Other taxation and social security contributions	24,949	12,837
Amounts owed in respect of pensions	644	3
Other amounts owed	47,456	44,905
Accruals and deferred income	14,057	10,969
	489,069	542,308

The average interest rate on the project financing was 3.4% (2003: 3.2%), with rates based mainly on the one-month and three-month Euribor rates.

Security provided The security provided, apart from performance bonds in connection with ordinary activities, is restricted to mortgages relating to mortgage loans included in the balance sheet. The loans and credit lines provided by the banks are governed by pari passu clauses. It has also been agreed in connection with these loans and credit lines that a certain minimum profitability ratio, capital ratio and interest cover ratio will be maintained and a maximum will be imposed on off-balance-sheet items. As at year-end 2004, these requirements were satisfied.

Disputes and lawsuits Claims filed by group companies in connection with current disputes and lawsuits are not recognised in the balance sheet but provisions have been formed where necessary in respect of claims filed against group companies.

Commitments not shown in the balance sheet Conditional and unconditional obligations involving a net aggregate amount of EUR 370.1 million (2003: EUR 417.2 million) have been assumed concerning the acquisition of land (including previously developed land) in connection with the future development and production of residential and commercial buildings. The contingent liabilities do not represent any material financial risk. There are also contingent liabilities in respect of guarantees and contracts of suretyship that have been provided, totalling EUR 162.0 million (2003: EUR 131.7 million), mainly as security for the proper completion of work in progress and projects and the performance of obligations under project financing arrangements. Joint and several liability commitments relating to various strategic alliances amounted to EUR 249.4 million (2003: EUR 134.2 million). The instalments on lease contracts due in 2005 total EUR 3.4 million (2004: EUR 3.7 million). The rent commitments for 2005 total EUR 3.9 million (2004: EUR 4.5 million). The remaining commitment with respect to the turnover guarantee agreed with Boer & Croon amounted to approximately EUR 1.6 million as at year-end 2004.

Financial instruments The fair value of the financial instruments included in the balance sheet is approximately equal to the book value. The book value provides a reasonable approximation of the fair value of the financial instruments contracted since they are connected with ordinary trade debtors and creditors and loans contracted on market terms and conditions. The cost of interest rate contracts purchased in 2001 to hedge some of the interest rate risks was amortised over the period of the instruments concerned (maturing at the end of August 2004). A zero-cost interest rate collar was contracted in August 2004 to hedge the five-year loan totalling EUR 110 million contracted in June 2004. The 5.75 million Warrants issued at the time of acquisition of MDC in mid-2002 (exercise price EUR 8.00) have been included in shareholders' equity at their fair value at the time of issue.

Notes to the consolidated profit and loss account for 2004 (Dutch GAAP)

Amounts x EUR 1,000

earnings per Share	2004	2003
Calculation of earnings per Share		
Result on continued activities	65,563	74,865
Result on discontinued activities	-4,768	-
Net result available to holders of Shares	60,795	74,865
Weighted average number of Shares in issue during the year (x 1,000)	89,643	87,141
Net result per Share on continued activities (EUR)	0.73	0.86
Net result per Share including discontinued activities (EUR)	0.68	0.86
operating income	2004	2003
The geographical segmentation of operating income is as follows:		
Netherlands	594,728	565,392
Southern Europe (Spain and Portugal)	189,638	142,765
Other countries	236,045	229,641
Total consolidated companies	1,020,411	937,798
Netherlands	287,742	160,919
Other countries	44,907	34,706
Total unconsolidated companies	332,649	195,625
Total operating income	1,353,060	1,133,423
salaries, social security costs and pensions	2004	2003
Salaries	48,593	45,577
Social security costs	4,397	4,195
Pension charges	4,426	5,301
	57,416	55,073
average number of employee s	2004	2003
Residential and Land	272	285
Commercial property	320	291
Other	21	20
	613	596
of which average number employed in:		
Netherlands	401	439
Southern Europe (Spain and Portugal)	131	115
Other countries	81	42
number of employees at year – end	2004	2003
Residential and Land	266	290
Commercial property	369	310
Other	20	20
	655	620
of which number employed at year-end in:		
Netherlands	402	448
Southern Europe (Spain and Portugal)	139	124
Other countries	114	48

financial income and expenses	2004	2003
External financial income	17,444	12,623
External financial expenses	- 42,438	-30,566
	-24,994	-17,943
taxation on result on ordinary activities	2004	2003
The taxation on the ordinary result has been calculated as follows:		
Result on ordinary activities before tax	92,131	103,611
Permanent differences	-47,914	-29,558
Loss relief not taken into account	7,935	8,631
Basis for the calculation of taxation on profit	52,152	82,684
Taxation in respect of the year under review	-26,417	-28,463
Taxation in respect of prior years	265	1,577
Adjustment in respect of change in tax rate	3,149	-
Total taxation on ordinary result	-23,003	-26,886

The average effective tax rate on the ordinary result in 2004 was 25.0% (2003: 25.9%).

Result on discontinued activities In 2004, a substantial proportion of the former NBM-Amstelland property development activities in Germany was disposed of. The loss on this transaction has been charged to the provision formed for that purpose. Current indications are that the transactions concerning the residual activities should be completed in 2005, allowing the remaining companies to be wound up. The loss in 2004, amounting to EUR 4.8 million, relates to the effect of the change in the rate of corporation tax on the tax asset carried in the balance sheet in respect of the liquidation proceedings.

Segment information (Dutch GAAP)

Consolidated income statement year 2004 (Dutch GAAP) <i>Amounts in millions of euro's, unless otherwise indicated</i>	Retail	Offices	Total Commercial Property	Total Residential & Land	Total
Operating income from consolidated subsidiaries	483.2	30.9	514.1	506.4	1,020.4
Operating income of unconsolidated associates and joint ventures	91.3	18.9	110.2	222.4	332.6
Total operating income	574.5	49.8	624.3	728.8	1,353.1
Profit from operations	46.3	8.6	54.9	27.1	82.0
Income from associates and joint ventures	22.6	-0.9	21.7	13.4	35.1
Operating result	68.9	7.7	76.6	40.5	117.1
Financial income and expenses	-18.4	-1.1	-19.5	-5.5	-25.0
Profit before tax	50.6	6.6	57.1	35.0	92.1
Income tax expenses					-23.0
Net profit continued operations					69.1
Result on discontinued operations					-3.6
Net profit for the period					65.6
Minority interest					-4.8
Net profit for the period attributable to shareholders					60.8
Operating margin	12.0%	15.5%	12.3%	5.6%	8.7%

Consolidated income statement year 2004 (Dutch GAAP)	Retail	Offices	Total Commercial Property	Total Residential & Land	Total
Amounts in millions of euro's, unless otherwise indicated					
Operating income from consolidated subsidiaries	447.7	114.2	561.9	375.9	937.8
Operating income of unconsolidated associates and joint ventures	34.7	14.8	49.5	146.2	195.6
Total operating income	482.4	129.0	611.4	522.0	1,133.4
Profit from operations	71.4	6.1	77.6	32.1	109.7
Income from associates and joint ventures	-2.6	5.0	2.4	9.5	11.9
Operating result	68.8	11.1	79.9	41.6	121.6
Financial income and expenses	-8.3	-2.1	-10.4	-7.5	-17.9
Profit before tax	60.6	9.0	69.5	34.1	103.6
Income tax expenses					-26.9
Net profit for the period					76.7
Minority interest					-1.9
Net profit for the period attributable to shareholders					74.9
Operating margin	14.3%	8.6%	13.1%	8.0%	10.7%

13.6. Auditors' report

In our opinion, the financial data for the financial years 2004, 2003 and 2002, as included in this offer document, are consistent, in all material respects, with the financial statements from which they have been derived. We issued unqualified auditors' reports on these financial statements on 16 March 2005, 4 March 2004 and 27 March 2003. These auditors' reports are included in the financial statements for the years referred to, which form an integral part of this offer document.

For a better understanding of the Company's financial position and results and of the scope of our audit, the aforementioned consolidated financial information should be read in conjunction with the financial statements from which it has been derived and our auditors' reports thereon.

Amstelveen, 22 December 2005

KPMG Accountants N.V.

14. INFORMATION CONCERNING THE OFFEROR

Terra Amstel B.V., a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid), with its statutory seat in Bunnik, the Netherlands, was incorporated under Dutch law on 4 November 2005. The authorised share capital of Terra Amstel amounts to EUR 90,000 and consists of 180 shares with a nominal value of EUR 500 each. All shares of Terra Amstel are registered shares. On the date of the publication of the Offer Document, the issued share capital amounts to EUR 18,000 and consists of 36 shares which have been issued and fully paid up.

Terra Amstel is registered with the Commercial Register of the Chamber of Commerce of Utrecht, the Netherlands, under no. 30058019. The statutory directors are Mr J.A.P. van Oosten and Mr J. Ruis, who are also members of the management board of Royal BAM Group. Terra Amstel does not have a supervisory board.

On the date of the publication of the Offer Document, Terra Amstel is wholly owned by Terra Amstel Holding B.V. whose shares are held by Royal BAM Group. In line with Royal BAM Group's desire to keep AM as a separate organisation in the next few years, after the Unconditional Date and before the Settlement Date, a syndicate of investors will participate in Terra Amstel Holding B.V. via Houdstermaatschappij TAH B.V. Consequently, at Settlement Date, shares in Terra Amstel Holding B.V. will be held by Royal BAM Group (51%) and by Houdstermaatschappij TAH B.V. (49%). Houdstermaatschappij TAH B.V.'s equity contribution to Terra Amstel Holding of EUR 49 million has been committed by ING CI and Fortis Bank. It is envisaged that at the Settlement Date, the shares in Houdstermaatschappij TAH B.V. will be held by ING CI, Fortis Bank and a number of other reputable parties. The shareholders in Houdstermaatschappij TAH B.V. will only contribute cash to Houdstermaatschappij TAH B.V., which entity, in turn, contributes such cash into Terra Amstel Holding. None of the shareholders of Houdstermaatschappij TAH B.V. holds any Securities (although, as part of a large financial institution, other related companies may own such Securities). No arrangements have been or will be made with the (potential) consortium members in relation to their (potential) shareholdings in AM. Royal BAM Group has a right to acquire the stake of 49% after three to five years from the Settlement Date at a price of between EUR 63 million and EUR 75 million, assuming no dividend has been paid. Hereafter, Houdstermaatschappij TAH B.V. has the right to sell its stake to Royal BAM Group at a price of EUR 75 million, assuming no dividend has been paid. Primarily based upon the right to acquire the 49 percent stake in Terra Amstel Holding in the near future, under IFRS Royal BAM Group is required to fully consolidate AM in its annual accounts.

