Financial Statements 2014

This financial statement is part of Heijmans' annual report 2014.
The complete English version of the annual report will be published a number of weeks after the publication of the Dutch annual report.

In case of differences between the Dutch and the English annual report (financial statements), the first shall prevail.

Please note that in the tables the European currency notation has been used.

Publication date: 26 February 2015

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Financial Statements 2014

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1. Consolidated income statement

x € 1.000

		2014	2013*
6.1	Revenue	1.867.656	2.001.105
	Cost of sales	-1.720.464	-1.796.685
Gross profit		**147.192**	**204.420**
6.3	Other operating income	3.258	3.530
	Sales expenses	-31.981	-30.965
	Administrative expenses	-180.515	-163.895
6.5	Other operating expenses	-1.503	-1.206
Operating result		**-63.549**	**11.884**
6.6	Financial income	5.903	3.181
6.6	Financial expense	-11.024	-6.688
6.12	Result of joint ventures and associates	6.526	-876
Result before tax		**-62.144**	**7.501**
6.7	Income tax	14.851	-5.644
Result after tax		**-47.293**	**1.857**
	The entire result after tax is attributable to the shareholders.		
Earnings per share (in €)			
6.20	Earnings per ordinary share after tax	-2,44	0,10
6.20	Earnings per ordinary share after tax and dilution effects	-2,44	0,10
	Dividend distributed per ordinary share in the financial year	0,15	0,25

* After adjustment due to change in accounting policy for joint arrangements (see 5. Accounting principles).

2a. Consolidated statement of recognised income and expense

x € 1.000

	2014	2013*
1. Result after tax	**-47.293**	**1.857**
Unrealised results that after initial recognition are (possibly) reclassified to profit or loss:		
Effective portion of changes in the fair value of cash flow hedges	-	4.541
Changes in the fair value of cash-flow hedges transferred to profit or loss	-	-3.685
Effective portion of changes in the fair value of cash flow hedges for joint ventures	-804	129
Tax effect of unrealised results that after initial recognition are (possibly) reclassified to profit or loss:	-	-28
Unrealised results that are never reclassified to profit or loss:		
Changes in actuarial results on defined benefit plans	-4.754	-17.424
Changes in actuarial results on defined benefit plans of associates	-540	0
Tax effect of unrealised results that are never reclassified to profit or loss:	1.188	4.492
Unrealised results (after tax)	**-4.910**	**-11.975**
Total realised and unrealised results	**-52.203**	**-10.118**

* After adjustment due to change in accounting policy for joint arrangements (see 5. Accounting principles).

The entire total comprehensive income is attributable to the shareholders.

2b. Consolidated statement of changes in equity

x € 1.000

2014	Paid-up and called-up share capital	Share premium reserve	Reserve for actuarial results	Hedging reserve	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
Value at 31 December 2013	**5.805**	**222.183**	**-23.240**	**750**	**192**	**105.475**	**1.857**	**313.022**
Result after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-47.293**	**-47.293**
Unrealised results	**-**	**-**	**-4.106**	**-804**	**-**	**-**	**-**	**-4.910**
Total realised and unrealised results for the reporting period:	**-**	**-**	**-4.106**	**-804**	**-**	**-**	**-47.293**	**-52.203**
Transactions with owners of the group:								
Bonus Investment Share Matching Plan		-	-	-	30	-	-	30
Issue of shares for the Bonus Investment Share Matching Plan	3	-	-	-	-3	-	-	0
Appropriation of result for 2013								
Dividend in shares	31	-31	-	-	-	-	-	0
Dividend in cash	-	-	-	-	-	-1.573	-	-1.573
Transferred to retained earnings	-	-	-	-	-	1.857	-1.857	0
Total transactions with owners	**34**	**-31**	**-**	**-**	***27***	**284**	**-1.857**	**-1.543**
Value at 31 December 2014	**5.839**	**222.152**	**-27.346**	**-54**	**219**	**105.759**	**-47.293**	**259.276**

x € 1.000

2013*	Paid-up and called-up share capital	Share premium reserve	Reserve for actuarial results	Hedging reserve	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
Before adjustment	5.199	209.562	-10.308	-207	122	197.968	-87.742	314.594
Change in accounting policy for joint arrangements		-	-	-	-	-2.250	-	-2.250
Adjusted balance at 1 January 2013	**5.199**	**209.562**	**-10.308**	**-207**	**122**	**195.718**	**-87.742**	**312.344**
Result after tax	**-**	**-**	**-**	**-**	**-**	**-**	**1.857**	**1.857**
Unrealised results	**-**	**-**	**-12.932**	**957**	**-**	**-**	**-**	**-11.975**
Total realised and unrealised results for the reporting period:	**-**	**-**	**-12.932**	**957**	**-**	**-**	**1.857**	**-10.118**
Transactions with owners of the group:								
Bonus Investment Share Matching Plan	-	-	-	-	70	-	-	70
Share issue	528	12.699	-	-	-	-	-	13.227
Appropriation of result for 2012								
Dividend in shares	78	-78	-	-	-	-	-	0
Dividend in cash	-	-	-	-	-	-2.501	-	-2.501
Transferred to retained earnings	-	-	-	-	-	-87.742	87.742	0
Total transactions with owners	**606**	**12.621**	**-**	**-**	*70*	**-90.243**	**87.742**	**10.796**
Value at 31 December 2013	**5.805**	**222.183**	**-23.240**	**750**	**192**	**105.475**	**1.857**	**313.022**

* After adjustment due to change in accounting policy for joint arrangements (see 5. Accounting principles).

3. Consolidated balance sheet

x € 1.000

	Assets	31 December 2014	31 December 2013*	1 January 2013*
	Non-current assets			
6.9	Property, plant and equipment	92.529	103.373	117.739
6.10	Intangible assets	113.918	115.421	113.877
6.11	Property investments	2.050	5.836	6.083
6.12	Joint ventures and associates	72.839	50.575	54.954
	PPP receivable	-	-	14.434
6.13	Other assets	31.004	41.641	41.084
6.22	Employee-related receivable	24.484	25.494	29.459
6.14	Deferred tax assets	27.284	9.527	6.551
		364.108	**351.867**	**384.181**
	Current assets			
6.15	Strategic land portfolio	182.936	211.622	203.222
6.15	Residential properties in preparation or under construction	81.555	86.047	95.997
6.15	Other inventory	23.804	26.963	34.226
6.16	Work in progress	167.314	123.970	118.262
6.8	Income tax receivables	1.055	1.023	379
6.17	Trade and other receivables	310.131	340.304	347.544
6.18	Cash and cash equivalents	73.787	61.013	66.019
		840.582	**850.942**	**865.649**
	Total assets	**1.204.690**	**1.202.809**	**1.249.830**

* After adjustment due to change in accounting policy for joint arrangements (see 5. Accounting principles).

x € 1.000

	Equity and liabilities	31 December 2014	31 December 2013*	1 January 2013*
Equity				
2b	Issued capital	5.839	5.805	5.199
2b	Share premium	222.152	222.183	209.562
2b	Reserves	-27.181	-22.298	-10.393
2b	Retained earnings from prior financial years	105.759	105.475	195.718
1	Result for the year after tax	-47.293	1.857	-87.742
		259.276	**313.022**	**312.344**
Non-current liabilities				
6.21	Interest-bearing loans and other non-current financing liabilities	95.339	96.546	97.914
6.22	Employee-related liabilities	26.731	23.554	18.973
6.23	Provisions	4.648	6.993	13.455
6.14	Deferred tax liabilities	5.080	7.022	8.350
		131.798	**134.115**	**138.692**
Current liabilities				
6.21	Interest-bearing loans and other current financing liabilities	9.811	30.505	43.658
6.24	Trade and other payables	574.881	544.899	506.646
6.16	Work in progress	184.306	151.566	200.250
6.8	Income tax payables	4.112	2.104	1.213
6.22	Employee-related liabilities	2.043	4.320	6.819
6.23	Provisions	38.463	22.278	40.208
		813.616	**755.672**	**798.794**
Total equity and liabilities		**1.204.690**	**1.202.809**	**1.249.830**

* Na herziening als gevolg van stelselwijziging gezamenlijke overeenkomsten (zie 5. Grondslagen voor de financiële verslaggeving)

4. Consolidated cash flow statement - indirect method

x € 1.000

		2014	2013*
Operating result		**-63.549**	**11.884**
Adjustments for:			
6.3	Gain on sale of non-current assets	-2.145	-1.999
6.4/ 6.9/ 6.11	Depreciation of property, plant, equipment and investment property	21.968	22.654
6.4/ 6.10	Amortisation of intangible assets	1.503	1.206
6.25	Impairment of debtors	1.665	930
6.15	Adjustment to non-recurring changes in property and land portfolios, including joint ventures	16.500	5.900
6.16	Change in work in progress	-10.604	-54.392
	Change in other working capital	87.649	13.682
6.22 en 6.23	Non-current provisions	832	-1.881
2.a	Changes in the fair value of cash-flow hedges transferred to profit or loss	-	3.685
	Operating result after adjustments	53.819	1.669
	Interest paid	-10.096	-10.061
	Interest received	3.883	1.947
	Income tax paid	-1.586	-3.912
Cash flow from operating activities:		**46.020**	**-10.357**
	Purchase of subsidiaries	-	-2.927
	Transfer of participating interest to joint venture	-	2.290
6.2	Sale of interest in associate	7.000	-
6.9 en 6.11	Investments in property, plant, and equipment	-17.718	-15.257
	Sale of property, plant, equipment and property investments	12.525	9.704
	Capital contributions to joint ventures and associates, less dividends received from them	-5.839	3.503
	Loans granted to joint ventures and associates, less loans repaid by them	-5.741	-557
Cash flow from investment activities		**-9.773**	**-3.244**
	Share issue	-	13.456
	Transaction costs of share issue	-	-229
6.21	Interest-bearing loans taken	11.410	4.440
6.21	Interest-bearing loans repaid	-32.886	-5.244
6.21	Refinancing expenses	-424	-1.327
2.b	Dividend in cash	-1.573	-2.501
Cash flow from financing activities		**-23.473**	**8.595**
Net cash flow in the period		**12.774**	**-5.006**
6.18	Cash and cash equivalents at 1 January	61.013	66.019
6.18	**Cash and cash equivalents at 31 December**	**73.787**	**61.013**

* After adjustment due to change in accounting policy for joint arrangements (see 5. Accounting principles).

