

On the move



3 February 2006

Update Ballast Nedam

- 2005 full year results estimate in accordance with the (upward adjusted) outlook as earlier expressed
- Expected net result ca. € 20 mln (2004: € 13 mln)
- Publication annual figures: 10 March 2006
- New large projects won

Ballast Nedam

- All-round construction company
- Top-5 position in the Dutch market
- Leading position in a number of international niches
- Turnover 2004 € 1.2 bln
- Order book well-filled

Successful turnaround

- Back on track after drastic reorganization of loss-making international operations: restructuring done
- Top management virtually fully replaced
- 10 Divisions reduced to 2; holding staff reduced from 75 to 20 people
- Total number of employees halved
- Results, risk profile and share price improved substantially
- The upside potential: Ballast Nedam can reap the benefits of the turnaround

Developments in 2005

- May 2005: successful secondary placement of 48% of the shares (€ 18.25). This has led to a broad shareholders base and a much larger free float
- Remaining protective instruments gone (anti-takeover barriers)
- Tax loss carry forwards will increase to €215 mln - €230 mln (to be used indefinitely in the Netherlands) after completion of liquidation of British subsidiary in 2006
- Policy: payment of dividend over 2005 (payout of 50% of net result)
- New pension system as per 1-1-2005
- Further reduction of international project risks
- Contracts for new sizeable projects

Company profile



Ballast Nedam

• Net sales '04 €1,164m
• EBIT '04 €35m
• FTE YE '04 4,022

Infrastructure

Building & Development

Activities

- Mobility (incl. Road works)
- Urban renovation
- Water infrastructure
- International projects:
 - Near-shore and Offshore
 - Irrigation & Waste Disposal
 - Advanced Foundation technology
 - Bridges
- In-house engineering co: IC+E
- Prefab concrete factories
- Industrial building
- Raw materials (sand & gravel pits)
- Petrol stations & Telecom facilities

- Real estate development
- Residential and non-residential (offices, education, healthcare, public services, retail)
- Facility Management
- Maintenance
- Sports facilities (e.g. stadiums)
- Prefab concrete factories

Turnover '04

€522 million

€524 million

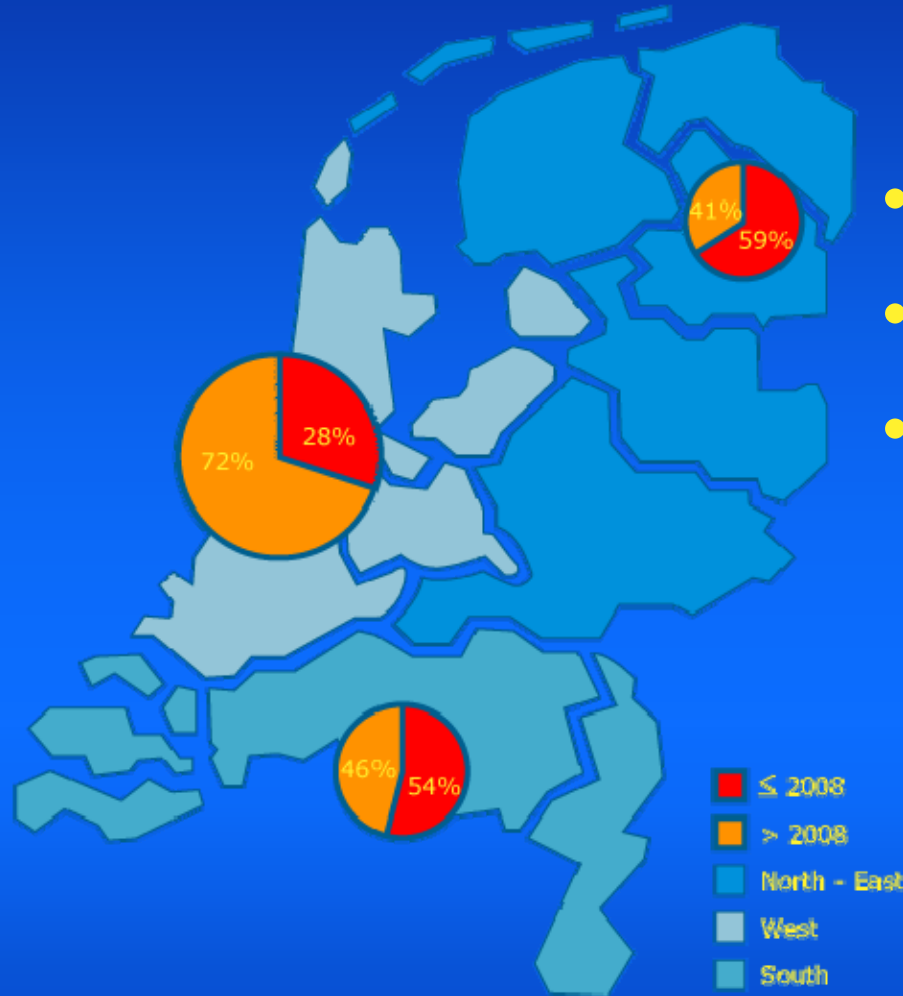


Ballast Nedam

Division Building & Development

- H1: EBIT + 50% (very positive results on real estate developments and large projects)
- Order book + 13%; large framework contracts signed (€ 700 mln Ballast Nedam share), but not yet included in the order book
- Residential building main growth driver: 2,429 houses under construction
- 20,000 houses in daily maintenance
- Good prospects Dutch residential building market: sustained demand in the coming 10 years
- Expanding the land bank
- Joint venture with project developer TCN (Division Infrastructure also participates)

