

# DURA VERMEER WORKS

**2014 AT A GLANCE**



**DURAVERMEER**

Waarmaken van ambities

# RESUME 2014 AT A GLANCE

## Who we are

Dura Vermeer is an independent, family-owned business that operates in the higher echelons of the Dutch building industry. We are active in the development, realisation,

maintenance, renovation and engineering of projects in the residential and non-residential construction and infrastructure markets. Operating solely in the Netherlands, our company provides nationwide coverage with its independent regional units. 2015 will mark our 160th anniversary.

## KEY FIGURES

Income, earnings and net assets (amounts in millions of euros)	2014	2013
Operating income	1.004	1.033
Order book*	1.358	1.433
Operating profit including profit from equity interests before depreciation and amortisation and non-recurring income and expenses (EBITDA)	10,4	13,7
Profit before interest, taxes and non-recurring income and expenses (EBIT)	0,8	3,8
Profit (loss) on ordinary activities after taxes	1,1	3,1
Non-recurring income and expenses after taxes	-8,6	-8,6
Profit (loss) after taxes	-7,5	-5,5
Cash flow	3,9	4,4
Net equity	101,7	126,7
Total assets	429,3	442,5
<b>Ratio's</b>		
Current ratio	1,05	1,23
Solvency on the basis of equity	23,7%	28,6%
<b>Employees</b>		
Average number of employees	2.393	2.478

\* Orderbook represents the unbilled amount expected to be collected for contract work performed to date plus contract work which is highly likely to be performed.

## General developments

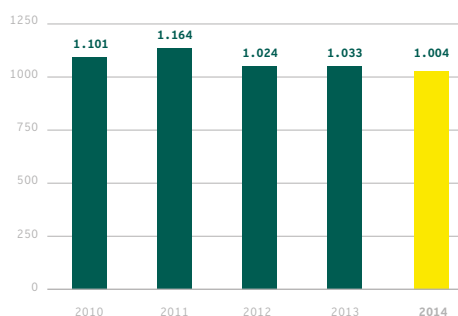
We were able to maintain the level of revenue despite the fact that recovery in the construction market did not become visible until the second half of 2014. Operating revenue was considerably higher in the residential construction segment in particular. Revenue was lower in the Infra division as a result of the completion of a number of large projects including the North-South metro link and Coentunnel project, both in Amsterdam. Results were below expectations due to the fact that a considerable part of production in 2014 consisted of the execution of jobs that were commissioned in previous years at poor price levels in conjunction with the depletion of reserves. In addition we adjusted the organisation in areas suffering from long-term contraction and overcapacity in the market, such as the asphalt market, and merged departments to reduce staffing needs, particularly in indirect positions. These organisational adjustments along with the further development of knowledge of new techniques and a healthy liquidity position lead us to believe we will be able to meet the demands and wishes of the market and our customers in 2015.

## Financial results

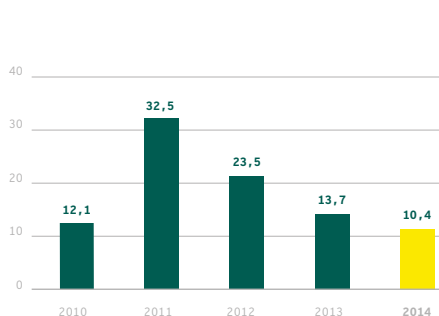
The level of activities remained virtually the same as in the two previous years with revenue of € 1,004 million in 2014. A more than 10% rise in the Construction and Property Development division offset a drop in the Infra division.