Royal BAM Group is one of the largest construction firms in Europe with significant operations in the Netherlands, the United Kingdom, Ireland, Belgium, Germany and the United States. Royal BAM Group is active in construction and property, civil engineering, mechanical and electrical contracting and consultancy and engineering. Royal BAM Group also has an interest in Van Oord, a leading dredging company with international operations. The operating companies initiate, develop, build and maintain projects to do with living, working, transport and recreation. It generates sales of circa EUR 7.5 billion, expects net profit of at least EUR 140 million in 2005 and has a workforce of 27,000.

15. INFORMATION CONCERNING MSREF

15.1. MSREF and Morgan Stanley Real Estate

MSREF V International-GP, L.L.C. is a 100% (indirect) subsidiary of Morgan Stanley and acts as general partner of the various real estate private equity funds that it manages.

Morgan Stanley Real Estate is comprised of three major global businesses: Investing, Banking, and Lending. Since 1991, Morgan Stanley has acquired more than USD 68.7 billion of real estate assets worldwide and currently manages USD 38.0 billion in real estate assets on behalf of its clients. Using its own capital, Morgan Stanley also originates upwards of USD 11 billion in commercial mortgages annually. In addition, Morgan Stanley Real Estate provides a complete range of investment banking services including merger, acquisition and restructuring advisory and recapitalizations, as well as public and private debt and equity financing. Morgan Stanley established its real estate organization in 1969.

Morgan Stanley (NYSE: MWD) is a global financial services firm and a market leader in securities, investment management, and credit services. With more than 600 offices in 28 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations.

15.2. MSREF in relation to the Development Sale

MSREF will indirectly acquire the AM Development through affiliated special purpose entities (indirectly) established by MSREF. MSREF intends to syndicate a minority part of its indirect interests in AM Development to certain professional investors upon completion of the Development Sale.

MSREF offers certain senior managers of the AM Development the opportunity to participate in a management incentive scheme through a share profit arrangement on terms customary for a transaction of this nature.

Upon the completion of the Development Sale, Mr. A.D.J.G. van Dam and Mr. J.F.J. van Veggel, both co-founders and former shareholders in MDC (the predecessor of AM Development), shall also participate through minority interests in affiliated special purpose entities (indirectly) established by MSREF.

16. DUTCH TAX ASPECTS OF THE OFFERS

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax laws which could be of relevance to a Securities Holder. Securities Holders should therefore consult their tax adviser regarding the tax consequences of the Offers.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

16.1. Withholding tax

The Share Offer Price and the Warrant Offer Price will not be subject to Dutch withholding tax.

16.2. Taxes on income and capital gains

This Section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a Securities Holder who has a (fictitious) substantial interest in the Company.

Generally, a Securities Holder has a substantial interest if such holder, alone or together with his partner, has, or if certain relatives of the Securities Holder or his partner have, directly or indirectly;

- (i) the ownership of, or certain rights over, shares representing five percent or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company; or
- (ii) the rights to acquire shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital of the Company, or of the issued and outstanding capital of any class of shares of the Company; or
- (iii) certain profit participating certificates that relate to five percent or more of the annual profit of the Company or to five percent or more of the liquidation proceeds of the Company.

Generally, a shareholder has a fictitious substantial interest if (a) he has disposed of, or is deemed to have disposed of, all or part of a substantial interest or (b) he is an individual and has transferred an enterprise in exchange for shares, on a non-recognition basis.

16.2.1. Residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Securities Holders;

- (i) individuals who are resident or deemed to be resident in the Netherlands;
- (ii) individuals who opt to be treated as a resident in the Netherlands for purposes of Dutch taxation ((i) and (ii) jointly "**Dutch Individuals**"); and
- (iii) entities that are subject to the 1969 Dutch Corporate Income Tax Act ("**CITA**") and are resident or deemed to be resident in the Netherlands for the purposes of the CITA ("**Dutch Corporate Entities**"), excluding:
 - pension funds (*pensioenfondsen*) and other entities, that are exempt from Dutch corporate income tax; and
 - entities which are entitled to the participation exemption (*deelnemingsvrijstelling*) with respect to the Securities; and
 - investment institutions (*beleggingsinstellingen*) as defined in article 28, CITA.

Dutch Individuals not engaged or deemed to be engaged in an enterprise or receiving benefits from miscellaneous activities

Generally, a Dutch Individual who holds Securities that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, or to miscellaneous activities (*overige werkzaamheden*), will be subject annually to an income tax imposed on a fictitious yield on

such Securities under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Securities, is set at a fixed amount. The fixed amount equals 4 percent of the average net fair market value of these assets and liabilities measured, in general, at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30 percent.

Consequently, the Offers will in itself not result in Dutch taxation for such a Dutch Individual.

Dutch Individuals engaged or deemed to be engaged in an enterprise or receiving benefits from miscellaneous activities

Any benefits derived or deemed to be derived from Securities (including any capital gains realized upon the Offers) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (*overige werkzaamheden*) are generally subject to income tax in the Dutch Individual's hands at statutory progressive rates with a maximum of 52 percent.

Dutch Corporate Entities

Any benefits derived or deemed to be derived from Securities (including any capital gains realized upon the Offers) that are held by a Dutch Corporate Entity are generally subject to corporate income tax at statutory rates.

16.2.2. Non-residents of the Netherlands

A Securities Holder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the Offers, except if:

- the Securities Holder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which Securities are attributable; or
- the Securities Holder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) carried out in the Netherlands in respect of Securities, including, without limitation, activities which are beyond the scope of active portfolio investment activities.

17. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

On 12 January 2006 at 14.00 hours (CET), the Extraordinary General Meeting of Shareholders will be convened at the Crown Plaza Promenade Hotel, Van Stolkweg 1 in The Hague, the Netherlands to which the Warrant Holders will also be invited, during which, amongst other agenda items, the Offers will be explained and discussed in compliance with the provisions of article 9q, paragraph 1 of the Bte 1995.

In addition, inter alia, the following proposals shall be put on the agenda for adoption by the general meeting of Shareholders with effect as of the Settlement Date:

- a. discussion of the public offer made by the Offeror for all the outstanding and issued shares in the capital of the Company and all issued and outstanding warrants exchangeable for shares in the capital of the Company in accordance with article 9q of the Bte 1995; and
- b. the approval of the sale of all outstanding shares in the capital of AM Development, subject to the condition precedent that the Offers have been declared unconditional (*gestand zijn gedaan*); and
- c. the changes to the composition of the Supervisory Board, subject to the condition precedent that the Offers have been declared unconditional (*gestand zijn gedaan*), consisting of the appointment of Mr. W. van Vonno, Mr. A.H. van Tooren and Mr. L.C. Brinkman, as new members of the Supervisory Board; and
- d. upon proposal of the Management Board, as approved by the Supervisory Board, amend the Articles of Association, subject to the condition precedent that the Offers have been declared unconditional (*gestand zijn gedaan*), reflecting, amongst others, the abolition of the specific provisions for large companies.

Notice of the Extraordinary General Meeting of Shareholders will be given in accordance with the Articles of Association.

18. PRESS RELEASES

18.1. Press release by AM dated 8 July 2005

On 8 July 2005, AM issued the following press release:

Quote

AM response to recent share price movement and media reports

The Management Board of AM NV has noted the recent movement in the AM share price and related media reports.

To prevent dissemination of entirely inaccurate information in the market, the company confirms that it is holding exploratory talks on a merger or acquisition. Indicative offers value the company at up to EUR 9.50 per share. Having consulted the Supervisory Board, AM's Management Board is engaged in discussions to establish whether a final offer for the company can be negotiated.

The company also confirms that exploratory talks were held with Fortis, which has been named in the media as a candidate to acquire part of AM's activities, and that both parties decided by mutual agreement to abandon these talks.

AM's Management Board stated explicitly at the time of publication of the 2004 figures on 17 March that the company had embarked on a strategic review to optimise both its financial structure and the funding required for its future growth. The company takes the view that financial restructuring is needed to enable it to grasp the opportunities presented by growth markets and meet its growing capital requirement. It also stated that little value was added by the company's listing and that there was relatively little synergy between AM's core activities (commercial property development on a European scale and housing and land development in the Netherlands).

Further announcements will follow as soon as expectations of AM reaching agreement with third parties on a merger or acquisition can be justified. That is not the case at present.

Note for editors, not for publication:

Unquote

18.2. Press release by AM dated 30 September 2005

On 30 September 2005, AM issued the following press release:

Quote

AM confirms offers

The Management Board of AM reports progress in talks which may lead to a public bid to acquire the company and divide its activities. The bid price would be a maximum of EUR 10.15 per share.

If the transaction proceeds, BAM, in conjunction with a financial partner, will ultimately own *AM Wonen* and *AM Grondbedrijf* (together forming the housing and land development division) and the holding company AM. It is intended that this division should continue to operate as an independent business in the years ahead. It is expected that AM Development, the commercial property development division, will be acquired by another financial party. No further details of the offers can be released at this stage.

The Supervisory Board and Management Board of AM have granted exclusivity to the parties concerned.

Strategic orientation

AM's Management Board stated at the time of publication of the 2004 figures on 17 March that the company had embarked on a strategic review to optimise both its financial structure and the funding required for its future growth. The company takes the view that financial restructuring is needed to enable it to grasp the opportunities presented by growth markets and meet its growing capital requirement. It also stated that little value was added by the company's listing and that there was relatively little synergy between AM's core activities.

The company also confirmed in July that exploratory talks were being held with parties potentially interested in taking over AM's activities. Indicative offers at the time valued the company at EUR 9.50 per share.

Unquote

18.3. Press release by Royal BAM Group dated 30 September 2005

On 30 September 2005, Royal BAM Group issued the following press release:

Quote

BAM confirms negotiations with AM about acquisition by BAM, together with financial party, of AM Wonen and AM Grondbedrijf (Residential and Land Development)

Acquisition of the residential development activities of AM fits in the strategy of BAM to strengthen the property development activities of the group.

In this stage BAM will not make further announcements.