Land bank & development volume houses

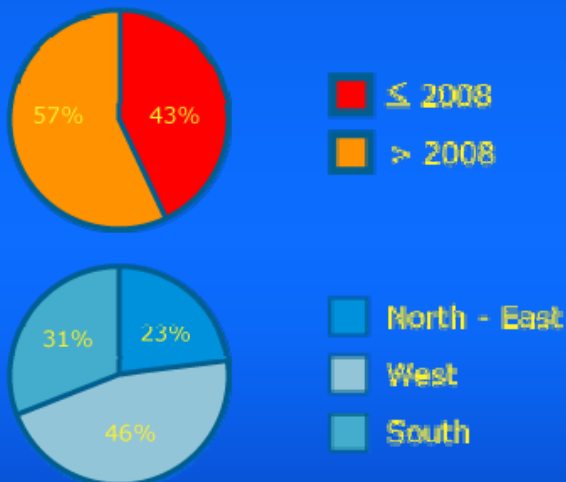


- 9,100 houses
- 550 hectares (1,360 acres)
- Well-spread
 - country-wide
 - timing

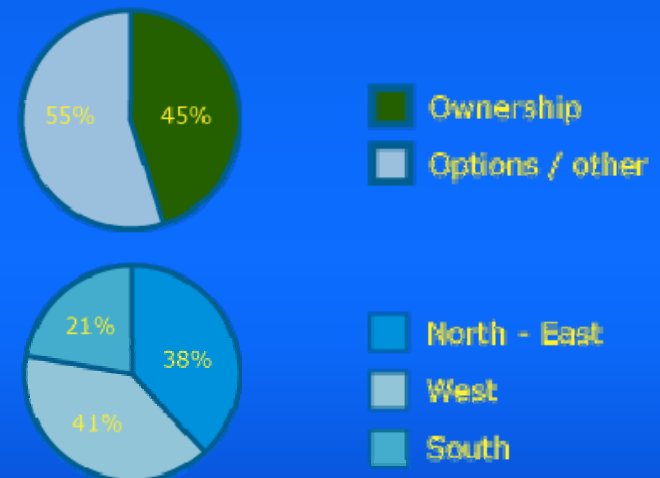
Land bank

- 550 hectares (i.e. 1,360 acres) in ownership and options
- Book value approx. €60 mln
- Development potential
 - 9,100 houses
 - Circa 500,000 m2 offices / commercial premises
 - Average duration of ownership approx. 6 years

Houses



Hectares / Acres



Division Infrastructure

- Outlook 2005: slight improvement (2004: EBIT € 11 mln)
- Order book + 27% (as compared with year-end 2004)
- Market volume increasing due to Government infrastructure programs; stabilized price level is still too low due to overcapacity
- Impulse by Dutch Government: all projects above € 112.5 mln must be checked on PPP-suitability
- PPP-contracts: only the premier league of the construction market has the scale and resources
- Ballast Nedam is involved in 6 on-going PPP-projects
- Joint venture with project developer TCN

Offshore windmill park

- Client: Shell-Nuon joint venture
- 36 windmills on the North Sea (10-18 kms off the coast of The Netherlands)
- 115 m above sea level; rotor diameter 90 m
- 30 m deep in the seabed
- Ballast Nedam: project management, engineering, foundations, installation;
Vestas: turbines
- Tender and pre-qualifications in Germany, Denmark and the UK
- Heavy lift vessel Svanen will be on the job



Ballast Nedam

Consortium Transrapid



- ABN AMRO, Ballast Nedam, BAM, Fluor and Siemens made a proposal to the Dutch Government for a high frequency Fast Rail System with an unmanned magnetic levitation train
- A rail connection right through the densely populated economic heart of the Netherlands
- PPP-project on a concession basis
- Costs € 25 mln/km;
total length 230 kms (€5.75 bln)

Consortium Transrapid (2)



- 14 terminals
- Max speed 350 km/h;
a train every 6 minutes
- Cheaper, faster, safer, more comfortable, less energy consumption, quieter and less maintenance in comparison with present high speed rail
- Exceptionally suited for urban areas with large mobility issues/problems
- System is running successfully in Shanghai

Strategy

Strategic focus points

- Backward and forward integration along value chain shifting the mix of activities
- Focus on margins instead of turnover
- Improvement of operational activities
- Active portfolio management

Actions

- Considerable land bank with attractive positions (550 ha or a building potential of approx. 9,100 houses and 500,000 square metres of commercial real estate)
- Acquisition of project developer in Q1 2005
- Formation of PFI joint venture with TCN
- Increase in 'design-build' and build-maintain' contracts
- Residential building will be the main growth driver
- Selective tendering: no offers below target profitability in tender procedures infrastructure market
- Getting away from the traditional tendering
- Continuous efficiency drive
- Tight operational control
- Disposal and/or acquisition of business units/activities

More than Just Bricks : Shifting the Activity Mix

Margin Targets per segment

- Project development 5% - 10%
- Construction 2% - 4%
- Maintenance & facility management > 5%

Ballast Nedam overall Margin Target in the coming years: 3% - 5%

- 2003: break-even
- 2004: 2.1% (adjusted for effect of new pension system)
- 2005: 3% forecast

Shareholders structure

as per January 2006
100% = 10 million shares