## CONSOLIDATED

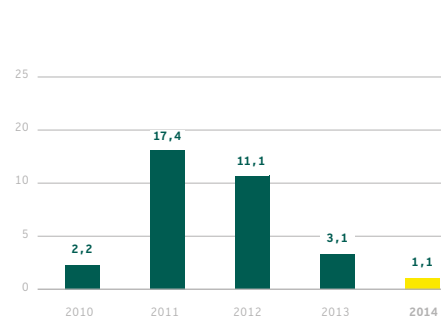
Operating income (in millions of euros)



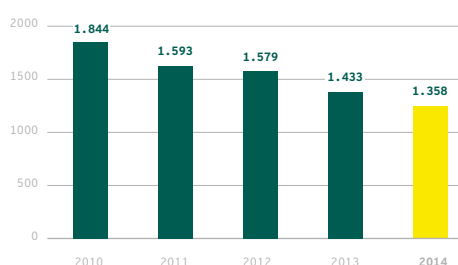
EBITDA on ordinary activities (in millions of euros)



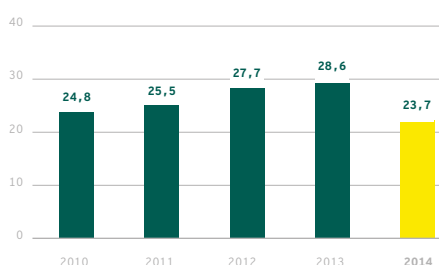
EBIT on ordinary activities (in millions of euros)



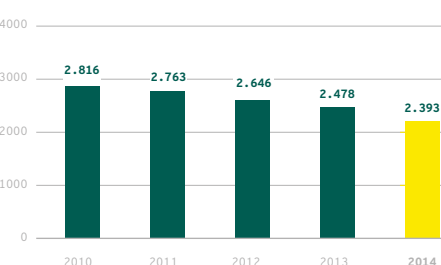
Order book (in millions of euros)



Solvency (as a percentage of net equity)

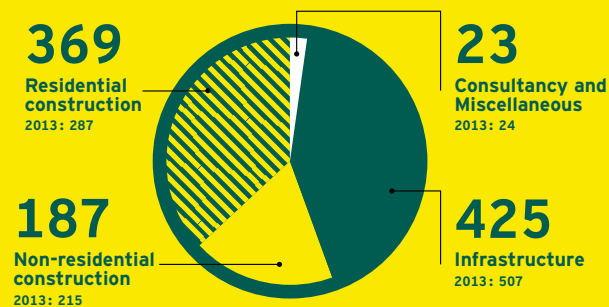


Employees (average number of employees)



The order book declined compared with the end of 2013 but we do not expect this to affect operating income in 2015 when we again forecast revenue of at least € 1 billion. A further adjustment of the organisation and of the valuation of assets to new market conditions resulted in a number of extraordinary items in the year under review in the form of restructuring provisions, residual goodwill amortisation, depreciation of land holdings and housing adjustments. This concerned a total amount of € 8.6 million after tax, resulting in modest earnings from ordinary activities after tax of € 1.1 million compared with € 3.1 million in 2013.

The result before amortisation, interest and extraordinary gains and losses was € 10.4 million compared with € 13.7 million in 2013. Despite the loss in 2014 and the share buyback, the positive net financial position (i.e. available liquidity minus long-term and short-term bank debt) remained good at € 44 million. The decline in equity led to a drop in solvency to 23.7% (25.7% according to the method of calculation adopted by banks). In 2014 we did not use the current account overdraft facility extended by the banks.



## CONSTRUCTION AND PROPERTY DEVELOPMENT DIVISION

### General developments

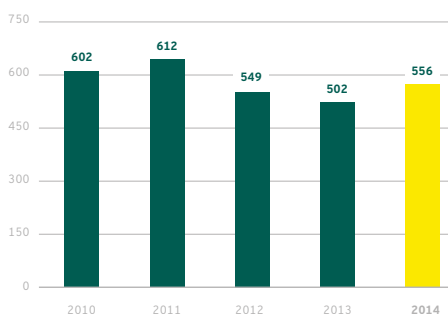
A rise in consumer confidence and increased demand for dwellings in certain parts of the Netherlands were the main reasons for increased activity in the residential market. Our internal focus was on initiatives aimed at further reducing the cost of our houses, including through the application of our in-house developed PCS building concept and BIM technology in every area of the building process. And we experienced a rise in the volume of maintenance and renovation activities. This was accompanied by further investment in innovations such as the *Stroomversnelling* initiative aimed at the further rollout of the energy cost-neutral (*nul-op-de-meter*) concept. 2015 will see the launch of the Pontsteiger construction project in Amsterdam, with 66 owner-occupied houses and 300 private sector rental properties.