5. Accounting principles

Heijmans N.V. (referred to as the "Company") has its registered office in the Netherlands. The Company's consolidated financial statements for the 2014 financial year include the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in associates and jointly controlled entities.

With reference to the separate income statement of Heijmans N.V., use has been made of the exemption under Section 402, Book 2 of the Dutch Civil Code.

The Executive Board prepared the financial statements on 25 February 2015. They will be submitted for approval to the General meeting of Shareholders on 15 April 2015.

(1) Statement of Compliance

The consolidated financial statements for 2014 were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (EU-IFRS), and with Part 9 of Book 2 of the Dutch Civil Code.

(2) Basis of preparation

The financial statements are presented in thousands of euros. The financial statements are based on historical costs, unless otherwise stated.

The preparation of the annual financial statements in accordance with the EU-IFRS requires management to make judgements, estimates and assumptions that affect the reported value of assets and liabilities, and the reported value of revenue and expenses. The estimates and their underlying assumptions are based on experience and other factors that are considered reasonable.

The estimates form the basis for calculating the carrying amounts of assets and liabilities that cannot easily be derived from other sources. Actual results could differ from these estimates (see also note 6.30, "Management estimates and judgements".

The estimates and underlying assumptions are continually reassessed. Revised estimates are recognised in the period in which the estimate was revised, provided that the revision only affects that period. Revisions are recognised in the reporting period and future periods if the revision also affects future periods.

The accounting principles described below have been consistently applied to all periods presented in these annual consolidated financial statements and to all entities belonging to the Group, apart from the changes explained in (3).

(3) Changes to accounting principles and implications of new directives

The Board has adopted the following new Directives including possible consequential amendments to other Directives, with a first-time application date of 1 January 2014:

- IFRS 10 Consolidated Financial Statements (see 3a, "Change in accounting policy for consolidated financial statements (subsidiaries)".
- IFRS 11 Joint Arrangements (see 3b, "Change in accounting policy for joint arrangements")
- IFRS 12 Disclosure of Interests in Other Entities (see 3c, "Effect of application of Directive on disclosure of interests in other entities")

(3a) Change in accounting policy for consolidated financial statements (subsidiaries)

IFRS 10 introduces a new control model for potentially all entities in which the Group invests. Its application depends on whether the Group
a) has power over the entity;
b) is exposed or has rights to variable returns from its involvement with the entity; and
c) can use its power over the entity to affect the size of these variable returns.

Each of these three criteria has to be satisfied to establish that the Group has control over a company in which it owns an interest. Previously, control was said to exist when the Group had the power to directly or indirectly govern the financial and operating policy of an entity.

The change to the definition of "control" in IFRS 10 has not affected the composition of the Group.

(3b) Change in accounting policy for joint arrangements

IIFRS 11 specifies how arrangements under which the Group exercises joint control with third parties have to be recognised. IFRS 11 distinguishes two categories of joint arrangement: "joint operations" and "joint ventures".

The category to which a joint arrangement is assigned depends on the rights and obligations of the Group under the arrangement, taking into account the structure and legal form of the arrangement, the terms and conditions of the governing contract, and other facts and circumstances in accordance with their relevance.

A joint operation is a joint arrangement over which the Group exercises joint control with third parties, with the Group having a right to the assets and an obligation for the liabilities relating to the arrangement. For its share in a joint operation, the Group has to recognise its assets (including its share of the assets held jointly), liabilities (including its share of the liabilities incurred jointly), revenue (including its share of the revenue from the output of the joint operation), and expenses (including its share of the expenses incurred jointly). In practice, the method for recognising joint operations is comparable to that used for proportional consolidation.

A joint venture is a joint arrangement over which the Group exercises joint control with third parties, with the Group having rights to the net assets relating to the arrangement. Joint ventures are recognised using the equity method.

Previously, proportional consolidation was applied to all entities over which the Group exercised joint control with third parties.

In accordance with the regulations, the Group has applied the change in accounting policy retroactively.
The effects of applying the change on the consolidated income statement for 2013, the consolidated balance sheets at 31 December 2013 and 1 Janauary 2013, and the consolidated cash flow statement for 2013 are shown below.

Effects of change in accounting policy for joint arrangements on the 2013 consolidated income statement:

x € 1 million		2013	
	Before adjustment	Joint arrange-ments	After adjustment
Revenue	2.054	-53	2.001
Cost of sales	-1.847	50	-1.797
Gross profit	207	-3	204
Operating result	**13**	**-1**	**12**
Financial income and expense	-6	2	-4
Result of joint ventures and associates	1	-1	0
Result before tax	**8**	**0**	**8**
Income tax	-6	0	-6
Result after tax	**2**	**0**	**2**
Earnings per share (in €):			
Earnings per ordinary share after tax	0,10	-	0,10
Earnings per ordinary share after tax and dilution effects	0,10	-	0,10

Effects of change in accounting policy for joint arrangements on the consolidated balance sheets at 31 December 2013 and 1 January 2013:

x € 1 million	31 December 2013					
Assets	**Before adjustment**		**Joint arrange-ments[4]**		**After adjustment**	
Non-current assets						
Property, plant and equipment	110		-7		103	
Intangible assets	115		-		115	
Interests in joint ventures and associates	4		47		51	
Other non-current assets	100		-18		82	
		329		22		351
Current assets						
Strategic land portfolio	313		-101		212	
Residential properties in preparation or under construction	87		-1		86	
Other inventory	30		-3		27	
Work in progress	120		4		124	
Trade and other receivables	371		-31		340	
Other current assets	1		0		1	
Cash and cash equivalents	73		-12		61	
		995		-144		851
Total assets		**1.324**		**-122**		**1.202**

x € 1 million	1 January 2013					
Assets	**Before adjustment**		**Joint arrange-ments[4]**		**After adjustment**	
Non-current assets						
Property, plant and equipment	124		-6		118	
Intangible assets	114		-		114	
Interests in joint ventures and associates	4		51		55	
Other non-current assets	107		-10		97	
		349		35		384
Current assets						
Strategic land portfolio	305		-102		203	
Residential properties in preparation or under construction	99		-3		96	
Other inventory	37		-3		34	
Work in progress	120		-2		118	
Trade and other receivables	377		-29		348	
Other current assets	2		-2		0	
Cash and cash equivalents	77		-11		66	
		1.017		-152		865
Total assets		**1.366**		**-117**		**1.249**

x € 1 million	31 December 2013					
Equity and liabilities	**Before adjustment**		**Joint arrange-ments[4]**		**After adjustment**	
Equity		315		-2		313
Non-current liabilities						
Interest-bearing [1]	155		-58		97	
Non-interest-bearing	40		-4		36	
		195		-62		133
Current liabilities						
Interest-bearing loans and other current financing liabilities	59		-29		30	
Trade and other payables	571		-26		545	
Work in progress	153		-1		152	
Other	31		-2		29	
		814		-58		756
Total equity and liabilities		**1.324**		**-122**		**1.202**
Solvency based on capital base[2]		29%		3%		32%
Net debt [3]		141		-75		66

x € 1 million	1 January 2013					
Equity and liabilities	**Before adjustment**		**Joint arrange-ments[4]**		**After adjustment**	
Equity		315		-3		312
Non-current liabilities						
Interest-bearing [1]	146		-48		98	
Non-interest-bearing	44		-4		40	
		190		-52		138
Current liabilities						
Interest-bearing loans and other current financing liabilities	80		-36		44	
Trade and other payables	529		-22		507	
Work in progress	201		-1		200	
Other	51		-3		48	
		861		-62		799
Total equity and liabilities		**1.366**		**-117**		**1.249**
Solvency based on capital base[2]		28%		2%		30%
Net debt [3]		149		-73		76

1. Non-current, interest-bearing liabilities include €66 million in cumulative financing preference shares.
2. Capital base is defined as equity plus cumulative financing preference shares.
3. Net debt is defined as interest-bearing debt less cash and cash equivalents.
4. The Group is party to one framework agreement for which its interest was previously recognised at nil. Consequent to the adoption of IFRS 11, the agreement has been designated as a joint arrangement and classified as a joint operation. This change has been recognised retroactively, resulting in the strategic land portfolio increasing by approximately €17 million and interest-bearing debt increasing by approximately €20 million. In the breakdown above, the change is included in the movements due to the change in accounting policy for joint arrangements.