Unquote

18.4. Press release by Royal BAM Group, Offeror, MSREF and AM dated 10 November 2005

On 10 November 2005, Royal BAM Group, Offeror, MSREF and AM jointly issued the following press release:

Quote

BAM and MSREF intend to acquire AM

- BAM intends through its bidding vehicle Terra Amstel B.V. to make a public offer for the entire issued ordinary share capital of AM at an offer price of EUR 10.15 per share and for all outstanding warrants at EUR 2.30 per warrant.
- MSREF will acquire AM Development B.V. ("AM Development"), the commercial property division, at the moment the intended public offer is declared unconditional, through a new entity to be incorporated for that purpose.
- The intended offer is the result of the strategic orientation announced by AM in March 2005. AM's Supervisory Board and Management Board unanimously support the offer and the sale of AM Development as part of the offer, not least because the proposed acquisition strengthens the basis for achieving the growth strategy of AM's individual business units. When the offer by BAM is made, AM's Supervisory Board and Management Board will recommend acceptance of the offer by shareholders.
- The proposed acquisition of AM's residential and land development division fits within BAM's strategic and growth objectives.
- The intended public offer of EUR 10.15 implies a premium of approximately 31.6% over the closing price of AM shares on 16 March 2005, the day prior to publication of the press release announcing the strategic orientation. Adjusted for the declared and paid dividend of EUR 0.43

per share in May 2005, this represents a premium of 39.4%.

- A group of large shareholders, owning approximately 44% of the ordinary share capital on a fully diluted basis, have irrevocably committed themselves to accepting the offer.

BAM, Offeror and AM believe the expectation is justified that agreement can be reached in connection with a public offer by BAM for the entire issued share capital and all outstanding warrants of AM, whereby BAM, through the Offeror, intends to offer a price of EUR 10.15 in cash for each AM share and a price of EUR 2.30 in cash for each warrant.

BAM, MSREF and AM have already reached agreement on the sale of the entire issued share capital of AM Development to MSREF for an amount of EUR 479 million immediately upon the intended offer being declared unconditional by BAM. MSREF will also assume the outstanding liabilities of AM Development. The sale of AM Development is conditional upon the public offer by BAM being declared unconditional; likewise, certainty of the sale of AM Development to MSREF for the above amount is a condition to the offer by BAM being declared unconditional. Completion of the public offer for AM and the preceding sale of AM Development to MSREF will result in BAM becoming owner of AM Wonen and AM Grondbedrijf (the residential and land development division) as well as of the holding company, AM itself. BAM will continue these activities in the coming years as an independent entity, in which ING Corporate Investments Participaties B.V. will take a stake of approximately 50%.

AM's Supervisory Board and Management Board unanimously support the intended offer and the sale of AM Development as part of the offer. The transaction is attractive, not least because it strengthens the basis for achieving the growth strategy of AM's individual business units and takes account of the interests of the company and all stakeholders of the company.

The offer

On the basis of the proposed offer of EUR 10.15 per share and EUR 2.30 per warrant, AM's entire outstanding share capital including warrants is valued at around EUR 952 million. The offer represents:

- A premium of approximately 31.6% over the closing price of EUR 7.71 for AM shares on 16 March 2005, the day prior to the publication of the 2004 results, at which time the Management Board announced the strategic orientation and mentioned break-up of the company and delisting as realistic options. In response to this announcement, the price of AM shares rose to EUR 8.30 on 17 March 2005. Adjusted for the declared and paid dividend of EUR 0.43 per share in May 2005, the offer price represents a premium of 39.4%;
- A premium of 3.8% over the closing price of EUR 9.78 for AM shares on 9 November 2005, the day prior to the issue of this press release.

Irrevocable commitments received for approximately 44% of the issued share capital

ABN AMRO Effecten Compagnie B.V., Stichting Administratiekantoor Timeless (Mr. J.F.J. van Veggel), Switch B.V. (Mr. A.D.J.G. van Dam), Delta Lloyd N.V. and Delta Deelnemingen Fonds N.V. support the intended offer. These large shareholders, who own approximately 44% of the ordinary share capital on a fully diluted basis (the ordinary shares including the warrants), have irrevocably committed themselves to tender their shares and warrants under a public offer.

Strategic rationale

The separation of AM's two core activities—residential and land development in the Netherlands and commercial property development on a European scale—will effect the implementation of AM's strategic orientation as announced on 17 March 2005, with the objective of securing the best possible financing for the future growth of the core activities. The company considers separation of the core activities essential to enable it to take advantage of the growth opportunities in the markets addressed by the two separate business units and to meet the resulting increased capital requirements of AM Development.

Expansion in residential property development

The proposed acquisition of AM Wonen and AM Grondbedrijf is consistent with BAM's strategic and growth objectives. BAM and AM are convinced of the strategic fit between the development

activities of AM Wonen and AM Grondbedrijf and BAM's development and construction activities. BAM expects to sell in excess of 1,700 homes this year.

In the coming years, AM Wonen and AM Grondbedrijf will operate as an independent entity, preserving their identity, and thereby expanding their market position. They will also be well placed to build on its distinctive capability as project developer with a unique vision for characterful residential and multifunctional developments. A key feature will be the focus on consumer requirements, based on the company's Wonen op Maat® customised housing concept. The organic growth of AM Wonen, which expects to sell 5,500 new homes this year (including sales on behalf of third parties), will also be maintained in the years ahead. AM Grondbedrijf, working in partnership with public authorities and other players in large-scale and long-term area development projects, will be a driving force. AM will continue to work with BAM's operating companies as well as third parties in the construction phase.

Boost to asset management in retail development

AM Development, as a leading pan-European developer of commercial property, operates in a market characterised by continuing internationalization, increased scale and greater professionalism. The favourable growth prospects, the increasing scale of its projects and AM Development's desire to continue participating in the property it has developed will lead to a significant increase in AM Development's financing requirements. Being part of MSREF will place AM Development in the best possible position to finance its future growth. It will have easier access to global capital markets and will be better positioned in the financial markets, creating better opportunities to raise funding on more favourable terms. MSREF has also committed itself to expanding the asset management and investment management activities of AM Development. In partnership with MSREF, AM Development will be able to evolve into a pan-European owner/developer of shopping centres.

Management

The Board of AM Wonen and AM Grondbedrijf will be formed by Messrs. P.G.A. Noordanus (current Chairman of the Management Board of AM), P.S.M. Ruigrok (currently a member of the Management Board of AM), R.D.L. van Steeg (currently managing director of AM Wonen/AM Grondbedrijf) and W. Kuyvenhoven (currently financial director of AM Wonen/AM Grondbedrijf). Messrs. Noordanus and Ruigrok will jointly hold the position of chairman of the executive board.

The Board of AM Development will consist of the current Management Board of AM Development and representatives of MSREF. The one-tier board will be chaired by Mr. J.F.J. van Veggel. Mr. A.L. de Haan will be CEO. The management team of AM Development has been invited to acquire a stake in the acquisition vehicle acquiring AM Development upon completion of the transaction. As part of the agreed transaction, Mr. van Veggel and other members of the management team will take a minority interest in the share capital of the entity acquiring AM Development. Mr. A.D.J.G. van Dam, with Mr. van Veggel one of the co-founders and former major shareholders in Multi Development Corporation (the predecessor of the current AM Development), shall also participate upon completion of the transaction. To avoid any potential conflict of interest or the appearance thereof in the realization of the intended acquisition of AM Development, Mr. A.D.J.G. van Dam has, in consultation with the Supervisory Board, decided to resign as Supervisory Board member of AM, this in the perspective of a successful completion of the transaction.

Employment

The acquisition will have no adverse consequences for employment, with the exception of the discontinuation of the activities of the holding company, AM. The holding company staff will be outplaced wherever possible.

Timetable

Publication of the offer document is expected at the latest in January 2006. An extraordinary general meeting of shareholders will subsequently be scheduled at which the intended offer will be discussed and approval for the sale of AM Development will be requested. It is intended to delist AM from Euronext Amsterdam as soon as possible after the offer has been declared unconditional. The public offer will be subject *inter alia* to the conditions that at least 80% of the outstanding shares of AM, on a fully-diluted basis, are tendered, that approval by the relevant competition authorities is obtained and that the sale of AM Development is unconditional, as well as other usual conditions.

Relevant bodies notified

Management and staff of the companies involved, the works councils, the unions concerned, Euronext Amsterdam, the Financial Markets Authority (AFM), the European Commission and the Secretary of the Social and Economic Council have been or will be duly notified. The AM Works Council has rendered its positive advice in connection with the proposed transaction.

Advisers

Kempen & Co and NIBCcapital are acting as financial advisers and Clifford Chance L.L.P. is acting as legal adviser to AM.

ING Corporate Finance is acting as financial adviser and De Brauw Blackstone Westbroek is acting as legal adviser to BAM.

Morgan Stanley & Co Limited is acting as financial adviser and Allen & Overy L.L.P. is acting as legal adviser to MSREF. The debt financing for MSREF was underwritten exclusively by Hypo Real Estate Bank International.

Unquote

18.5. Press release by Royal BAM Group, Offeror and AM dated 12 December 2005

On 12 December 2005, Royal BAM Group, Offeror and AM jointly issued the following press release:

Quote

Royal BAM Group and AM make good progress with preparations for recommended public offers

Royal BAM Group and AM confirm that the preparations are well under way for the recommended public offers by Royal BAM Group's group company, Terra Amstel B.V., for all outstanding shares AM for a cash consideration of EUR 10.15 per share and all outstanding warrants AM for a cash consideration of EUR 2.30 per warrant.

Further to the joint press release by Royal BAM Group, Offeror, AM and MSREF on 10 November 2005, Royal BAM Group, Offeror and AM jointly announce that the preparations of the intended public offers are well under way. A number of conditions precedent in relation to the sale of AM Development B.V. are not yet fulfilled. These conditions need to be fulfilled before the Offeror will launch the public offers. Offeror and AM expect these conditions will be fulfilled in the short term and Offeror intends to make the recommended offers no later than Friday 23 December 2005, or sooner if possible.

This announcement is (also) made pursuant to the provisions of Section 9g, subsection 1c, of the Dutch Securities Trade Supervision Decree 1995 (Besluit toezicht effectenverkeer 1995).

Unquote

19. NEDERLANDSE SAMENVATTING VAN DE BIEDINGEN

19.1. Restricties en belangrijke informatie

In deze Sectie 19 wordt een samenvatting gegeven van de belangrijkste elementen uit het Biedingsbericht. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Effectenhouders van belang is om een afgewogen oordeel te kunnen vormen over de Biedingen. Het bestuderen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. De Effectenhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing ("incorporation by reference") zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over de Biedingen en de beschrijving daarvan in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing ("incorporation by reference") zijn opgenomen).