### Operating income and earnings

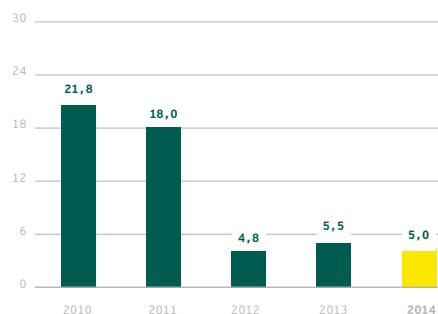
Revenue rose more than 10% in the year under review compared with 2013 and finished the year at the level reported in 2012. This meant that the division has returned to growth. The greatest increase was reported in residential construction (25%), whereas non-residential construction remained at virtually the same level. The order book was considerably lower, due in part to the more small-scale nature of projects. EBIT before extraordinary items fell from € 5.5 million in 2013 to € 5.0 million in 2014. Earnings from ordinary activities amounted to € 4.1 million compared with € 3.1 million

## CONSTRUCTION AND PROPERTY DEVELOPMENT DIVISION

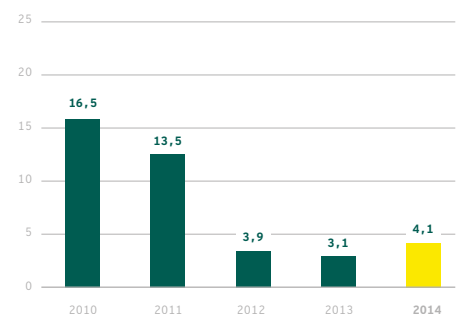
Operating income (in millions of euros)



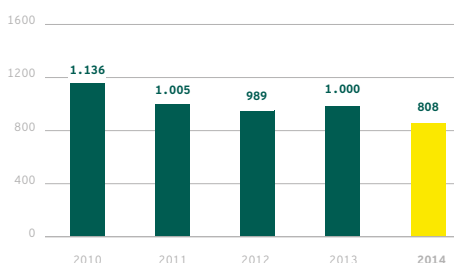
EBITDA on ordinary activities (in millions of euros)



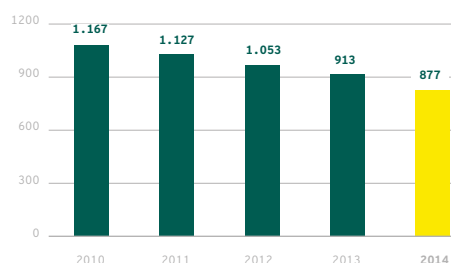
EBIT on ordinary activities (in millions of euros)



Order book (in millions of euros)



Employees (average number of employees)



in 2013. Extraordinary losses concerned depreciation of land holdings and a net amount of € 3.5 million for the remainder of capitalised goodwill.

## INFRA DIVISION

### General developments

The supply of projects commissioned by the Dutch Ministry of Infrastructure and the Environment remained stable whereas the amount of work provided by provincial authorities showed a mixed picture and the supply of work from municipalities fell sharply. This also reduced the production of asphalt while the number of projects in the industrial and port segment grew. Tenders based on new types of contracts such as the most economically advantageous tender (EMVI) and Best Value Procurement (BVP) were introduced to customers permanently. These types of contracts were used more for small and medium-sized projects. This is a favourable development for Dura Vermeer because it means that contracts are awarded based not only on price but also on added value. In 2015 projects awarded in 2014 will come to fruition including the widening of the N279 motorway between Den Bosch and Veghel, the expansion of the SAAL Almere train station and the reinforcement of the Spui-Oost dyke in Goudswaard.

### Operating income and earnings

As a result of the aforementioned developments operating revenue at the division fell from € 507 million in 2013 to € 425 million in 2014. The largest drop concerned in-

frastructural activities (land and roads), but rail infra also saw revenue fall from the record level of 2013 to the level posted in the years prior. The lower revenue and a number of loss-making projects resulted in a drop in EBIT before extraordinary items from € 10.9 million in 2013 to € 2.4 million in 2014. Earnings from ordinary activities amounted to € 4.4 million compared with € 9.1 million in 2013.