Effects of change in accounting policy for joint arrangements on the 2013 cash-flow statement:

	2013					
	Before adjustment		Joint arrangements		After adjustment	
Operating result	13		-1		12	
Adjustments for:						
Depreciation of property, plant, equipment and investment property	23		0		23	
Amortisation of intangible assets	1		0		1	
Adjustment to non-recurring changes in property and land portfolios, excluding joint ventures	7		-1		6	
Change in work in progress	-48		-6		-54	
Change in other working capital	8		8		16	
Change in non-current provisions	-2		0		-2	
Interest paid/ received	-10		2		-8	
Income tax paid	-4		0		-4	
Cash flow from operating activities		-12		2		-10
Cash flow from investment activities		-4		0		-4
Cash flow from financing activities		11		-2		9
Cash and cash equivalents at year end		-5		0		-5
Cash and cash equivalents at 1 January		78		-12		66
Cash and cash equivalents at year end		**73**		**-12**		**61**

(3c) Effect of application of Directive on disclosure of interests in other entities

IFRS 12 is a new standard for disclosure requirements. It applies to entities with subsidiaries, joint arrangements or associates and/or interests in non-consolidated structured entities. As a consequence of IFRS 12, the Group has expanded its disclosures to include interests in investments treated in accordance with the equity method (see note 6.12).

(3d) Impact of new voluntary directives for 2014 as adopted within the European Union

The Group is studying the effects of the new interpretation of IFRIC 21, “Levies”. According to the Group’s current understanding, if this new, voluntary interpretation taking effect as from 2014 had been applied, it would have had no effect on the financial results.

(4) Accounting principles used for consolidation

(4a) Subsidiaries (full consolidation)

A subsidiary is an entity over which the Group has direct or indirect control.

Control exists if the Group:

a) has power over the entity;

b) is exposed or has rights to variable returns because of its involvement with the entity; and

c) can use its power over the entity to affect the size of these returns.

Each of these three criteria has to be satisfied to establish that the Group has control over a company in which it owns an interest. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

Business combinations are recognised according to the acquisition method, as from the date on which control passed to the Group. The transaction cost of the acquisition is recognised at fair value, as are the net identifiable assets acquired. Any resulting goodwill is tested every year for impairment. Any gain from a favourable purchase is recognised directly in profit or loss. Transaction costs are recognised when they are incurred, unless they relate to the issue of debt or equity instruments. The transfer sum includes no amount for settling existing account balances. Such amounts are generally recognised in profit or loss. The fair value of a contingent payment is recognised on the date of acquisition. If this conditional payment is classified as equity, it is not subsequently remeasured, but the settlement figure is recognised in equity. In other cases, adjustments after initial recognition are recognised in profit or loss.

(4b) Joint ventures and associates (equity method)

A joint venture is a joint arrangement in which the Group has joint control together with other parties, and has a right to the net assets of the joint venture. The parties involved have agreed, by concluding a contract, that control is shared and that decisions concerning relevant activities require unanimous approval from the parties having joint control over the joint venture. A joint venture is disclosed from the date on which the Group shares control until the date on which this ceases.
An associate is an entity over which the Group has significant influence, but cannot exercise control. Significant influence is presumed to exist when the Group holds 20% or more of the voting rights. An associate is disclosed from the date on which the Group has significant influence until the date on which this ceases.
Joint ventures and associates are reported in accordance with the equity method and are initially recognised at acquisition cost. The investments of the Group include the goodwill determined during acquisition. The consolidated financial statements include the Group's proportionate share of the recognised income and expense determined in accordance with the Group's accounting principles. If the Group's share of the losses is greater than the value of the interest in a joint venture or associate, the value of the interest is written off to nil. No further losses are then recognised except insofar as the Group has made a commitment or intends to recognise the losses.

(4c) Joint operations

Joint operations are arrangements over which the Group exercises control jointly with third parties. For its share in a joint operation, the Group has to recognise its assets (including its share of the assets held jointly), liabilities (including its share of the liabilities incurred jointly), revenue (including its share of the revenue from the output of the joint operation), and expenses (including its share of the expenses incurred jointly). In practice, the method for recognising joint operations is comparable to that used for proportional consolidation.

(4d) Elimination of transactions on consolidation

Intragroup balances and any unrealised income and expenses arising from intragroup transactions are eliminated when preparing the consolidated financial statements.

Unrealised income transactions with associates, joint ventures and joint operations are eliminated in proportion to the Group's interests in the entities concerned.

(5) Foreign currency

(5a) Transactions in foreign currency

Transactions in foreign currency are translated into euros at the exchange rate prevailing on the transaction date. Foreign currency balances, as well as assets acquired and liabilities paid in foreign currencies, are translated at the corresponding exchange rates prevailing on the balance sheet date. Foreign currency differences resulting from translation are recognised in the income statement.

(5b) Financial summaries of foreign operations denominated in foreign currency

The assets and liabilities of foreign operations are translated into euros at the exchange rate prevailing as at balance sheet date. The revenues and expenses of foreign operations are translated into euros at average exchange rates.

Foreign currency exchange rate differences arising from the translation of a net investment in foreign operations and the associated hedging transactions are recognised as unrealised results that after initial recognition are (possibly) reclassified to profit or loss. When an investment is disposed of, the amount transferred to equity is recognised in the income statement.

All foreign currency differences arising from foreign operations are presented as separate equity components.

(6) Financial instruments

(6a) Derivative financial instruments
The Group may use interest rate swaps, cross-currency swaps and inflation hedges to hedge its interest-rate, currency and inflation risk exposures arising from corporate and project financing activities. Commodity hedges may also be used in specific cases. In accordance with its treasury policy, the Group does not hold derivatives for trading purposes. Interest-rate swaps, cross-currency swaps and inflation hedges are measured at fair value.
The fair value of interest-rate and inflation swaps is calculated as the present value of the estimated future cash flows. The fair value of forward currency contracts is determined using the forward foreign exchange rates as at the balance sheet date.

(6b) Non-derivative financial instruments
Non-derivative financial instruments consist of investments in shares and bonds, trade and other receivables, cash and cash equivalents, loans and other financing liabilities, trade payables and other payable items. These instruments are recognised initially at fair value, plus – for instruments that are not recognised at fair value when their value adjustments are recognised in the income statement – all directly attributable transaction costs. Thereafter, the current non-derivative financial instruments are measured at amortised cost, using the effective interest method, less impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the contractual rights to the cash flows arising from those financial assets expire, or if the Group transfers the financial asset to another party without retaining control or without substantially retaining all the risks and rewards of the asset. The normal purchase and sale of financial assets are accounted for on the trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's commitments specified in the contract expire or are discharged or cancelled.

(7) Hedges

In principle, hedge accounting is applied to derivative financial instruments, subject to the cash flow hedging guidelines.

The Group may use derivatives to hedge its interest-rate, currency and inflation risks. Changes in the fair value of the derivatives that are classified as cash flow hedges are recognised directly as unrealised results that after initial recognition are (possibly) reclassified to profit or loss, to the extent that the hedge can be shown to be effective. To the extent that the hedge is ineffective, changes in fair value are recognised under the item Financial income and expense in the income statement.

When the hedging instrument is sold or expires, or when the transaction no longer meets the effectiveness criterion, the cumulative gains or losses previously recognised in equity remain there. This amount is amortised over the original term, unless there is no longer an expectation that the hedged future interest and currency payments will occur. In that case, the above-mentioned cumulative gains and losses will be immediately recognised in the income statement as a component of financial income and expense.

(8) Revenue

(8a) Sales of goods - mainly residential properties and land
Revenues from the sales of goods - mainly residential properties and land - are carried at the fair value of the payment received or due to be received. Revenues from the sales of goods are recognised in the income statement if the significant risks and rewards of ownership have been transferred to the buyer, it is probable that the amount receivable will be collected, the associated costs can be reliably estimated, there is no continued management involvement with the goods, and the amount of the revenues can be reliably determined.

The transfer of risks and rewards varies depending on the conditions in the associated sales contract. The sale of residential construction projects generally involves the transfer of risks and rewards when the purchase or contracting agreement is signed, and subsequently in proportion to progress with the construction work. Revenues from these residential construction projects are recognised in the income statement in proportion to the extent of project completion (see accounting principle 15b). Expected losses are recognised immediately in the income statement.

(8b) Work in progress - projects
The revenue and costs agreed in relation to construction work in progress are recognised in the income statement in proportion to the stage of completion of the project. The stage of completion is assessed by reference to the proportion of costs recorded in relation to the total expected costs. If the results from a contract cannot be

determined reliably, contract revenue is only recognised insofar as it is probable that the costs incurred can be covered by revenue. Expected project losses are recognised immediately in the income statement.

Revenues from additional work are included in the overall contract revenues if the client has accepted the sum involved in any way. Claims and incentives are recognised under work in progress insofar as it is probable that they will generate revenue and can be reliably determined.

(8c) Rental income

Rental income from a property investment is recognised in the income statement in proportion to the term of the lease.

(8d) PPP contracts

Revenues from Public-Private Partnership (PPP) contracts concern revenues from construction and operation. Revenues from construction are recognised in the same way as revenues from work in progress (see accounting principle 8b). Revenues from operations are recognised when the related services are delivered.

(8e) Services

Revenues from services are recognised in the income statement in proportion to stage of completion of the transaction on the reporting date. The stage of completion is determined from assessments of the work already carried out.

(9) Other operating income

Grants

Grants that compensate the Group for expenses incurred are always recognised as revenue in the income statement in the same periods in which the corresponding expenses are recognised.

(10) Expenses

(10a) Sales expenses

Sales expenses are the costs of sales that are not charged to projects.

(10b) Administrative expenses

The administrative expenses represent general expenses that are not sales expenses and are not charged to projects.