Het uitbrengen van de Biedingen, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede verspreiding van enige andere informatie met betrekking tot de Biedingen, kunnen in bepaalde jurisdicties aan bepaalde restricties onderhevig zijn. Deze Biedingen worden niet, direct of indirect, gedaan in en mogen niet worden geaccepteerd door of namens Effectenhouders vanuit enige jurisdictie waarin het doen van de Biedingen of het accepteren daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie vereist is die niet uitdrukkelijk in dit Biedingsbericht is voorzien. Personen die dit Biedingsbericht ontvangen dienen zorgvuldig kennis te nemen van en te handelen in overeenstemming met zulke restricties en iedere noodzakelijke autorisatie, goedkeuring of instemming te verkrijgen. Het niet voldoen aan deze restricties kan een overtreding van de effectenwet- en regelgeving van de betreffende jurisdictie opleveren. De Bieder en AM en hun adviseurs sluiten iedere aansprakelijkheid terzake van overtredingen van voornoemde restricties uit. De Effectenhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen over hun positie. Voor de restricties van de Biedingen wordt tevens verwezen naar Sectie 1.2 (Restrictions). Enige persoon (inclusief maar niet beperkt tot bewaarders, gevolmachtigden en beheerders) die dit Biedingsbericht of enig verwant document naar enige jurisdictie buiten Nederland wenst door te sturen of van plan zou zijn dit te doen dient zorgvuldig Sectie 1.2 (Restrictions) te lezen voor enige actie wordt ondernomen.

De informatie in de Secties 1, 4.1, 4.4, 4.6, 4.8, 4.9, 5, 6.3, 6.5, 6.6, 6.7, 6.8, 14 en 16 is uitsluitend verschaft door de Bieder. De informatie in de Secties 4.3, 4.5, 7, 9, 11, 12, 13 en 17 is uitsluitend verschaft door AM. De informatie in de Secties 2, 3, 4.2, 4.7, 4.10, 4.11, 6.1, 6.2, 6.4, 6.9, 6.10, 6.11, 8, 18 en 19 is door de Bieder en AM gezamenlijk verschaft. De informatie in de Sectie 10.1 is door Kempen & Co verschaft en de informatie in Sectie 10.2 is door NIBC verschaft. De informatie in Sectie 15 is door MSREF verschaft.

De Bieder en AM zijn uitsluitend verantwoordelijk voor de juistheid en compleetheid van de informatie die in dit Biedingsbericht wordt verschaft, behalve met betrekking tot Sectie 15 waarvoor MSREF uitsluitend verantwoordelijk is en Sectie 10 (Fairness opinions) waarvoor uitsluitend Kempen & Co en NIBC verantwoordelijk zijn, ieder afzonderlijk voor de informatie die door hen zelf is verschaft. De Bieder en AM verklaren, ieder met betrekking tot de informatie die door hen in dit Biedingsbericht is verschaft, dat de informatie in dit Biedingsbericht op de publicatiedatum van dit Biedingsbericht naar hun beste weten in elk wezenlijk opzicht juist en in overeenstemming met de werkelijkheid is, en dat er geen informatie achterwege is gelaten waardoor enige verklaring in de Biedingsbericht in enig wezenlijk opzicht misleidend zou worden. Opgemerkt dient te worden dat bepaalde financiële en statistische informatie in dit Biedingsbericht naar boven of beneden afgerond kunnen zijn en derhalve niet als definitief mogen worden beschouwd.

De informatie in dit Biedingsbericht geeft de situatie weer op de publicatiedatum van dit Biedingsbericht. Onder geen beding houdt de uitgifte noch de verspreiding van dit Biedingsbericht in dat de hierin opgenomen informatie ook na de publicatiedatum van dit Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij de Bieder, AM en/of de aan hen gelieerde vennootschappen en/of dochtervennootschappen en/of participaties en/of samenwerkingsverbanden. Het voorgaande laat echter onverlet de verplichting van zowel de Bieder als AM om, indien zulks van toepassing is, een publieke aankondiging te doen ingevolge artikel 9b lid 1 Bte 1995, voor zover van toepassing.

19.2. Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullen de volgende betekenis hebben

Aandeelhouder(s)	De houder(s) van één of meer Aandelen
Aande(e)l(en)	De uitgegeven en uitstaand(e) gewo(o)n(e) aande(e)l(en) in het kapitaal van AM met een nominale waarde van EUR 0,10 elk
Aandelenbod	Het bod op de Aandelen zoals beschreven in dit Biedingsbericht
Aandelen Koopovereenkomst	De koopovereenkomst met betrekking tot de acquisitie van AM Development door Stichting Green Acquisition, een special purpose entiteit indirect opgericht door MSREF, tussen AM als verkoper en Stichting Green Acquisition als koper, gedateerd 9 november 2005
Aangesloten Instelling(en)	Heeft de betekenis zoals daaraan is toegekend in artikel 1 van de Wet giraal effectenverkeer
Aanmeldingstermijn	De periode, gedurende welke de Effectenhouders hun Effecten bij de Bieder kunnen aanmelden, beginnend op 23 december 2005 om 9:00 uur (Amsterdamse tijd) en eindigend op de Sluitingsdatum
AFM	Stichting Autoriteit Financiële Markten
AM	AM N.V., een Nederlandse naamloze vennootschap, met statutaire zetel in Utrecht en adres te Edisonbaan 14h, 3439 MN te Nieuwegein, Nederland
AM Development	AM Development, een Nederlandse besloten vennootschap, met statutaire zetel in Gouda, Nederland en haar groepsmaatschappijen, dochtervennootschappen, participaties en deelnemingen
AM Grondbedrijf	AM Grondbedrijf B.V., een Nederlandse besloten vennootschap, met statutaire zetel in Utrecht, Nederland
AM Holding	De holdingactiviteiten van AM
AM G&W	AM Grondbedrijf en AM Wonen tezamen
AM Wonen	AM Wonen B.V., een Nederlandse besloten vennootschap, met statutaire zetel in Utrecht, Nederland
Bieder	Terra Amstel
Biedingen	Het Aandelenbod en het Warrantbod tezamen
Biedingsbericht	Dit biedingsbericht

Biedprijs per Aandeel	Een bedrag in contanten van EUR 10,15 (cum dividend en andere uitkeringen) per Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd onder de voorschriften, voorwaarden en beperkingen zoals beschreven in dit Biedingsbericht
Biedprijs per Warrant	Een bedrag in contanten van EUR 2,30 per Warrant die op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd onder de voorschriften, voorwaarden en beperkingen zoals beschreven in dit Biedingsbericht
Biedprijzen	De Biedprijs per Aandeel en Biedprijs per Warrant tezamen
Bte 1995	Besluit toezicht effectenverkeer 1995, zoals van tijd tot tijd gewijzigd
Buitengewone Algemene Vergadering van Aandeelhouders	De buitengewone algemene vergadering van Aandeelhouders, die wordt gehouden in Den Haag op 12 januari 2006 om 14:00 uur (Amsterdamse tijd), waar onder meer de Biedingen zullen worden besproken, overeenkomstig het bepaalde in artikel 9q lid 1 Bte 1995
Dag van Betaling	De datum waarop de Bieder, in overeenstemming met de voorschriften en voorwaarden van de Biedingen, de Biedprijzen zal betalen aan de Effectenhouders die op geldige wijze hun Effecten hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en hebben geleverd onder de voorschriften, voorwaarden en beperkingen zoals beschreven in dit Biedingsbericht
Development Verkoop	De verkoop van AM Development aan MSREF
Effecten	De Aandelen en de Warrants tezamen
Effectenhouder(s)	De Aandeelhouder(s) en de Warranhouder(s) tezamen
EUR	Euro, het wettig betaalmiddel van de Europese Monetaire Unie
Euronext Amsterdam	Euronext Amsterdam N.V. of Eurolist bij Euronext Amsterdam, afhankelijk van de context
Euronext Handelsdag	Een dag waarop Euronext Amsterdam open is voor handel
Fusieovereenkomst	De fusieovereenkomst tussen AM, Terra Amstel en Koninklijke BAM Groep van 9 november 2005, waarin het voornemen staat beschreven voor het doen van aanbevolen biedingen in contanten op alle Aandelen en Warrants door Terra Amstel
Gestanddoeningsdatum	De datum waarop de Bieder publiekelijk aankondigt of de Biedingen gestand worden gedaan, zijnde niet later dan om 15:00 uur (Amsterdamse tijd) op de vijfde Werkdag na de Sluitingsdatum, overeenkomstig met artikel 9t, lid 4 van de Bte 1995
ING CI	ING Corporate Investments Participaties B.V., onderdeel van ING Wholesale Banking en actief in het houden van (niet-strategische) aandelenparticipaties
ING Corporate Finance	De organisatie en handelsnaam die door ING Bank N.V. en bepaalde ING Bank dochtermaatschappijen wordt gebruikt voor het voeren van investment banking activiteiten