## CONSULTANCY AND SERVICES

### Engineering consultancy Advin

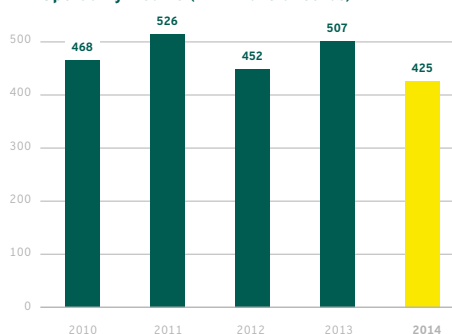
In 2014 Advin reported a slight drop in operating income but considerably higher earnings. The organisational adjustments implemented at the end of 2013 paid off, resulting in increased employee productivity and successful competition with sector peers. 2014 also saw a return to a positive margin after a number of years of negative EBIT. The margin is expected to improve further in the coming years.

### Engineering firm Archicom

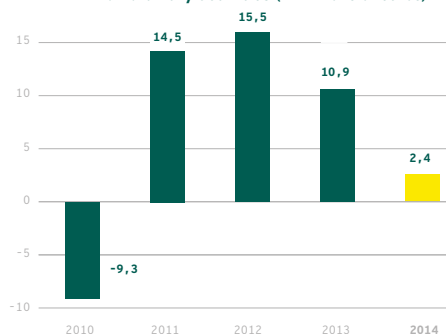
Archicom witnessed two important customer developments: demand for one-stop solutions and a creative approach to project financing, for example through private investors, own capital and lease products. Specialist niche player Archicom responded to this, resulting in a larger number of tenders leading to actual jobs. Accordingly, we expect increased demand for feasibility studies and the redevelopment and optimisation of business parks in 2015.

## INFRA DIVISION

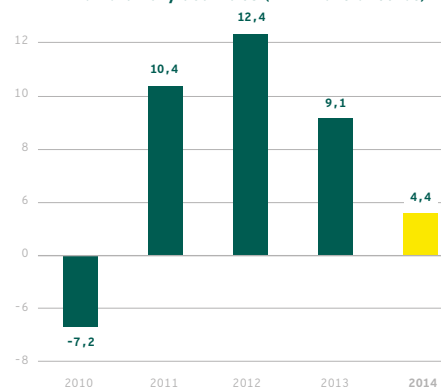
Operating income (in millions of euros)



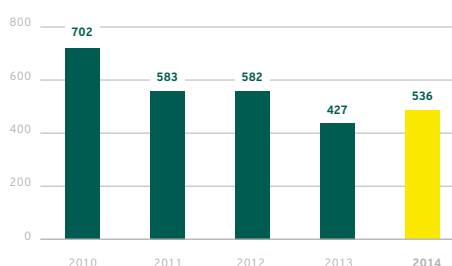
EBITDA on ordinary activities (in millions of euros)



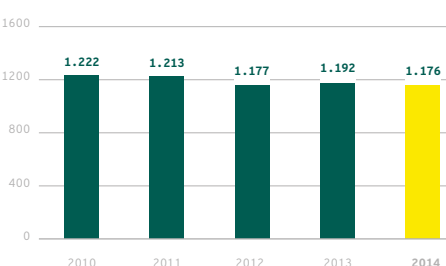
EBIT on ordinary activities (in millions of euros)



Order book (in millions of euros)



Employees (average number of employees)





#### Renovated Coentunnel reopened

The renovated first Coentunnel was reopened for traffic in July 2104. This concluded a project that commenced in 2008 with the construction of the Second Coentunnel. The availability of both Coentunnels means that traffic now has eight lanes at its disposal.



#### Pontsteiger, Amsterdam

Dura Vermeer and building firm M.J. de Nijs won the joint tender commissioned by the municipality of Amsterdam for the development and realisation of the Pontsteigergebouw, a 90-metre tall chair-shaped object. The building designed by architectural firm Arons en Gelauff Architecten provides 66 owner-occupied houses and 300 private sector rental properties on water and is seen as a landmark in the new neighbourhood in the Houthavens district. Preparations to commence construction will start in February 2015.