(10c) Lease payments under operating leases

Lease payments made under operating leases are recognised in the income statement, evenly spread over the term of the lease.

(10d) Lease payments under financial leases

Lease payments made under financial leases are apportioned between the financial expense and the reduction of the outstanding liability. The financial expense is allocated to each period during the total lease term so as to produce a constant periodic rate of interest on the remaining term of the liability.

(10e) Financial income and expense

Net financing costs comprise interest payable on borrowings and financial lease commitments, dividends on cumulative preference shares, interest receivable on funds invested, dividend income, and foreign currency exchange gains and losses, as well as gains and losses on hedging instruments that are recognised in the income statement (see accounting principle 7).

Financing expenses that can be directly allocated to the acquisition, construction or production of an asset are capitalised as part of the costs of that asset during the period that the asset is under development.

The interest component of a financial lease payment is recognised in the income statement and is calculated using the effective interest method.

(11) Income tax

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the values used for taxation purposes. A deferred tax asset or liability is not recognised for non-deductible goodwill, assets and liabilities whose initial recognition does not affect accounting or taxable profit, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of the deferred tax assets and liabilities is based on the manner in which the expected asset and liability carrying amounts will be realised or settled, based on the income tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets and liabilities are set off against each other if there is a right enforceable by law to set them off, and if these tax assets and liabilities are associated with income tax levied by the same tax authority on the same taxable entity, or on different taxable entities that intend to set them off or that will be realising the tax assets at the same time as the tax liabilities.

Income tax expense recognised in the income statement during the financial year comprises the income tax owed or refundable over the reporting period, and the deferred income tax. The income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In that case, the income tax is recognised in equity.

The income tax owed or refundable over the financial year is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted on the balance sheet date, as well adjustments to tax payable in respect of previous years.

A deferred tax asset (net of any deferred tax liability) is recognised only to the extent that it is probable that future taxable profits will be available that can be utilised towards realising the deferred asset. The amount of the deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(12) Property, plant and equipment

(12a) Assets in ownership

Items of property, plant and equipment are measured at cost or estimated cost less accumulated depreciation (see below) and impairments (see accounting principle 20). Cost includes costs that can be directly allocated to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, financing costs and any other costs that can be directly allocated to making the asset ready for use, as well as any costs for dismantling and removing the asset and restoring the site where the asset is located. The costs of self-constructed assets and acquired assets include (i) the initial estimate at the time of installation of the costs of dismantling and removing the assets and restoring the site on which the assets are located and (ii) changes in the measurement of existing liabilities recognised in relation to the costs identified in (i) above.

If elements of an item of property, plant or equipment have different useful lives, the component method is applied.

(12b) Leased assets

Leases for which the Group assumes substantially all the risks and rewards of ownership are classified as financial leases. The leased asset is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation (see below) and impairments (see accounting principle 20).

(12c) Expenses after initial recognition

The Group includes the cost of replacing part of an asset in the carrying amount of items of property, plant and equipment when the cost is incurred. This occurs if it is likely that the future economic benefits of the asset will accrue to the Group and the cost price of the asset can be reliably determined. All other expenses are taken to profit or loss when they are incurred.

(12d) Depreciation of property, plant and equipment

Depreciation is recognised in the income statement using the straight-line method over the estimated useful life of each part of an item of property, plant or equipment. The residual values are reassessed on an annual basis. Depreciation is not applied to land. The estimated useful lives are as follows:

- Buildings: main building structures and roofs: 30 years
- Buildings: technical equipment: 15 years
- Buildings: interior walls: 10 years
- Office equipment: 3 - 10 years
- Machinery: 5 - 10 years
- Installations: 5 - 10 years
- Large-scale equipment and other capital assets: 3 - 10 years

(13) Intangible assets

(13a) Goodwill

All business combinations are recognised using the acquisition method. Goodwill is the amount that arises from the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the net fair value of the identifiable assets and liabilities at the time of acquisition. An impairment test is carried out every year (see accounting principle 20).

Negative goodwill arising from an acquisition is recognised directly in the income statement.

(13b) Other intangible assets
The intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated depreciation and accumulated impairments.

(13c) Amortisation
Regarding goodwill, an impairment test is systematically performed every year at the balance sheet date to determine whether there are any impairments. The other intangible assets are amortised through profit or loss on a straight-line basis over the expected useful lives of the intangible assets, and undergo periodic impairment testing (see accounting principle 20). The estimated useful lives of the intangible asset categories are as follows:
- Customer base: 5 - 20 years
- Order book: 4 years
- Sand quarry concession: 5 - 15 years
- Brand: 5 - 10 years

(13d) Expenses after initial recognition
Expenditure on intangible assets other than goodwill is only capitalised after initial recognition if it is expected to increase the future economic benefits that are inherent in the specific asset to which the expenditure relates. All other items of expenditure are recognised costs in the income statement when they are incurred.

(14) Investments

(14a) Property investments
Property investments are properties that are held to earn rental income and/or for capital appreciation. Property investments are measured at cost, less accumulated depreciation and impairment losses. Cost includes costs that can be directly allocated to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, financing costs and any other costs that can be directly allocated to making the asset ready for use, as well as any costs for dismantling and removing the asset and restoring the site where the asset is located. Rental income from property investments is accounted for as described in principle 8.

If a property investment is in use by the Group, it is reclassified as property, plant and equipment.

(14b) Depreciation of property investments
Depreciation of property investments is recognised in the income statement, using the straight-line depreciation method over the estimated useful life of each part of the property investment, and taking account of residual value. The useful life is the same as that for the categories of property, plant and equipment, as specified in principle 12.

(14c) Other investments
These are measured at amortised cost using the effective interest method, less impairments.

(15) Inventory

(15a) Strategic land portfolio
The strategic land portfolio represents the reported land holdings that are managed centrally in the Company's land bank. These holdings are acquired and held for future property development. The interest and development costs for land portfolios that are under development are capitalised. Land holdings are measured at cost or net realisable value if lower.

(15b) Residential properties in preparation or under construction

Sold

Residential construction projects where the buyers only have limited influence on the main elements in the design of the assets are recognised under inventory. Contracts with purchasers concern purchase or contracting agreements formulated so that, initially the land is sold to the purchaser, and the building is subsequently constructed. By accession, everything that is built on the land is the property of the purchaser. Moreover, the purchase price is fixed in advance, so that the economic risk of an increase or decrease in value is borne by the purchaser. The transfer of risks and benefits therefore occurs continually during the progress of the project. Revenue and results are thus accounted for in proportion to project progress - in accordance with IFRIC 15 – and valuation is made in the same way as for construction work in progress (see accounting principle 16). Progress is measured according to billing progress, as this is linked to previously established phases.

Unsold
Unsold residential properties are measured at cost, or at the net recoverable value if lower. The net recoverable value is the estimated sale price in the context of normal business operations, less the estimated costs of completion and the costs of sale.

Development and construction rights are also recognised under residential properties in preparation or under construction.

(15c) Other inventory
Other inventory includes land and premises for sale, raw materials and consumables, inventory in production, and finished products.

Inventory is measured at cost, or at net recoverable value if lower. The net recoverable value is the estimated sale price in the context of normal business operations, less the estimated costs of completion and the costs of sale. The cost of inventory is based on the first in, first out (FIFO) principle, and includes expenditure incurred in acquiring the inventory, the production or conversion costs, and the other costs incurred in bringing the inventory to its current location and current condition. The cost of inventory includes an appropriate share of production overheads based on normal operating capacity, as well as the attributable financing expenses.

Land and property held for sale are also recognised under inventory. This concerns land and premises that have been technically delivered as developed but which on the balance sheet date were not sold to third parties. The inventory of land and premises for sale is valued at cost (including interest and allocated overhead costs), less any write-offs relating to a lower net realisable value as a consequence of the risk of inability to sell or rent.

(16) Work in progress

Construction work in progress concerns projects commissioned by third parties. These are measured at cost plus profit recognised to date (see also principle 8), in proportion to the progress of the project, less expected losses and progress billings. Total expected project losses, if any, are directly recognised as expenses in the relevant period. Cost includes all costs that relate directly to the projects.

Revenues from additional work are included in the overall contract revenues if the client has accepted the sum involved in any way. Claims and incentives are recognised under work in progress insofar as it is probable that they will generate revenue and can be reliably determined.

Interest and development costs for construction work in progress are only capitalised if the asset is under construction. If no construction activities are carried out over an extended period, the interest and development costs are no longer capitalised.

The preliminary costs and the design and development costs of major projects are capitalised as work in progress if the following conditions are met:
- the costs can be separately identified;
- the costs can be reliably determined;
- it is probable that the project will be awarded;
- and there is no longer any competition as regards the awarding of the project.

If any of these requirements is not fulfilled, the costs are charged to the result for the period in which they are incurred. Costs once expensed in the income statement in the period in which they are incurred are not subsequently capitalised if the project is awarded.

The profit capitalised on work in progress is based on the estimated final result, taking into account the percentage of progress on this specific work. The progress percentage is calculated as the ratio between the costs incurred to date and the total expected costs, on a project-by-project basis.

(17) Trade and other receivables

Trade and other receivables are estimated at amortised cost less impairment losses due to the risk of non-collection.

(18) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other call deposits with an original term of a maximum of three months. Current account overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the cash flow statement.