ING Wholesale Banking	De organisatie en handelsnaam die door ING Bank N.V. en bepaalde ING Bank dochtermaatschappijen wordt gebruikt voor het voeren van corporate banking activiteiten
Kempen & Co	Kempen & Co Corporate Finance B.V.
Koninklijke BAM Groep	Koninklijke BAM Groep N.V., een Nederlandse naamloze vennootschap, met statutaire zetel in Bunnik en adres te Runnenburg 9, 3981 AZ te Bunnik, Nederland
Minimum Acceptatie Voorwaarden	Heeft de betekenis zoals daaraan is toegekend in Hoofdstuk 4.7 (Offer Acceptance Period, conditions, declaring the Offers unconditional, extension and settlement)
MSREF	MSREF V International-GP, L.L.C. als general partner van de verschillende vastgoed private equity fondsen die zij beheert, of haar verbonden special purpose entiteiten opgericht in verband met de Development Verkoop inclusief Stichting Green Acquisition, maar niet Morgan Stanley & Co. Limited en/of haar groepsmaatschappijen en/of dochtervennootschappen
NIBC	NIBC Bank N.V.
Officiële Prijscourant	De Officiële Prijscourant van Euronext Amsterdam
Prioriteitsaandeel	Het prioriteitsaandeel in het kapitaal van AM, dat wordt gehouden door Stichting Prioriteit
Raad van Bestuur	De raad van bestuur van AM
Raad van Commissarissen	De raad van commissarissen van AM
Settlement Agent	ING Securities Services, een organisatie en handelsnaam die door ING Bank N.V. wordt gebruikt voor het voeren van omruilactiviteiten
Sluitingsdatum	Het tijdstip en datum waarop de Aanmeldingstermijn afloopt, zijnde 15:00 uur (Amsterdamse tijd) op 20 januari 2006 tenzij verlengd overeenkomstig artikel 90, lid 5 Bte 1995, in welk geval de Sluitingsdatum een later tijdstip en datum is
Stichting Green Acquisition	Stichting Green Acquisition, een Nederlandse stichting met een statutaire zetel in Amsterdam, Nederland
Stichting Prioriteitsaandelen AM	Stichting Prioriteitsaandelen AM, een Nederlandse stichting met statutaire zetel in Utrecht, Nederland
Statuten	De statuten van AM, zoals meest recentlijk aangepast op 9 juni 2005
Terra Amstel	Terra Amstel B.V., een Nederlandse besloten vennootschap, met statutaire zetel in Bunnik en adres te Runnenburg 9, 3981 AZ te Bunnik, Nederland
Vennootschap	AM
Voorwaarden	De voorwaarden met betrekking tot de Biedingen zoals uiteengezet in hoofdstuk 6.4 (Offer Conditions)

Warrant(s)	De uitgegeven en geplaatste warrant(s), waarbij elke warrant kan worden ingewisseld voor een Aandeel tegen een prijs van EUR 8,00 op elk moment vanaf de datum van uitgifte, 19 augustus 2002, tot 20 augustus 2007, 15:00 (Amsterdamse tijd), ter keuze van de Warranhouder
Warrantbod	Het bod op de Warrants zoals beschreven in dit Biedingsbericht
Warranhouder(s)	De houder(s) van een of meer Warrant(s)
Werkdagen	Elke dag waarop in het algemeen banken geopend zijn in Amsterdam voor transacties anders dan op een zaterdag of zondag of vakantiedag
Wte 1995	Wet toezicht effectenverkeer 1995, zoals van tijd tot tijd gewijzigd

19.3. De Biedingen

De Bieder doet de Biedingen aan de Effectenhouders om alle uitstaande Effecten te verwerven in contanten, onder verwijzing naar de mededelingen, voorwaarden en restricties zoals opgenomen in dit Biedingsbericht.

Voor elk aangemeld Aandeel, betaalt de Bieder een bedrag van EUR 10,15 in contanten (cum dividend en andere uitkeringen) per Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze aangemeld, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd, op de wijze en onder de voorwaarden en restricties zoals in dit Biedingsbericht beschreven,

De Biedprijs per Aandeel vertegenwoordigt:

- een premie van ongeveer 31,6% ten opzichte van de slotkoers van de Aandelen van EUR 7,71 op 16 maart 2005, de dag voorafgaand aan de publicatie van de jaarcijfers over boekjaar 2004, waarop de Raad van Bestuur de strategische heroriëntatie aankondigde en de opsplitsing van de Vennootschap en de beëindiging van beursnotering noemde als realistische opties. In reactie op dit bericht, steeg de koers van de Aandelen tot EUR 8,30 op 17 maart 2005. Gecorrigeerd voor het aangekondigde en uitbetaalde dividend van EUR 0,43 vertegenwoordigt de Biedprijs per Aandeel een premie van 39,4%;
- een premie van ongeveer 28,2% ten opzichte van de gemiddelde slotkoers van de Aandelen van EUR 7,92, gedurende de laatste maand voorafgaand aan 17 maart 2005;
- een premie van ongeveer 31,6% ten opzichte van de gemiddelde slotkoers van de Aandelen van EUR 7,71, gedurende de laatste 3 maanden voorafgaand aan 17 maart 2005;
- een premie van ongeveer 42,8% ten opzichte van de gemiddelde slotkoers van de Aandelen van EUR 7,11, gedurende de laatste 6 maanden voorafgaand aan 17 maart 2005;
- een premie van 3,8% ten opzichte van de slotkoers van de Aandelen op 9 november 2005, de dag voorafgaand aan het persbericht op 10 november, waarin werd aangekondigd dat de verwachting gerechtvaardigd was dat AM, Koninklijke BAM Groep en de Bieder overeenstemming zouden kunnen bereiken over een openbaar bod.

Zie Sectie 6.6 (Substantiation of the Offer Prices).

De Warranhouders die hun Warrants aanmelden onder het Warrantbod zullen een betaling van EUR 2,30 in contanten ontvangen voor elke Warrant die op geldige wijze is aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en geleverd, op de wijze en onder de Voorwaarden en restricties zoals in dit Biedingsbericht beschreven. De Biedprijs per Warrant is gebaseerd op een optiewaarde component van EUR 0,15 per Warrant en het verschil tussen de Biedprijs per Aandeel en uitoefenprijs van de Warrant van EUR 8,00.

19.4. Achtergrond en rationale

Begin september 2005 werden Koninklijke BAM Groep en andere potentiële kopers door de Vennootschap benaderd teneinde te informeren of zij geïnteresseerd waren AM G&W over te nemen. Op basis van de ontvangen indicatieve biedingen besloot AM met Koninklijke BAM Groep in onderhandeling te treden. Op 10 november 2005 kondigden Koninklijke BAM Groep en AM aan dat de verwachting gerechtvaardigd was dat overeenstemming zou kunnen worden bereikt met betrekking tot een openbaar bod op AM. Sinds het persbericht van 10 november 2005 is definitieve overeenstemming bereikt met betrekking tot de Biedingen en bepaalde voorwaarden van deze overeenstemming zijn weergegeven in dit Biedingsbericht. Zie Sectie 6 (Explanation of the Offers).

De voorgestelde overname van AM G&W en AM Holding is in lijn met de strategische en groei doelstellingen van Koninklijke BAM Groep. Koninklijke BAM Groep is overtuigd van de strategische combinatie tussen de ontwikkeling activiteiten van AM G&W en de ontwikkeling- en bouwactiviteiten van Koninklijke BAM Groep en is van mening dat de overname een platform creëert voor het versterken en uitbreiden van haar eigen businessactiviteiten en die van AM G&W.

Zie Sectie 7.1 (Strategic reorientation, background and process) voor een volledig overzicht van de strategische heroriëntatie van de Vennootschap en de Development Verkoop.

19.5. Verkoop van AM Development

AM is overeengekomen dat AM Development zal worden verkocht aan MSREF, onder de voorwaarde van gestanddoening van de Biedingen en bepaalde andere voorwaarden. Alle aandelen in het aandelenkapitaal van AM Development zullen worden verkocht en overgedragen aan MSREF voor een overeengekomen bedrag van EUR 479 miljoen, waarbij MSREF tevens de uitstaande schulden van AM Development zal overnemen. Zie Sectie 7 (Strategic reorientation, background and explanation of the Development Sale).

De verkoop en overdracht van AM Development zal plaatsvinden nadat de Biedingen gestand worden gedaan, maar voor de Dag van Betaling. De Aandeelhouders zullen worden verzocht om (op de Buitengewone Algemene Vergadering van Aandeelhouders), *inter alia*, de Development Verkoop goed te keuren overeenkomstig artikel 2:107a van het Burgerlijk Wetboek. Zie Sectie 17 (Extraordinary General Meeting of Shareholders).

19.6. Financiering van de Biedingen

De Bieder zal de gestanddoening van de Biedingen financieren door middel van een door ING Wholesale Banking en Fortis Bank (Nederland) N.V. gecommitteerde bankfaciliteit (onder de gebruikelijke marktcondities en voorwaarden) en door middel van gecommitteerde gelden van Koninklijke BAM Groep, ING CI en Fortis Bank.

19.7. Aanbevelingen door de Raad van Commissarissen en de Raad van Bestuur

De Raad van Commissarissen en de Raad van Bestuur zijn van oordeel dat de Biedingen redelijk en evenwichtig zijn voor Aandeelhouders en Warranthouders. In dat kader wordt verwezen naar de door Kempen & Co en NIBC afgegeven fairness opinie, zoals weergegeven in Sectie 10 (Fairness opinions). Derhalve steunen de Raad van Commissarissen en de Raad van Bestuur de Biedingen en bevelen zij unaniem de Aandeelhouders en Warranthouders aan om de Biedingen te accepteren. Tevens steunen de Raad van Commissarissen en de Raad van Bestuur unaniem de Development Verkoop als onderdeel van de Biedingen.

19.8. Onherroepelijke toezeggingen

Alle bekende houders van een belang van 5% of meer van de Aandelen en Warrants, waaronder ABN Amro Effecten Compagnie B.V., Stichting Administratiekantoor Timeless (de heer J.F.J. van Veggel), Switch B.V. (de heer A.D.J.G. van Dam), Delta Lloyd N.V., Delta Deelnemingen Fonds N.V. alsmede enige andere Effectenhouders, hebben onherroepelijk toegezegd om alle door hen gehouden Effecten aan te bieden onder de Biedingen. Dergelijke toezeggingen vertegenwoordigen ongeveer 44,1% van het totaal van alle Aandelen en Warrants op de datum van dit Biedingsbericht. Voor een gedetailleerd overzicht van deze toezeggingen wordt verwezen naar de tabel in Sectie 6.5 (Irrevocable undertakings).

19.9. Aanmeldingstermijn, Voorwaarden, gestanddoening, verlenging en betaling en levering

19.9.1. Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 9:00 uur (Amsterdamse tijd) op 23 december 2005 en eindigt op 20 januari 2006 om 15:00 uur (Amsterdamse tijd), tenzij de termijn wordt verlengd met inachtneming van artikel 9o lid 5 Bte 1995. Het aanmelden van Effecten voor aanvaarding dient te worden gedaan volgens de aangegeven procedure in dit Biedingsbericht. Zie hiervoor Sectie 5.2 (Acceptance by Securities Holders).

Effectenhouders worden verzocht hun aanvaarding kenbaar te maken vanaf 23 december 2005 en niet later dan 15:00 uur (Amsterdamse tijd) op 20 januari 2006, tenzij de Aanmeldingstermijn is verlengd met inachtneming van Sectie 5.7 (Extension). Behoudens de wet zijn alle aanmeldingen onherroepelijk.