#### Fluor office building: a model of sustainability

BREEAM-Excellent certificate, a thermal storage system, more than 1,200 solar panels, climate ceilings that result in a class A indoor climate rating, a great deal of natural lighting combined with energy-efficient lighting and water-saving measures: the Fluor building at the Beukenhorst business park in Hoofddorp is a model of sustainability. Dura Vermeer completed construction on the multinational's Dutch head office four months ahead of schedule.

## Outlook

The recovery that commenced in 2014 inspires a sufficient degree of confidence in the future. Earnings from ordinary activities are not expected to grow spectacularly in 2015 due to the fact that old projects with in some cases poor price levels first need to be worked out of the order book. However, we do not expect to be confronted with sizeable extraordinary losses in 2015 and foresee the liquidity position remaining at a level where it will not be necessary to make use of the current account overdraft facility extended by the banks. We will therefore continue to be able to initiate projects by temporarily using our own resources. The number of employees is expected to remain at the current level.

The figures stated in this '2014 at a glance' are derived from the 2014 annual report of Dura Vermeer Groep NV, which can be downloaded at [www.duravermeer.nl](http://www.duravermeer.nl).

## CONSOLIDATED BALANCE SHEET

(before profit appropriation x € 1,000)

	31-12-2014	31-12-2013
<b>Fixed assets</b>		
Intangible fixed assets	-	2.8
Tangible fixed assets	88.0	52.5
Financial fixed assets	24.6	23.1
	<b>112.6</b>	<b>78.4</b>
<b>Current assets</b>		
Inventories	60.0	91.8
Work in progress	-	-
Receivables and accrued income	179.6	175.2
Cash at bank and in hand	77.1	97.1
	<b>316.7</b>	<b>364.1</b>
<b>Current liabilities</b>	<b>302.1</b>	<b>295.9</b>
Balance of current assets minus current liabilities	<b>14.6</b>	<b>68.2</b>
Balance of assets minus current liabilities	<b>127.2</b>	<b>146.6</b>
<b>Long-term debts</b>	<b>10.2</b>	<b>4.2</b>
<b>Provisions</b>	<b>15.3</b>	<b>15.7</b>
<b>Group equity</b>	<b>101.7</b>	<b>126.7</b>
	<b>127.2</b>	<b>146.6</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(x € 1,000)

	2014	2013
<b>Operating income</b>	<b>1,003.9</b>	<b>1,033.3</b>
<b>Operating expenses</b>		
Cost of contracted work and other external costs	831.7	845.5
Wages and salaries	137.7	151.2
Social security contributions and pension charges	37.2	36.8
Depreciation of intangible and tangible fixed assets	11.4	9.9
Other operating expenses	0.7	0.2
	<b>1,018.7</b>	<b>1,043.6</b>
<b>Operating profit (loss)</b>	<b>-14.8</b>	<b>-10.3</b>
<b>Financial income and expenses</b>		
Balance interest income and expenses	-0.4	-0.1
Profit from equity interests	4.7	2.8
	<b>4.3</b>	<b>2.7</b>
<b>Result before tax</b>	<b>-10.5</b>	<b>-7.6</b>
Taxation	3.0	2.1
<b>Result after tax</b>	<b>-7.5</b>	<b>-5.5</b>
<b>Further breakdown</b>		
Result from ordinary activities after taxes	1.1	3.1
Non-recurring income (expenses) after taxes	-8.6	-8.6
	<b>-7.5</b>	<b>-5.5</b>