(19) Assets held for sale and discontinued operations

Non-current assets (or groups of assets and liabilities that are to be disposed of), for which it is expected that the carrying amount will be realised mainly by means of a sale transaction and not through continued use, are classified as "held for sale or distribution". Immediately preceding this classification, the assets (or the components of a group of assets to be disposed of) are measured again in accordance with the Group's accounting principles. The assets or group of assets to be disposed of are generally measured as the carrying amount or the fair value less sale costs, if lower. Any impairment loss on a group of assets held for sale is first allocated to goodwill, and then pro rata to the remaining assets and liabilities, with the proviso that impairment losses are not allocated to inventory, financial assets, deferred tax assets, employee benefits or property investments, all of which are valued in accordance with the Group's accounting principles. Impairment losses arising from the initial classification as held for sale or distribution, and gains or losses on revaluation arising after initial recognition are recognised in the income statement. If the gain concerned exceeds the accumulated impairment loss, the difference is not recognised.

A discontinued operation is an element of the Group's operations that represents a separate significant business activity or separate significant geographical business area that has been disposed of or is held for sale or distribution, or a subsidiary company that has been acquired solely for the purpose of resale. Classification as a discontinued operation occurs upon disposal, or when the operation meets the criteria for classification as held for sale, if earlier. If an operation is designated as a discontinued operation, the comparative figures in the income statement are adjusted as if the operation had been discontinued starting from the beginning of the comparative period.

(20) Impairments

The carrying amount of the Group's assets, excluding work in progress (see accounting principle 16), inventory (see accounting principle 15) and deferred tax assets (see accounting principle 11), are reviewed each balance sheet date to determine whether there is any indication of impairment. If there are such indications, an estimate is made of the recoverable amount of the asset concerned.

For goodwill, intangible assets with an unlimited useful life, and intangible assets that are not yet ready for use, the fair value is estimated at the balance sheet date.

An impairment is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its realisable value. Impairments are recognised in the income statement.

Impairments recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

(20a) Determination of recoverable value

The recoverable value of an asset is equal to the higher of the net sale price and the value in use. To determine the value in use, the discounted value of the estimated future cash flows is calculated using a discount rate that reflects current market rates as well as the specific risks associated with the asset. For any asset that does not generate cash inflows and is largely independent of other assets, the recoverable amount is determined on the basis of its cash-generating unit.

(20b) Reversal of impairments

An impairment relating to securities held to maturity or assets measured at amortised cost is reversed if the increase in fair value subsequent to recognition of the impairment can be objectively linked to an event that occurred after the impairment was recognised.

An impairment in respect of goodwill is never reversed.

In respect of other assets, impairments recognised in other periods are reversed if there is an indication that the impairment no longer exists or has decreased and if there has been a change in the estimates used to determine the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(21) Share capital

(21a) Costs of issuing ordinary shares
Costs directly attributable to the issuing of ordinary shares are charged to equity, after deduction of any tax effects.

(21b) Repurchase of own shares
If shares representing capital that is recognised as equity in the balance are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(21c) Dividend
Dividends are recognised as a liability in the period in which they are declared.

(22) Interest-bearing loans

(22a) Financing of preference share capital
Preference share capital is classified as a liability because the dividend payments are not discretionary. Dividends on preference share capital are recognised as interest expense in the income statement.

(22b) Loans
Interest-bearing loans are initially recognised at fair value less attributable transaction costs. Subsequently, they are measured on an amortised cost basis. Any difference between the amortised cost and the redemption amount calculated by the effective interest method is recognised in the income statement over the term of each such loan.

(23) Employee benefits

(23a) Defined contribution plans
Commitments for contributions to defined-contribution pension plans are recognised as an expense in the income statement when they are due.

(23b) Defined benefit plans
The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future pension benefit that employees have earned in return for their service in the reporting period and in previous periods. The discounted present value of these pension benefits is determined, and is reduced by the fair value of the plan assets. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have terms to maturity approximately the same as the terms of the Group's liabilities. The calculation is performed by a qualified actuary using the projected unit credit method. This method takes into account future salary increases resulting from employee career opportunities and general salary increases, including adjustments for inflation.

If the entitlements under a plan are changed, or a plan is curtailed, the resulting change in entitlements relating to past service, or the gain or loss on the closure, as the case may be, is recognised directly in profit or loss.

Actuarial gains and losses are recognised directly as unrealised results that will never be reclassified to the income statement.

If the result of the calculation is a potential asset for the Group, recognition of the asset is limited to the present value of the economic benefits available as possible future refunds from the plan or lower future contributions. When calculating the present value of the economic benefits, possible minimum financing obligations that apply are taken into account.

(23c) Long-term employee benefits
The Group's net liability in respect of long-term employee benefits other than pension plans is the amount of future benefits that employees have accrued in return for their service in the reporting period and in previous periods, such as anniversary payments, bonuses and incentives. The liability is calculated using the projected unit credit method and is discounted to determine its present value. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have terms to maturity approximately the same as the terms of the Group's liabilities. Actuarial gains and losses on these benefits are recognised in the income statement.

(23d) Severance payments

Severance payments are recognised as an expense if the Group has shown that it has committed itself to terminating the employment contract of an employee or group of employees before the normal retirement date by producing a detailed, formal plan, without there being a realistic option of the plan being withdrawn.

(24) Provisions

A provision is recognised in the balance sheet if the Group has a present legal or actual liability that is the result of a past event and it is probable that its settlement will require an outflow of funds. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where necessary, the risks specific to the liability. The accrued interest on provisions is treated as a financing charge.

(24a) Warranties

A provision for warranties is recognised after the underlying products or services have been sold and delivered. The provision is made for costs that must be incurred to correct deficiencies that appear after delivery but during the warranty period. The provision is based on specific claims, weighting all possible outcomes by their probability of occurrence.

(24b) Restructuring

A restructuring provision is recognised (i) when the Group has approved a detailed and formal restructuring plan and (ii) the restructuring has either commenced or been publicly announced.

(24c) Environment

A provision for restoration of contaminated land is formed in accordance with the Group's environmental policy and applicable legal requirements.

(24d) Onerous contracts

A provision for onerous contracts is recognised if the Group expects to receive benefits from a contract that are lower than the unavoidable costs of meeting the contractual obligations. Provisions are valued at the lower of the present value of the expected costs of terminating the contract and the present value of the expected net costs of continuing the contract. Where appropriate, the Group recognises impairment losses on any assets associated with the contract prior to forming the provision.

(25) Trade and other payables

Trade and other payables are recognised at amortised cost.

(26) Cash flow statement

The cash flow statement is prepared using the indirect method. The liquidity item in the cash flow statement comprises cash and cash equivalents after deduction of current-account overdrafts that are repayable on demand.

(27) Segment reporting

A segment is a clearly distinguishable operation of the Group. The segments are identified in accordance with the classification used by the Executive Board when taking operational decisions. The Group distinguishes the following segments: Property Development, Residential Building, Non-Residential, and Infrastructure.

6. Segment reporting

x € 1.000

6.1 Segment reporting

The Group distinguishes the following segments: Property Development, Residential Building, Non-Residential, and Infrastructure, in line with the management conducted by the Executive Board. With the use of the centralised management model, which led in 2014 to further integration of the foreign operations and a correspondingly modified internal reporting structure, Germany and Belgium ceased to be presented as a separate segment with effect from the beginning of 2014. Most of the operations in Germany and Belgium were transferred to the Infrastructure segment. The residential-building operations in Belgium were transferred to the Residential Building segment. The comparative figures for 2013 have been restated in accordance with the segmantation changes. The segments are managed primarily on the basis of operational results. In accordance with IFRS 8, the segment figures represent data that can be allocated to a segment either directly or on reasonable grounds.

Summary income statement by business segment

2014 **Business segments**	Property development	Residential building	Non-residential	Infrastructure	Other	Eliminations	Total
Revenue							
Third parties	178.556	201.638	370.061	1.116.758	643		1.867.656
Intercompany	-	97.733	17.817	23.976	75.829	-215.355	0
Total Revenue	**178.556**	**299.371**	**387.878**	**1.140.734**	**76.472**	**-215.355**	**1.867.656**
Operating result	**-14.693**	**1.764**	**-16.256**	**-24.599**	**-9.765**	**-**	**-63.549**
Financial income							5.903
Financial expense							-11.024
Result of joint ventures and associates	2.960		97	3.522	-53		6.526
Result before tax							**-62.144**
Income tax							14.851
Result after tax							**-47.293**