Effectenhouders die hun effecten via Aangesloten Instellingen houden, worden verzocht hun Effecten aan te bieden aan de Settlement Agent via hun bank of (effecten)makelaar bij welke de Effecten geregistreerd zijn. Indien de bank of (effecten)makelaar geen Aangesloten Instelling is, moet deze de desbetreffende Aangesloten Instelling informeren welke de geregistreerde houder van de desbetreffende Effecten is. Enkel Aangesloten Instellingen mogen Effecten voor aanvaarding aanmelden bij de Settlement Agent, ING Securities Services (BV 06.01), Van Heenvlietlaan 220, 1083 CN Amsterdam alleen door middel van een fax (+31 (0) 20 797 9607).

Effectenhouders die hun effecten in fysieke vorm (*K-stukken*) houden, worden verzocht hun Effecten aan te bieden aan de Settlement Agent via hun bank of (effecten)makelaar door deze effecten op hun effectenaccount te deponeren. Indien de bank of (effecten)makelaar geen Aangesloten Instelling is, moet deze de desbetreffende Aangesloten Instelling informeren welke de geregistreerde houder van de desbetreffende Effecten is. Enkel Aangesloten Instellingen mogen Effecten voor aanvaarding aanmelden bij de Settlement Agent, ING Securities Services (BV 06.01), Van Heenvlietlaan 220, 1083 CN Amsterdam alleen door middel van een fax (+31 (0) 20 797 9607).

19.9.2. Voorwaarden

De verplichting van de Bieder om de Biedingen gestand te doen, geldt, indien op of voor de Sluitingsdatum aan elk van de volgende Voorwaarden is voldaan tenzij door de Bieder van bepaalde Voorwaarden afstand wordt gedaan:

- a) het aantal Effecten dat ter aanvaarding wordt aangemeld onder de Biedingen, tezamen met de Aandelen en Warrants die direct of indirect gehouden worden door de Bieder en de Aandelen en Warrants die de Bieder zou kunnen kopen als gevolg van enig gesloten overeenkomst voor de Sluitingsdatum, ten minste 80% van de Aandelen en Warrants vertegenwoordigt op de Sluitingsdatum;
- b) alle voorafgaande voorwaarden, zoals beschreven in de Aandelen Koopovereenkomst tussen de Vennootschap en Stichting Green Acquisition, met betrekking tot (i) de verplichting van Stichting Green Acquisition om de totstandkoming van alle daarin beschreven transacties te

bewerkstelligen, volbracht is of, indien mogelijk dat daar afstand van wordt gedaan, afstand is gedaan, zoals bevestigd door een authentieke brief ondertekend door een gevolmachtigd vertegenwoordiger van Stichting Green Acquisition en ontvangen door de Bieder, en (ii) de verplichting van de Vennootschap om de totstandkoming van alle daarin beschreven transacties te bewerkstelligen, volbracht is of indien mogelijk dat daar afstand van wordt gedaan, afstand is gedaan, zoals bevestigd door een authentieke brief ondertekend door een gevolmachtigd vertegenwoordiger van de Vennootschap en ontvangen door de Bieder, anders dan de voorwaarde dat de Bieder de Biedingen gestand heeft gedaan en Stichting Green Acquisition heeft voldaan aan de voorwaarden voor de closing van de Aandelen Koopovereenkomst;

- c) Stichting Green Acquisition heeft alle bedragen betaald, die moeten worden betaald onder de Aandelen Koopovereenkomst op of voor de dag dat de transacties zullen worden voltooid, op de derdenrekening van de notaris, zoals opgenomen in de Aandelen Koopovereenkomst, waarbij de opgebouwde rente ten goede komt aan de Vennootschap;
- d) de Raad van Commissarissen en de Raad van Bestuur hebben hun aanbeveling ten aanzien van de Biedingen, zoals uiteengezet in dit Biedingsbericht, niet herroepen;
- e) de algemene vergadering van Aandeelhouders heeft de verkoop van AM Development goedgekeurd zoals beoogd in de Aandelen Koopovereenkomst in overeenstemming met artikel 2:107a van het Burgerlijk Wetboek;
- f) geen gebeurtenis of omstandigheid heeft zich voorgedaan of is ter kennis gekomen aan de Bieder, welke de onderneming, de kasstroom, de financiële positie of bezittingen van de Vennootschap en ieder van haar dochtervennootschappen als geheel (exclusief AM Development) zodanig negatief heeft beïnvloed dat van de Bieder redelijkerwijs niet kan worden verwacht door te gaan met de Biedingen, mits de gebeurtenis of omstandigheid niet voortvloeit uit:
 - I. een algemene economische teruggang in de onroerend goed sector welke in het algemeen bedrijven in deze sector, zoals de Vennootschap en de Bieder, treft; of
 - II. enige gebeurtenis of omstandigheid die bekend was bij de Bieder of Koninklijke BAM Groep voorafgaand aan de start van de Aanmeldingstermijn of kenbaar was op grond van het due diligence onderzoek of door de Vennootschap of haar dochtervennootschappen (exclusief AM Development) openbaar is gemaakt door middel van deponering, publiek gemaakt door de Vennootschap volgens de regels van Euronext Amsterdam, de Wte 1995 of de Bte 1995; of
 - III. de bekendmaking, het doen en de implementatie van de Biedingen of de verkoop van AM Development (behalve voor zover de gebeurtenis of omstandigheid voort vloeit uit bepalingen omtrent wijzigingen van zeggenschap in de overeenkomsten, welke zijn aangegaan door de Vennootschap of één van haar dochtervennootschappen of samenwerkingsverbanden, die niet openbaar zijn gemaakt door de Bieder of haar adviseurs voor datum van de Fusieovereenkomst); of
 - IV. de schending van de Fusieovereenkomst of het toepasselijke recht door de Bieder;
- g) op of voorafgaande aan de Sluitingsdatum, geen openbare aankondiging, of schriftelijke mededeling, op grond waarvan de Bieder gerechtigd is de Fusieovereenkomst te beëindigen, is gedaan, waaruit voor het eerst blijkt dat een derde partij bezig is met de voorbereiding of de aankondiging van een *bona fide* openbaar bod dat zich kwalificeert als een concurrerend bod op alle of een gedeelte van de Effecten en geen derde partij het recht heeft verkregen om te kopen of in te tekenen op, of toegestemd heeft om te kopen of in te tekenen op, Aandelen of certificaten van Aandelen in de Vennootschap en haar dochtervennootschappen of enig materieel onderdeel van de Vennootschap of dochtervennootschappen anders dan AM Development, anders dan op grond van de Warrants;
- h) op of voorafgaande aan de Sluitingsdatum, geen bevel, schorsing, vonnis of besluit van toepassing is, of is gegeven of verstrekt door een rechter, arbitragecommissie, overheid, overheidinstantie of andere toezichthoudende of administratieve instantie, noch is er enig(e) wet, regel, regeling, bevel of verbod van overheidswege voorgesteld, in de wet opgenomen,

ten uitvoer gelegd of van toepassing verklaard op de Biedingen, welke op enigerlei wezenlijke wijze de Biedingen beperkt, verbiedt of vertraagt;

- i) de Vennootschap heeft de Fusieovereenkomst niet op zodanige wijze geschonden dat redelijkerwijs verwacht mag worden dat een dergelijke schending een materieel negatief effect zal hebben op de Biedingen, en wanneer een dergelijke schending heeft plaatsgevonden, deze niet hersteld is door de Vennootschap binnen 2 (twee) weken na de ontvangst van een schriftelijke bevestiging van de Bieder, behoudens dat de Vennootschap niet het recht zal hebben op een dergelijke herstelperiode (i) wanneer een dergelijke schending niet hersteld kan worden of (ii) wanneer de Bieder de Vennootschap schriftelijk heeft kenbaar gemaakt dat aan alle andere Voorwaarden is voldaan;
- j) de Bieder heeft de Fusieovereenkomst niet op zodanige wijze geschonden dat redelijkerwijs verwacht mag worden dat een dergelijke schending een materieel negatief effect zal hebben op de Biedingen of de Vennootschap en haar dochtervennootschappen, en wanneer een dergelijke schending heeft plaatsgevonden, deze niet hersteld is door de Bieder binnen 2 (twee) weken na de ontvangst van een schriftelijke bevestiging van de Vennootschap, behoudens dat de Bieder niet het recht zal hebben op een dergelijke herstelperiode (i) wanneer een dergelijke schending niet hersteld kan worden of (ii) de herstelperiode voor de Bieder 1 (één) week zal zijn wanneer en nadat de Vennootschap de Bieder schriftelijk heeft kenbaar gemaakt dat aan de Voorwaarden is voldaan;
- k) de Biedingen zijn niet gedaan in strijd met één of meerdere bepalingen zoals uiteengezet in Hoofdstuk IIA van de Wte 1995 zoals beschreven in artikel 32a van de Bte 1995 met het gevolg dat een effecteninstelling geen medewerking aan de uitvoering en afwikkeling van de Biedingen verleent;
- l) de handel in Aandelen genoteerd aan Euronext Amsterdam is niet definitief opgeschort, als gevolg van een noteringmaatregel van Euronext Amsterdam in overeenstemming met artikel 2706/1 Boek II van het Reglement Euronext;
- m) het voorvallen van één van de volgende gebeurtenissen op of uiterlijk drie Werkdagen voor de Gestanddoeningsdatum:
 - I. de Europese Commissie heeft een beschikking gegeven op grond van artikel 6.1 (a), 6.1 (b), 6.1 (c) of artikel 8.2 Verordening (EG) nr. 139/2004 aangaande de Biedingen en indien deze beschikking onder voorwaarden en verplichtingen is gegeven, dan moeten deze voorwaarden en verplichtingen acceptabel zijn voor een redelijk handelende Bieder, behoudens dat de Bieder voorwaarden of verplichtingen dient te accepteren die niet materieel van aard zijn. In deze Sectie 19.9.2(m) (Voorwaarden) wordt een voorwaarde of verplichting verondersteld materieel van aard te zijn indien deze de verplichting indirect of direct aan de Bieder, indirect of indirect aan de aandeelhouders oplegt, om activa te desinvesteren welke ten minste 5% van de wereldwijde omzet genereren van de bedrijfsactiviteiten, gerelateerd aan de business units wonen en land, zoals bepaald volgens het halfjaar verslag van de Vennootschap over de periode eindigend op 30 juni 2005; of
 - II. na verwijzing of geachte verwijzing door de Commissie op grond van de artikelen 9 (1) of 9 (5) Verordening (EG) nr. 139/2004 respectievelijk van alle of een gedeelte van de transactie aan de bevoegde autoriteit van één of meerdere lidstaten van de Europese Unie gegeven dat de bevoegde autoriteit(en) een beschikking geeft en wanneer deze beschikking voorwaarden of verplichtingen stelt, dan dienen deze voorwaarden of verplichtingen acceptabel te zijn voor een redelijk handelende Bieder; of
 - III. alle relevante wachtperioden en andere tijdsperioden (met inbegrip van bijbehorende verlengingen) volgens de van toepassing zijnde wetgeving, regelgeving of jurisprudentie, met in begrip van, maar niet beperkt tot, artikel 6.1 en artikel 8 Verordening (EG) 139/2004 en artikel 37.1 en artikel 44.1 van de Mededingingswet, zijn verlopen, verstreken of beëindigd;
- n) op of voorafgaande aan de Sluitingsdatum heeft de Vennootschap de Fusieovereenkomst niet beëindigd op de wijze zoals daarin is opgenomen; en

- o) de Aandelen Koopovereenkomst blijft geldig en bindend en geen veranderingen ten aanzien van de rechten en verplichtingen die voortvloeien uit de Aandelen Koopovereenkomst zijn tussen partijen overeengekomen.