## 2015 OFFICES AND ADDRESSES

### Dura Vermeer Groep NV

Postbus 11267  
3004 EG Rotterdam  
T (010) 280 80 700

### Construction and Property Development Division

**Dura Vermeer Divisie Bouw en Vastgoed BV**  
Postbus 429  
3990 GE Houten  
T (030) 288 16 17

#### (Non) Residential construction

**Dura Vermeer Bouw Hengelo BV**  
Postbus 877  
7550 AW Hengelo  
T (074) 255 02 55

**Dura Vermeer Bouw Midden West BV**  
Postbus 439  
2100 AK Heemstede  
T (023) 752 97 00

**Dura Vermeer Bouw Rosmalen BV**  
Postbus 3  
5240 BC Rosmalen  
T (073) 528 89 11

**Dura Vermeer Bouw Zuid West BV**  
Postbus 1986  
3000 BZ Rotterdam  
T (010) 280 85 00

**Dura Vermeer Vastgoed BV**  
Postbus 429  
3990 GE Houten  
T (030) 634 79 01

#### Maintenance and renovation

**Dura Vermeer Bouw Heyma BV**  
Postbus 52126  
3007 LC Rotterdam  
T (010) 750 29 00

**Dura Vermeer Onderhoud en Renovatie Hengelo BV**  
Postbus 877  
7550 HW Hengelo  
T (074) 255 02 55

**Dura Vermeer Onderhoud en Renovatie Rosmalen BV**  
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5240 BC Rosmalen

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**Dura Vermeer Van Ieperen BV**  
Postbus 35  
3400 AA IJsselstein  
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**GreenStep BV**  
Postbus 429  
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T (030) 634 79 10

### Infra Division

**Dura Vermeer Divisie Infra BV**  
Postbus 111  
2130 AC Hoofddorp  
T (023) 752 80 00

**Business Unit Grote Projecten**  
Postbus 194  
2130 AD Hoofddorp  
T (023) 752 81 00

**Business Unit Concessies**  
Postbus 111  
2130 AC Hoofddorp  
T (023) 752 80 00

**Dura Vermeer Gebiedsontwikkeling Infra BV**  
Postbus 111  
2130 AC Hoofddorp  
T (023) 752 80 00

**CentralNed BV**  
Postbus 318  
2130 AH Hoofddorp  
T (023) 752 84 91

#### Civil construction

**Dura Vermeer Beton- en Waterbouw BV**  
Postbus 470  
2130 AL Hoofddorp  
T (023) 752 82 00

**Dura Vermeer Beton- en Waterbouw BV, vestiging Beuningen**  
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**Dura Vermeer Beton- en Waterbouw BV, regio Noord West**  
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**Dura Vermeer Beton- en Waterbouw BV, regio Oost**  
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**Dura Vermeer Beton- en Waterbouw BV, regio Zuid West**  
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#### Infrastructure

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**Vestiging Almere**  
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**Vestiging Opmeer**  
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**Dura Vermeer Infrastructuur BV Oost**  
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**Vestiging Hengelo**  
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**Vestiging Utrecht**  
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**Vestiging Weert**  
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**Vestiging Moerdijk**  
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**Dura Vermeer Deelnemingen BV**  
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2130 AB Hoofddorp  
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**Dura Vermeer Reststoffen BV**  
Postbus 149  
2100 AC Heemstede  
T (023) 752 90 00

**Puin Recycling Nijmegen BV**  
Postbus 149  
2100 AC Heemstede  
T (024) 373 85 95

**Asfaltproductie de Eem BV**  
Postbus 675  
3740 AP Baarn  
T (035) 543 35 20

**Asfalt Productie Nijmegen BV**  
Postbus 6621  
6503 GC Nijmegen  
T (024) 377 58 66

#### Environment and industries

**Dura Vermeer Milieu BV**  
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2130 AN Hoofddorp  
T (023) 752 85 00

Ondergrondse Infra

**Dura Vermeer Ondergrondse Infra BV**  
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T (023) 752 96 00

#### Rail construction

**Dura Vermeer Railinfra BV**  
Postbus 466  
2130 AL Hoofddorp  
T (023) 752 83 00

**Vestiging Utrecht**  
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2130 AC Hoofddorp  
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**Saferail BV**  
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**ASSET Rail BV**  
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### Consultancy and Services

**Advin BV**  
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**Vestiging Oss**  
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**Vestiging Son**  
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**Ingenieursbureau Archicom BV**  
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### Facilities

**Dura Vermeer Facilitaire Bedrijven BV**  
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**Dura Vermeer Materieelservice BV**  
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**Dura Vermeer MaterieelDienst Infra BV**  
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**Dura Vermeer Autobehoor BV**  
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