2013 **Business segments**	Property development	Residential building	Non-residential	Infrastructure	Other	Eliminations	Total
Revenue							
Third parties	155.946	230.720	412.990	1.153.475	47.974		2.001.105
Intercompany	-	90.285	52.551	38.911	50.574	-232.321	0
Total Revenue	**155.946**	**321.005**	**465.541**	**1.192.386**	**98.548**	**-232.321**	**2.001.105**
Operating result	**-4.048**	**-5.610**	**345**	**30.093**	**-8.896**	**-**	**11.884**
Financial income							3.181
Financial expense							-6.688
Result of joint ventures and associates	-3.806		-76	2.899	107		-876
Result before tax							**7.501**
Income tax							-5.644
Result after tax							**1.857**

x € 1.000

Summary balance sheet and balance sheet analysis by business segment

2014 **Business segments**	Property development	Residential building	Non-residential	Infrastructure	Other	Eliminations	Total
Assets	404.813	113.741	161.376	557.021	769.842	-833.088	1.173.705
Not allocated							30.985
Total assets	**404.813**	**113.741**	**161.376**	**557.021**	**769.842**	**-833.088**	**1.204.690**
Liabilities	60.480	106.567	163.104	451.109	30.806	-23.910	788.156
Not allocated							157.258
Total liabilities	**60.480**	**106.567**	**163.104**	**451.109**	**30.806**	**-23.910**	**945.414**
Equity							**259.276**
Total equity and liabilities							**1.204.690**
Property, plant and equipment							
Depreciation	-	366	-	9.291	12.113		21.770
Investments	0	294	-	7.151	10.273		17.718
Intangible assets							
Amortisation	-	-	1.022	481	-		1.503
Joint ventures and associates							
Carrying amount	54.516	-	98	17.809	416		72.839

x € 1.000

2013 Business segments	Property development	Residential building	Non-residential	Infrastructure	Other	Eliminations	Total
Assets	414.167	97.589	176.121	554.939	768.856	-822.533	1.189.139
Not allocated							13.670
Total assets	**414.167**	**97.589**	**176.121**	**554.939**	**768.856**	**-822.533**	**1.202.809**
Liabilities	46.525	96.826	160.882	396.145	28.220	-19.604	708.994
Not allocated							180.793
Total liabilities	**46.525**	**96.826**	**160.882**	**396.145**	**28.220**	**-19.604**	**889.787**
Equity							**313.022**
Total equity and liabilities							**1.202.809**
Property, plant and equipment							
Depreciation	-	429	24	10.496	11.458		22.407
Investments	-	-	-	4.834	10.423		15.257
Intangible assets							
Amortisation	-	-	1.022	184	-		1.206
Joint ventures and associates							
Carrying amount	32.631	-	-	17.573	371		50.575

Transactions between business segments are conducted on arm's length terms that are comparable to those for transactions with third parties.

By the nature of its operations, the Infrastructure segment is highly dependent on public sector contracts.

External revenues break down by country as follows:

	2014	2013
Netherlands	1.387.044	1.457.763
Belgium	220.658	237.462
Germany	259.954	305.880
Total	**1.867.656**	**2.001.105**

x € 1.000

Underlying operating result by business segment

2014 In € millions	Property development	Residential building	Non-residential	Infrastructure	Other	Total
Underlying operating result	**4,3**	**1,8**	**-0,4**	**-8,8**	**-9,3**	**-12,4**
Operating result of joint ventures	-5,2		-0,1	-2,9	-0,1	-8,3
Write-downs of property	-13,7					-13,7
Reorganisation costs	-0,1		-15,7	-12,9	-0,4	-29,1
Other	0,0	0,0	0,0	0,0	0,0	0,0
Total exceptional items	-19,0	0,0	-15,8	-15,8	-0,5	-51,1
Operating result	**-14,7**	**1,8**	**-16,2**	**-24,6**	**-9,8**	**-63,5**

2013 In € millions	Property development	Residential building	Non-residential	Infrastructure	Other	Total
Underlying operating result	**1,4**	**-3,0**	**2,3**	**34,7**	**-12,3**	**23,1**
Operating result of joint ventures	1,9			-2,8		-0,9
Write-downs of property	-7,0					-7,0
Reorganisation costs	-0,4	-2,6	-2,0	-1,8	-0,8	-7,6
Release of pension reserve					4,3	4,3
Other	0,0	0,0	0,0	0,0	0,0	0,0
Total exceptional items	-5,5	-2,6	-2,0	-4,6	3,5	-11,2
Operating result	**-4,1**	**-5,6**	**0,3**	**30,1**	**-8,8**	**11,9**

By underlying operating result, the Groep means the the operating result adjusted for the operating result of joint ventures, write-downs of real estate holdings and reorganisation costs, write-downs of goodwill, exceptional releases from the pension reserve, and, if applicable, other non-operaing results disclosed in the table above that the Group classifies as exceptional items. The underlying operating result also substantiates the reports on compliance with the conditions that are submitted to the bank consortium.

6.2 Sale of associate

Sale of associate Brabo I

In June 2014, Heijmans sold all its shares in Brabo I N.V. to DG Infra+. Heijmans had a 20.8% interest in Brabo I N.V., which had been recognised as an associate. The sale price of €7 million was paid in cash. At the time of sale, the result of Brabo I N.V. after tax was less than €0.1 million (Heijmans' interest). The gain of €3 million on the sale of the shares in Brabo I N.V. was recognised as financial income.

x € 1.000

6.3 Other operating income

Other operating income	2014	2013
Gain on sale of non-current assets	2.145	1.999
Miscellaneous	1.113	1.531
	3.258	**3.530**

The gain on the sale of non-current assets concerns the sale of machinery and equipment.

6.4 Employee expenses, depreciation, and research and development expenses

The employee expenses recognised in the income statement break down as follows:

Employee expenses	2014	2013
Wages and salaries	-369.651	-389.216
Compulsory social insurance contributions	-79.995	-81.172
Defined contribution plans	-27.726	-27.511
Defined benefit plans and anniversary payments	190	3.445
	-477.182	**-494.454**

The income statement includes an amount of approximately €29 million (2013: €8 million), of which €25 million relates to reorganisation provisions that were formed in 2014, and €4 million to fully or partially vacant property and other expenses, for property deemed directly involved in the reorganisation.

The number of employees at year-end 2014 was 5,255 in the Netherlands (2013: 5,297), 945 in Belgium (2013: 1,057), and 1,006 in Germany (2013: 1,091).

x € 1.000

Depreciation and amortisation recognised in the income statement break down as follows:

Depreciation	2014	2013
Depreciation of property, plant and equipment	-21.770	-22.407
Deprecation of property investments	-198	-247
Amortisation of intangible assets	-1.503	-1.206
	-23.471	**-23.860**

Depreciation of property, plant and equipment and of property investments is included in the cost of sales and administrative expenses. Amortisation of intangible assets is recognised under other operating expenses.

Costs for research and development	2014	2013
	-2.557	**-1.243**

Project work also involves research and development activities, which are reflected in the cost of sales. The costs relating to these activities are not included in the above figures.

6.5 Other operating expenses

Other operating expenses break down as follows:

Other operating expenses	2014	2013
Amortisation of intangible assets	-1.503	-1.206
	-1.503	**-1.206**

The amortisation of intangible assets includes, among other things, the customer base and concessions for sand quarries.

x € 1.000

6.6 Financial income and expense

Net financing costs break down as follows:

Financial income and expense	2014	2013
Interest income	2.989	3.181
Gain on sale of associate	2.914	-
Financial income	**5.903**	**3.181**
Interest expense	-11.071	-10.136
Exceptional write-doen of loan	-2.000	-
Capitalised financing costs	2.047	3.448
Financial expense	**-11.024**	**-6.688**
	-5.121	**-3.507**

The cumulative financial expense amounts to €5.1 million for 2014 is €1.6 million above the figure for 2013, €3.5 million.

The interest and development costs for land portfolios that are under development are capitalised. The interest rate used for determining the financing costs to be capitalised is 4.25% for 2014 (2013: 4.0%).
The capitalised interest expense was lower in 2014 than in 2013.

Financial income for 2014 includes the gain of €3 million on the sale of the associate Brabo I (see note 6.2).
The financial expense item includes an exceptional write-down of an unpaid loan granted to previously sold associates.

The average rate of interest in 2014 was virtually the same as the rate in 2013. For a summary of the interest rates, see note 6.21.

x € 1.000

6.7 Income tax

Recognised in the income statement	2014	2013
Current tax charges or credits		
Current financial year	-4.101	-4.729
Prior financial years	327	50
Amount of the positive effect of losses not previously recognised, receivables or temporary differences used to reduce the current tax charges	76	128
	-3.698	**-4.551**
Deferred tax charges or credits		
Relating to temporary differences and losses recognised in the current financial year	17.755	-1.093
Relating to the write-off of a deferred tax asset (charge) or to the reversal of a write-off (credit)	94	-
Relating to adjustments for prior years	700	-
	18.549	**-1.093**
Total tax charge/-credit in the income statement	**14.851**	**-5.644**

x € 1.000

Analysis of the effective tax rate	2014		2013	
	%	€	%	€
Result before tax		**-62.144**		**7.501**
Based on local tax rate	25,0%	15.536	25,0%	-1.874
Effect of foreign tax rates	-1,9%	-1.108	17,0%	-1.277
Non-deductible expenses	-3,3%	-2.012	32,5%	-2.437
Non-taxable revenues	3,4%	2.101	-4,0%	300
Losses not recognised in current financial year / write-off of losses previously recognised	-2,0%	-1.243	15,6%	-1.169
Effect of utilising losses available for set-off	1,2%	723	-10,7%	806
Effect of losses, receivables or temporary differences not previously recognised	0,7%	453	0,9%	-65
Effect of write-offs and reversals of write-offs of deferred tax assets	0,0%	24	0,0%	0
Effect of adjustments to estimates for prior years	0,6%	377	-1,0%	72
Total tax rate	**23,9%**	**14.851**	**75,2%**	**-5.644**

The effective tax rate for 2014 is 23.9% (2013: 75.2%).