De Voorwaarden in Sectie 6.4(a) tot en met Sectie 6.4(d), Sectie 6.4(f) tot en met 6.4(i) en Sectie 6.4 (o) strekken ten behoeve van de Bieder, die daarvan op elk moment (geheel of gedeeltelijk) afstand kan doen door schriftelijke kennisgeving aan de Vennootschap. De Voorwaarden in Secties 6.4 (e), 6.4(l) en 6.4(m) hierboven strekken ten behoeve van zowel de Vennootschap als de Bieder; de Vennootschap en de Bieder zijn gerechtigd daarvan samen (geheel of gedeeltelijk) afstand te doen door schriftelijke kennisgeving, met dien verstande dat een partij slechts afstand zal doen van voldoening aan een dergelijke Voorwaarde indien noch de Bieder, noch de Vennootschap het niet voldoen aan die Voorwaarden heeft veroorzaakt. De Voorwaarde in Sectie 6.4(j) strekt ten behoeve van de Vennootschap, die daarvan op elk moment (geheel of gedeeltelijk) afstand kan doen door schriftelijke kennisgeving aan de Bieder. De Voorwaarde in Sectie 6.4(n) strekt ten behoeve van de Vennootschap, de Bieder kan daar op elk moment (geheel of gedeeltelijk) zonder schriftelijke kennisgeving aan de Vennootschap afstand van doen. De partijen zullen elkaar onverwijld op de hoogte brengen van enige feiten of omstandigheden die aanleiding kunnen geven tot beroep op één van de in Sectie 6.4 van dit Biedingsbericht omschreven voorwaarden.

Een verklaring van afstand van Sectie 6.4(a) door de Bieder vereist goedkeuring van de Raad van Commissarissen, in het geval dat het aantal aangemelde Aandelen en Warrants tezamen met de Aandelen en Warrants die al indirect of direct door de Bieder voor eigen rekening worden gehouden op de Sluitingsdatum, minder dan 50% (vijftig procent) plus één Aandeel van het totaal van de Aandelen en Warrants vertegenwoordigt.

19.9.3. Gestanddoening

De Biedingen worden gedaan onder voorbehoud van vervulling van de Voorwaarden, inclusief maar niet beperkt tot de Voorwaarde dat het aantal Aandelen en Warrants dat is aangemeld, inclusief de Aandelen en Warrants die direct of indirect gehouden worden door de Bieder en de Aandelen en Warrants die de Bieder zou kunnen verkrijgen als gevolg van enig gesloten overeenkomst voor de Sluitingsdatum, ten minste 80% van de Aandelen en Warrants vertegenwoordigt. Zie Sectie 6.4 (Offer Conditions).

Indien de Bieder de Aanmeldingstermijn niet verlengt, zal deze niet later dan om 15:00 uur, (Amsterdamse tijd) op de vijfde Werkdag volgend op de Sluitingsdatum aankondigen of (i) de Biedingen gestand worden gedaan, of (ii) dat er nog steeds onzekerheid is over het voldoen van een of enkele Voorwaarden, of (iii) dat de Biedingen worden ingetrokken omdat niet is voldaan aan de Voorwaarden en/of daarvan geen afstand is gedaan door de Bieder, met inachtneming van artikel 9t lid 4 Bte 1995.

19.9.4. Verlenging

De Bieder kan de Aanmeldingstermijn verlengen, onder artikel 9o lid 5 Bte 1995, indien aan één of meerdere Voorwaarden niet is voldaan of afstand van is gedaan. Zie Sectie 5.7 (Extension). Een publieke aankondiging daaromtrent zal uiterlijk op de derde Werkdag na de Sluitingsdatum om 15:00 uur (Amsterdamse tijd) worden gedaan. Gedurende een verlenging van de Aanmeldingstermijn blijven de Biedingen gelden voor alle eerder aangemelde en niet ingetrokken Effecten, behoudens het recht van de Effectenhouder om de aanmelding in te trekken, zoals vermeld in Sectie 5.3 (Withdrawal rights).

Indien de Bieder de Biedingen verlengt, zullen alle bepalingen in dit Biedingsbericht met betrekking tot de "Sluitingsdatum" of "15:00 uur (Amsterdamse tijd), op 20 januari 2006", tenzij de context anders vereist, verplaatst worden naar de laatste datum en tijdstip tot wanneer de Biedingen verlengd zijn. Een publieke aankondiging daaromtrent zal gedaan worden uiterlijk op de derde Werkdag na de Sluitingsdatum in overeenstemming met artikel 9o lid 5 sub b Bte 1995.

19.9.5. Betaling en levering

Indien de Bieder aankondigt dat de Biedingen gestand worden gedaan, zullen de Effectenhouders, die hun Effecten hebben aangemeld onder de Biedingen, binnen vijf Werkdagen volgend op de Gestanddoeningsdatum (de "**Dag van Betaling**") de Biedprijs per Aandeel en/of de Biedprijs per Warrant ontvangen, met betrekking tot ieder Aandeel en/of Warrant dat/die op geldige wijze is aangemeld (of op ongeldige wijze aangemeld, mits de Bieder de aanmelding daarvan desalniettemin heeft aanvaard) en zijn geleverd op de wijze en onder de Voorwaarden van de Biedingen. Na de levering van de Effecten is het niet toegestaan de aanmelding of transactie te herroepen, te ontbinden of te annuleren.

19.10. De Bieder

De Bieder, een besloten vennootschap met beperkte aansprakelijkheid, statutair gevestigd te Bunnik, Nederland, is op 4 november 2005 opgericht naar Nederlands recht. De Bieder is indirect een volle dochtermaatschappij van Koninklijke BAM Groep nv, een naar Nederlands recht opgerichte naamloze vennootschap, statutair gevestigd te Bunnik. De Bieder is geregistreerd bij het Handelsregister van de Kamer van Koophandel in Utrecht, Nederland, onder nummer 30209218. Zie Sectie 14 (Information concerning the Offeror).

19.11. Consequenties van de Biedingen

19.11.1. Strategie

In de komende jaren zal AM G&W als zelfstandige entiteit opereren, met behoud van eigen identiteit en met als doel haar marktpositie uit te breiden. Tevens zal zij haar onderscheidend vermogen als gebiedsontwikkelaar met een uitgesproken visie op karakteristieke woon- en multifunctionele locaties vergroten.

19.11.2. Juridische structuur van AM na de Biedingen

Juridische structuur indien 95% of meer van de Aandelen is aangemeld

Indien op de Dag van Betaling is voldaan aan de Voorwaarden met betrekking tot de Aandelen en de Bieder heeft 95% (of meer) van de Aandelen verworven (exclusief de Aandelen die door AM en/of haar dochtervennootschappen worden gehouden), zou de Bieder kunnen besluiten de resterende Aandelen, die niet zijn aangemeld (en niet worden gehouden door de Vennootschap en/of haar dochtervennootschappen), te verkrijgen door middel van een wettelijke uitkoopprocedure overeenkomstig artikel 2:92a van het Burgerlijk Wetboek.

Na de Dag van Betaling zou de Bieder ook, in plaats van een wettelijke uitkoopprocedure, door middel van een gewone meerderheid van stemmen in de algemene vergadering van Aandeelhouders van de Vennootschap kunnen besluiten dat een juridische fusie tussen de Bieder of een dochtervennootschap daarvan en de Vennootschap tot stand zal worden gebracht in overeenstemming met de artikelen 2:309 en 2:334 van het Burgerlijk wetboek of enige van de andere stappen ondernemen die zijn uiteengezet onder "Additionele Manieren om de Effecten van de minderheid van de Effectenbeurs te verkrijgen".

Juridische structuur indien 95% of minder van de Aandelen is aangemeld

In het geval dat de Bieder de Biedingen gestand heeft gedaan, maar na de Dag van Betaling niet 95% of meer van de Aandelen heeft verworven (exclusief de Aandelen die door de Vennootschap en/of haar dochtervennootschappen worden gehouden), zou de Bieder na de Dag van Betaling kunnen besluiten, door middel van een gewone meerderheid van stemmen in de algemene vergadering van aandeelhouders van de Vennootschap, een juridische fusie tot stand te brengen. Als resultaat van zo'n juridische fusie, zouden de Bieder en de Vennootschap fuseren, in overeenstemming met de artikelen 2:309 en 2:334 van het Burgerlijk Wetboek (welke artikelen

refereren aan een zogenaamde "driehoeksfusie", krachtens welke de aandeelhouders van de verdwijnende vennootschap aandeelhouders worden van de groepsmaatschappij van de overblijvende vennootschap). In het geval een driehoeksfusie tot stand wordt gebracht zullen de minderheidsaandeelhouders aandeelhouder worden van Koninklijke BAM Groep en zullen zij gewone aandelen verkrijgen in het kapitaal van Koninklijke BAM Groep.