The main differences between the profit calculated for financial purposes and that for tax purposes concern the non-deductible interest charges relating to the cumulative preference shares, general limits on expense deductions in the various jurisdictions, and the exempt gain on the sale of the associate Brabo I.

x € 1.000

6.8 Income tax receivables and payables

	31 December 2014		31 December 2013	
Geographical segment	**Receivables**	**Liabilities**	**Receivables**	**Liabilities**
Netherlands	51	62	53	175
Belgium	366	3.873	16	1.521
Germany	638	177	954	408
	1.055	**4.112**	**1.023**	**2.104**

Income tax receivables relate to outstanding income tax claims for financial years that have not yet been settled and for which excessive provisional assessments were paid. Income tax payables relate to outstanding income tax payments for financial years that have not yet been settled, supplemental to income tax assessments already paid, and taking account of prospective and retrospective rules for the set-off of losses.

x € 1.000

6.9 Property, plant and equipment

Cost	Land and buildings	Machinery, installations and large-scale equipment	Other capital assets	Operating assets under construction	Total
Value at 1 January 2013	**92.162**	**105.637**	**143.006**	**6.133**	**346.938**
Investments	1.004	3.249	11.004	0	15.257
Disposals	-9.417	-8.687	-28.790	-1.863	-48.757
Included in consolidation	154	0	2.694	0	2.848
Reclassifications	73	-206	1.064	-931	0
Value at 31 December 2013	**83.976**	**99.993**	**128.978**	**3.339**	**316.286**
Value at 1 January 2014	**83.976**	**99.993**	**128.978**	**3.339**	**316.286**
Investments	326	3.801	10.047	3.544	17.718
Disposals	-273	-12.678	-17.318	0	-30.269
Reclassifications	85	1.403	0	-2.522	-1.034
Value at 31 December 2014	**84.114**	**92.519**	**121.707**	**4.361**	**302.701**
Depreciation and impairment losses					
Value at 1 January 2013	**48.365**	**71.715**	**108.597**	**522**	**229.199**
Depreciation	4.345	7.735	10.327	-	22.407
Disposals	-6.792	-8.452	-25.286	-522	-41.052
Included in consolidation	80	0	2.279	-	2.359
Reclassifications	0	-1.045	1.045	-	0
Value at 31 December 2013	**45.998**	**69.953**	**96.962**	**0**	**212.913**
Value at 1 January 2014	**45.998**	**69.953**	**96.962**	**0**	**212.913**
Depreciation	4.420	7.067	10.283	-	21.770
Disposals	-117	-8.995	-15.255	0	-24.367
Reclassifications	-144	0	0	0	-144
Value at 31 December 2014	**50.157**	**68.025**	**91.990**	**0**	**210.172**
Carrying amount					
At 1 January 2013	43.797	33.922	34.409	5.611	117.739
At 31 December 2013	37.978	30.040	32.016	3.339	103.373
At 1 January 2014	37.978	30.040	32.016	3.339	103.373
At 31 December 2014	**33.957**	**24.494**	**29.717**	**4.361**	**92.529**

x € 1.000

Property, plant and equipment valued at €2.4 million (2013: €2.7 million) have been leased under financial lease agreements. Of this amount, €2.1 million relates to land and buildings, and €0.3 million to machinery, installations and large-scale equipment. The leased assets serve as security for the lease commitments. The future minimum lease payments amount to €0.7 million in 2015 and €1.1 million in 2016 to 2020 inclusive.

The carrying amount for assets under construction includes an amount of €3.1 million for expenses during the financial year, mainly relating to materials.

At the balance sheet date, the contractual obligations for the acquisition of property, plant and equipment amounted to €4 million.

6.10 Intangible assets

Intangible assets consist of goodwill and identified intangible assets.

Cost	**Goodwill**	**Identified intangible asset**	**Total**
Value at 1 January 2013	**181.066**	**48.119**	**229.185**
Investments	2.510	240	2.750
Value at 31 December 2013	183.576	48.359	231.935
Investments	0	0	0
Value at 31 December 2014	**183.576**	**48.359**	**231.935**

Impairment losses and amortisation	**Goodwill**	**Identified intangible asset**	**Total**
Value at 1 January 2013	**86.552**	**28.756**	**115.308**
Amortisation	-	1.206	1.206
Value at 31 December 2013	86.552	29.962	116.514
Value at 1 January 2014	86.552	29.962	116.514
Amortisation	-	1.503	1.503
Value at 31 December 2014	**86.552**	**31.465**	**118.017**

x € 1.000

Carrying amount	Goodwill	Identified intangible asset	Total
At 1 January 2013	94.514	19.363	113.877
At 31 December 2013	97.024	18.397	115.421
At 1 January 2014	97.024	18.397	115.421
At 31 December 2014	**97.024**	**16.894**	**113.918**

The composition of the carrying amount for goodwill and identified intangible assets at year-end 2014 is as follows:

Acquisition	Goodwill	Identified intangible asset
IBC (NL-2001)	21.207	-
Burgers Ergon (NL-2007)	31.107	12.297
Oevermann (DU-2007)	26.970	237
Other	17.740	4.360
Carrying amount at 31 December 2014	**97.024**	**16.894**

The other identified intangible assets of Other acquisitions are mainly concessions for sand quarries.

Goodwill is tested annually for impairment, based on the relevant cash-generating unit. For an explanation of the calculation of the realisable value, see the accounting principles above.

The impairment tests are based on the value in use calculated by means of the discounted cash flow method. The pre-tax WACC (weighted average cost of capital) used for this calculation ranged from 11% to 12% (2013: from 10% to 11%), corresponding to a discount rate of 9.1% (2013: 8.3%).

The value in use of the cash-flow generating business units is based on their expected future cash flows. The period adopted to determine the present value of cash flows is indefinite. In the determination of future cash flows, use is made of the medium to long-term planning for the relevant cash-flow generating unit. The assumptions underlying the medium to long-term planning are partly based on historical experience and external information sources. The medium to long-term planning generally covers a period of five years. Cash flows after five years are extrapolated using growth rates not exceeding 2%.

The realisable value calculated for the impairment test is dependent on the growth rate used and the period over which the cash flows are realised.

The amortisation of identified intangible assets and the impairment losses relating to goodwill are classified in the income statement under "Other operating expenses".

x € 1.000

The expected cash flows are discounted using a pre-tax WACC varying between 11% and 12%. If the pre-tax WACC had been 1 percentage point higher, this would not have resulted in a write-down. Cash flows after five years are extrapolated using growth rates not exceeding 2%. If this maximum were 1 percentage point lower, there would be no resulting write-down.

The cash-flow generating unit Non-Residential – to which the goodwill and identified intangible assets of Burgers Ergon and the majority of the goodwill for IBC is allocated, in total €63 million, – is sensitive to changes in the assumptions, whereby the realisable value could be lower than the carrying amount. According to the impairment test, the realisable value of the cash-flow generating unit Non-Residential is currently some €138 million higher than the amount at which it is carried. One significant factor in this context is the change in the EBIT margin. For the test, the EBIT margin was assumed to grow to between 3% and 4% of revenue. If the EBIT margin were nil, the realisable value would be equal to the carrying amount. The change in the funding status of projects is another important factor.

The realisable value of the cash-flow generating unit Oevermann is now approximately €50 million higher than its carrying amount. This value is sensitive to certain factors. One significant factor in this context is the change in the EBIT margin. For the test, the EBIT margin was estimated to grow to between approximately 2% and 3% of revenue. Another major factor is the expected settlement of debtor positions.

x € 1.000

6.11 Property investments

Cost	2014	2013
Balance at 1 January	8.249	8.249
Disposals	-6.760	-
Reclassifications	1.034	-
Balance at 31 December	**2.523**	**8.249**

Depreciation and impairment	2014	2013
Balance at 1 January	2.413	2.166
Disposals	-2.282	-
Depreciation	198	247
Reclassifications	144	-
Balance at 31 December	**473**	**2.413**

Carrying amount	2014	2013
At 1 January	5.836	6.083
At 31 December	**2.050**	**5.836**

If the property investments were measured at fair value, their value would be approximately €2.8 million. The fair value is mainly determined on the basis of internal appraisals.

The following amounts relating to property investments have been recognised in the income statement:

	2014	2013
Rental income	259	233
Direct operating expenses that:		
- generated rental income	-231	-201
- generated no rental income	-29	-136

The future minimum lease payments arising from operating leases that cannot be cancelled in the periods subsequent to the balance sheet date total €0.5 million. €0.1 million of this relates to 2015, €0.3 million relates to the period 2016 to 2020 inclusive, and €0.1 million relates to 2021 or later.

x € 1.000

6.12 Joint ventures and associates

The balance sheet item joint ventures and associates breaks down as follows:

	2014	2013
Joint ventures	69.233	46.950
Associates	3.606	3.625
	72.839	**50.575**

Joint ventures
Met 3i Investments plc. (formerly Barclays Infrastructure Funds Management) have been collaborating since June 2013 in the joint venture Heijmans Capital B.V. for the financing of DBFMO (design, build, finance, maintain, operate) projects. The focus of the collaboration is on sharing risk-bearing capital and knowledge required for such projects, from the tendering phase onwards. The project for the National Military Museum was transferred to the joint venture at the time of formation. In 2014, Heijmans took on part of the funding for the projects A9-Gaasperdammerweg, RIVM-Utrecht Science Park/De Uithof and A12-Veenendaal-Ede-Grijsoord.3i Investments plc.s' share in Heijmans Capital B.V is 80% and Heijmans' share in Heijmans Capital B.V. is 20% (2013: 20%). This joint venture is of strategic importance for Heijmans and the share is classified as a material interest.