In geval van een juridische fusie zal een fusievoorstel worden voorbereid door de raad van bestuur van de fuserende vennootschappen welke de naar Nederlands recht vereiste gegevens zal vermelden. De volgende gegevens zullen worden verstrekt in een separate verklaring bij het fusievoorstel:

- volgens welke methode of methoden de ruilverhouding van de Aandelen is vastgesteld;
- waarom deze methode of methoden geacht worden in het gegeven geval te passen;
- tot welke waardering elke gebruikte methode leidt;
- indien meer dan een methode is gebruikt, of het bij de waardering aangenomen betrekkelijke gewicht van de methoden in het maatschappelijke verkeer als aanvaardbaar kan worden beschouwd; en
- welke bijzondere moeilijkheden er eventueel zijn geweest bij de waardering en bij de bepaling van de ruilverhouding.

In geval van een juridische fusie zal een accountant worden verzocht om het voorstel tot fusie te onderzoeken en te verklaren of de voorgestelde ruilverhouding van de Aandelen naar zijn oordeel redelijk is. Bij het aanwijzen van deze accountant zal de Bieder er voor zorgdragen dat een andere accountant zal worden aangewezen dan de accountant die de laatste drie jaarrekeningen van de Vennootschap of Koninklijke BAM Groep heeft gecontroleerd. De opzet is dat alle besluiten ten aanzien van een juridische fusie genomen zullen worden na de Dag van Betaling. Tevens zal het de opzet van Koninklijke BAM Groep zijn dat de Raad van Commissarissen ten minste één onafhankelijk lid zal bevatten, die tevens verwacht wordt voorzitter van de Raad van Commissarissen te zijn. In verband met de belangen van de minderheid van de Effectenhouders, en om een evenwichtige belangenafweging te verzekeren in het kader van de juridische fusie, is de Bieder voornemens te bewerkstelligen dat onafhankelijke leden van de Raad van Commissarissen (inclusief de voorzitter) – op hun verzoek – de mogelijkheid krijgen onafhankelijk juridisch en financieel advies in te winnen in verband met een dergelijke fusie. De Bieder is tevens voornemens te bewerkstelligen dat, op verzoek van de onafhankelijke leden van de Raad van Commissarissen (inclusief de voorzitter), een tweede onafhankelijk accountant of waarderingsexpert zal voorzien in een second opinion ten aanzien van de redelijkheid van de voorgestelde ruilverhouding van de Aandelen. Tot slot is de Bieder voornemens te bewerkstelligen dat de voorzitter van de Raad van Commissarissen een beslissende stem zal hebben ten aanzien van enige beslissing van de Raad van Commissarissen in verband met de juridische fusie.

Warranthouders

In het geval dat de juridische fusie tot stand is gebracht, zullen de Warranthouders, die niet hun Warrants hebben aangemeld onder het Warrantbod, in overeenstemming met artikel 2:320 van het Burgerlijk Wetboek, adequate compensatie ontvangen of een vergelijkbaar recht verkrijgen in de overblijvende vennootschap, of in het geval van een driehoeksfusie, in de groepvennootschap van de Bieder, of in het geval de Vennootschap de overblijvende vennootschap is, Warranthouder blijven in de Vennootschap. Een dergelijke schadeloosstelling of een dergelijk recht van een Warranthouder zal worden beschreven in een fusievoorstel zoals bedoeld in artikel 2:312 lid 2c van het Burgerlijk Wetboek.

Additionele manieren om de Effecten van de minderheid van de Effectenhouders te verkrijgen

In het geval dat de Bieder de Biedingen gestand heeft gedaan, behoudt de Bieder zich het recht voor elk ander juridisch geoorloofd middel aan te wenden om de Effecten gehouden door de minderheid van de Effectenhouders te verkrijgen, inclusief door middel van een liquidatie, juridische fusie overeenkomstig de artikelen 2:309 and 2:334 van het Burgerlijk Wetboek (anders dan met Koninklijke BAM Groep), splitsing als bedoeld in artikel 2:334a van het Burgerlijk Wetboek en verkoop van alle of nagenoeg alle activa van de Vennootschap. Ten slotte behouden de Bieder en de Vennootschap zich het recht voor om de Bieder activa in de Vennootschap in te laten brengen tegen

uitgifte van Aandelen, waarbij het voorkeursrecht van andere Aandeelhouders wordt uitgesloten, alles in overeenstemming met de Nederlandse wet en de Statuten op dat moment.

Wijzigingen van de Statuten en structuur

In het geval dat de Bieder de Biedingen gestand heeft gedaan, houdt de Bieder zich het recht voor om aan de Aandeelhouders voorstellen te doen met betrekking tot een of meerdere wijzigingen van de Statuten teneinde de vennootschapsstructuur en de kapitaalstructuur van AM te wijzigen en een optimale financiële, corporate governance of andere structuur te bereiken. Dit zal gedaan moeten worden om er voor te zorgen dat de vennootschapstructuur van AM in lijn is met de nieuwe holding en financiële groepsstructuur die zal ontstaan op het moment dat de Biedingen gestand zijn gedaan.

19.11.3. Dividendbeleid

De Bieder is voornemens het dividendbeleid van de Vennootschap aanzienlijk te wijzigen indien de Biedingen gestand worden gedaan. Effectenhouders dienen zich ervan bewust te zijn dat het zo zou kunnen zijn dat de Vennootschap geen dividend aan de Aandeelhouders zal uitbetalen in de toekomst.

19.11.4. Liquiditeit en beëindiging van de beursnotering

De aankoop van de Effecten en de daaropvolgende beëindiging van de beursnotering door de Bieder onder de Biedingen zal onder andere het gevolg hebben dat het aantal Effectenhouders vermindert evenals het aantal Effecten dat openbaar verhandeld zou kunnen worden. Dit zou een negatieve invloed kunnen hebben op de liquiditeit van de Effecten die niet zijn aangemeld.

19.11.5. Sociale consequenties

De Biedingen zullen geen negatieve consequenties hebben voor de werkgelegenheidssituatie bij de Vennootschap of de Koninklijke BAM Groep, behalve dat ten gevolge van de Biedingen en de toekomstige splitsing van AM Development en AM G&W, AM Holding niet meer nodig zal zijn.

Een positief advies is verkregen van de ondernemingsraad van de Vennootschap en van de centrale ondernemingsraad van Koninklijke BAM Groep, zulks in overeenstemming met de Wet op de Ondernemingsraden.

19.11.6. Toekomstige samenstelling van de Raad van Commissarissen en Raad van Bestuur

Alle huidige leden van de Raad van Commissarissen zullen aftreden vanaf de Dag van Betaling. Het voornemen bestaat dat vanaf de Dag van Betaling de Raad van Commissarissen zal bestaan uit drie leden, te weten de heer W. van Vonno, de heer A. H. van Tooren en de heer L.C. Brinkman.

De heer J.F.J. van Veggel, de heer A.L. de Haan en de heer J.C.M.A. Gillis zullen aftreden als lid van de Raad van Bestuur op de Dag van Betaling. Het is momenteel beoogd dat vanaf de Dag van Betaling de Raad van Bestuur zal bestaan uit de heer P.G.A. Noordanus en de heer P.S.M. Ruigrok.

19.12. Kapitaal en Aandelen

Het aandelenkapitaal van de Vennootschap bedraagt EUR 9.249.962,20. Het maatschappelijk kapitaal van de Vennootschap bedraagt 249.999.950 aandelen, met elk een nominale waarde van EUR 0,10 en één Prioriteitsaandeel, met een nominale waarde van EUR 5,00. Het geplaatst en uitstaand kapitaal bestaat uit 92.499.572 aandelen aan toonder, waarvan 92.493.914 aandelen vertegenwoordigd worden door een globaal certificaat zoals gedeponeerd bij Negicef namens de rechthebbende aandeelhouders en 5658 K-stukken. Daarbij heeft de Vennootschap 5.750.000 maatschappelijk geplaatste en uitstaande Warrants, welke mogen worden geconverteerd in aandelen tegen een uitoefen prijs van EUR 8,00 per aandeel, waarvan reeds 143.630 zijn uitgeoefend. Het Prioriteitsaandeel in het kapitaal van de Vennootschap wordt gehouden door de Stichting Prioriteitsaandelen AM.

19.13. Fiscale gevolgen

De Biedingen kunnen fiscale gevolgen hebben voor AM en de Effectenhouders. Voor een samenvatting van het Nederlands fiscaal recht wordt verwezen naar Sectie 16 (Dutch tax aspects of the Offers)

19.14. Medelingen

Aankondigingen welke in verband met de Biedingen moeten worden gedaan zullen via een persbericht worden uitgebracht en tevens worden gepubliceerd in tenminste *Het Financieele Dagblad*, *De Telegraaf* en de *Officiële Prijscourant*.

19.15. Indicatief tijdschema

Verwachte datum en tijd (AMSTERDAMSE TIJD)	Gebeurtenis
22 december 2005	Publieke aankondiging van de verkrijgbaarstelling van het Biedingsbericht
22 december 2005 om 9:00 uur (Amsterdamse tijd)	Biedingsbericht beschikbaar
22 december 2005	Aankondiging van derde kwartaal cijfers 2005 AM
Vanaf 23 december 2005 om 9:00 uur (Amsterdamse tijd) eindigend om 15:00 (Amsterdamse tijd) op 20 januari 2006, tenzij verlengd	Aanmeldingstermijn
15:00 uur (Amsterdamse tijd) op 20 januari 2006	Sluitingsdatum
Uiterlijk drie Euronext Amsterdam handelsdagen na de Sluitingsdatum	Mogelijke openbare mededeling van verlenging van de Aanmeldingstermijn
12 januari 2006	Trading update AM
12 januari 2006	Buitengewone Algemene Vergadering van Aandeelhouders
Uiterlijk vijf Euronext Amsterdam handelsdagen na Sluitingsdatum	Gestanddoeningsdatum. Aankondiging of de Biedingen wel of niet gestand worden gedaan
Uiterlijk vijf dagen na de Gestanddoeningsdatum	Dag van levering en betaling

19.16. Verkrijgbaarheid

Exemplaren (elektronisch) van dit Biedingsbericht, de Statuten, de jaarrekeningen van AM voor de boekjaren 2002 tot en met 2004 zoals goedgekeurd door de algemene vergadering van Aandeelhouders alsmede de voorgestelde AM statuten, welke documenten door middel van verwijzing ("*incorporation by reference*") zijn opgenomen in, en een integraal onderdeel vormen van, dit Biedingsbericht, zijn kosteloos verkrijgbaar ten kantoren van AM en ING Corporate Finance en kunnen worden verkregen door contact op te nemen met AM en ING Corporate Finance via de volgende contactgegevens en op de Website van AM (www.ameurope.com) en Koninklijke BAM Groep (www.bam.nl).

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