The figures presented below were extracted from the financial statements of Heijmans Capital, prepared in accordance with the Group's accounting principles. Also shown below is the reconciliation of the Group's interest with equity.

x € 1.000

	2014		2013	
Revenue	49.222		25.104	
Operating result	365		147	
Financial income	3.700		1.076	
Financial expense	-4.369		-762	
Result before tax		**-304**		**461**
Income tax		92		-115
Result after tax		**-212**		**346**
Unrealised changes in the fair value of cash flow hedges		-4.020		643
Total realised and unrealised results		**-4.232**		**989**
20% share of result after tax		**-42**		**69**
20% share of unrealised results		**-804**		**129**
Non-current assets		67.881		27.416
Cash and cash equivalents	5.638		2.181	
Other current assets	15.885		20.253	
Total current assets		**21.523**		**22.434**
Non-current financial liabilities	67.724		22.004	
Other non-current financial liabilities	13		227	
Total non-current liabilities		**67.737**		**22.231**
Current financial liabilities	8.200		16.600	
Other current liabilities	14.336		7.630	
Total current liabilities		**22.536**		**24.230**
Net amount		**-869**		**3.389**
20% share of equity		**-174**		**678**

The Group received no dividend from Heijmans Capital in 2014 (2013: nil).

x € 1.000

The reconciliation of the Group's interests in joint ventures, as recognised in the balance sheet, with equity is shown below.

	2014	2013
Interest in the capital of Heijmans Capital	-174	678
Interest in the capital of Property joint ventures	54.291	32.595
Interest in the capital of other joint ventures	15.116	13.677
	69.233	46.950

The amounts below are the Group's shares of the results of joint ventures.

	2014	2013
Share of the net result of Heijmans Capital	-42	69
Share of the net result of Property joint ventures	2.979	-3.786
Share of the net result of other joint ventures	2.532	2.048
	5.469	-1.669

The Property joint ventures in which the group participates achieved revenue of €30 million in 2014 (2013: €10 million). In total, they have inventory of €127 million (2013: €121 million), mainly in the form of a strategic land portfolio. The aforementioned amounts relate to Heijmans' share.

In a number of joint ventures, there are limits on the payout of dividends, often depending on the seniority specified for repayment of the debts of the joint ventures concerned.

The group has undertaken commitments to joint ventures totalling €4 million (2013: €8 million) relating to the granting of subordinated loans if certain conditions are met. Apart from the liabilities disclosed in notes 6.26, 6.27 and 6.28, the Group has no liabilities relating to joint ventures.

Associates

The amounts shown below concern the interests of the Group in the equity and results of associates:

	2014	2013
Interests in the equity of associates	3.606	3.625
Interests in the net results of associates	1.057	793
Share of unrealised results of associates	-540	0

x € 1.000

6.13 Other investments

	2014	2013
Non-current receivables	26.661	37.213
Other long-term receivables and investments	4.343	4.428
Balance at 31 December	**31.004**	**41.641**

The non-current receivables mainly concern loans granted to property development joint ventures.

6.14 Deferred tax assets and liabilities

The balance of the deferred tax assets and liabilities relating to temporary differences between the value for tax purposes and for financial reporting purposes of balance sheet items, and the value of the tax loss carry-forwards can be broken down as follows:

	Receivables 31 December		Liabilities 31 December		Net value 31 December	
	2014	2013	2014	2013	2014	2013
Property, plant and equipment	-	-	1.375	1.678	-1.375	-1.678
Intangible assets	-	-	7.697	7.420	-7.697	-7.420
Land and strategic land portfolio	-	-	7.604	7.563	-7.604	-7.563
Work in progress	-	-	65	3.635	-65	-3.635
Employee benefits	-	-	2.680	1.980	-2.680	-1.980
Provisions	-	-	172	172	-172	-172
Other items	-	-	1.207	290	-1.207	-290
Value of recognised loss carry-forwards	43.004	25.243	-	-	43.004	25.243
Deferred tax assets and liabilities	**43.004**	**25.243**	**20.800**	**22.738**	**22.204**	**2.505**
Set-off of deferred tax assets and liabilities	-15.720	-15.716	-15.720	-15.716	-	-
Net deferred tax assets and liabilities	**27.284**	**9.527**	**5.080**	**7.022**	**22.204**	**2.505**

x € 1.000

The movement in the balance sheet of the deferred tax assets and liabilities in 2014 breaks down as follows:

	Net value at 31 December 2013	**Recognised in tax expense**	**Recognised in equity**	**Included as effect of deconsolidation and consolida-tion recognised in 2014**	**Net value at 31 December 2014**
Property, plant and equipment	-1.678	287	14	2	-1.375
Intangible assets	-7.420	-277	-	-	-7.697
Land and strategic land portfolio	-7.563	-41	-	-	-7.604
Work in progress	-3.635	3.570	-	-	-65
Employee benefits	-1.980	-1.834	1.134	-	-2.680
Provisions	-172	0	-	-	-172
Other items	-290	-917	-	-	-1.207
Value of recognised loss carry-forwards	25.243	17.761	-	-	43.004
Total	**2.505**	**18.549**	**1.148**	**2**	**22.204**

The movement in the balance sheet of the deferred tax assets and liabilities in 2013 breaks down as follows:

	Net value at 31 December 2012	**Recognised in tax expense**	**Recognised in equity**	**Included as effect of deconsolidation and consolida-tion recognised in 2013**	**Net value at 31 December 2013**
Property, plant and equipment	-3.528	1.878	-	-28	-1.678
Intangible assets	-6.444	-976	-	-	-7.420
Land and strategic land portfolio	-6.738	-825	-	-	-7.563
Work in progress	-4.669	939	-	95	-3.635
Interest-bearing loans and other non-current financing liabilities	500	-1.319	-5	824	0
Employee benefits	-3.765	-2.707	4.492	-	-1.980
Provisions	-42	-130	-	-	-172
Other items	273	-563	-	-	-290
Value of recognised loss carry-forwards	22.614	2.610	-	19	25.243
Total	**-1.799**	**-1.093**	**4.487**	**910**	**2.505**

x € 1.000

Measurement of deferred tax assets

As at year-end 2014, the loss carry-forward is €43.0 million, of which €36.1 million relates to the loss carry-forward of the Dutch tax group. This loss carry-forward has been set off against the tax group's deferred tax liabilities. Breaking this loss down shows that €1.3 million relates to 2009, €1.8 million to 2011, €13.1 million to 2012, €3.6 million to 2013, and €16.3 million to 2014. The loss for 2014 is partly the effect of write-downs of real estate holdings and reorganisation costs.

The portion of the loss in 2009 unused at year-end 2014 is available for set off until year-end 2015. Concerning the losses in 2011 to 2014 inclusive, a loss carry-forward period of 9 years applies. A deferred tax asset is recognised to the extent that it is probable, based on forecasts, that sufficient future taxable profits will be available that can be utilised towards realising the deferred asset. The forecasts are based on the order book, the 2015 business plan, and the long-term forecast. These also underlie the measurement of the realisable value of goodwill (for impairment tests). For the long-term forecast, the EBIT margin is assumed to grow to between 3% and 4% of revenue. The forecasts of the results for tax purposes up to and including 2019 show that there will be sufficient profits available to set off any tax losses present at that time. The remaining settlement term is generally longer than the period currrently used, that is, until the end of 2019. Moreover, some possibilities exist to optimise the Group's tax position. A factor inherent in the measurement of the deferred tax assets is that the settlement depends on the fulfilment of the business plan and the long-term forecasts, which are the Groups best estimates.

The remaining loss carry-forward amounts to €6.9 million, and relates to a number of Belgian operating companies (€1.5million), to Oevermann (€3.0 million) and to Franki (€2.4 million). In principle, losses in Belgium and Germany can be set off against future profits for an indefinite period, subject in Germany to a maximum for the annual profit being used for set-off. Taxable profit of up to €1 million in any year can be used in full for set off. Of taxable profit exceeding €1 million, only 60% can be used for set off.

Measurement of deferred tax liabilities

For determining the amount of the deferred tax liabilities, the value for tax purposes of the construction work in progress in the Netherlands (including residential building projects) is largely treated as being equal to the IFRS value.

Deferred tax assets or liabilities are recognised for any temporary differences originating at subsidiaries, joint operations or joint ventures. No deferred tax assets or liabilities have been recognised for temporary differences arising from investments in associates in view of their relative insignificance.

The majority of the deferred tax liabilities have a term of more than one year.

Tax losses not recognised in the balance sheet

At year-end 2014, tax losses not recognised in the balance sheet amounted to €70.7 million (2013: €79.6 million). The larger part of this relates to a number of subsidiaries in Belgium (€58.4 million). The other unrecognised losses relate to a number of German operating companies (€3.6 million) and to a number of Dutch companies (€8.7million).

x € 1.000

6.15 Inventory

	31 December 2014	31 December 2013
Strategic land portfolio	182.936	211.622
Residential properties in preparation or under construction	81.555	86.047
Raw materials and consumables	17.379	16.105
Finished products	6.425	10.858
Total	**288.295**	**324.632**
Carrying amount of inventory pledged as security	3.925	4.550
Inventory amount recognised as a charge in the period	252.567	244.445
Finished products measured at net realisable value	4.558	7.110

Strategic land portfolio

The strategic land portfolio comprises land holdings that are measured at cost or net realisable value if lower. Net reasible value of such a holding can be the direct or indirect recoverable value. The net realisable value depends on the expected manner and timing of realisation. Accordingly, the value is generally derived by using an indirect method for determing the recoverable value. The indirect recoverable value is the estimated revenue in the normal course of business, less the estimated costs of completion and selling. To calculate the present value of the expected cash flows, a discout rate of 6% is often used, unless, thanks to favourable financing terms, a different percentage has been set for a joint arrangement. Setting the discount rate takes into account the expected capital structure, operating risks, and circumstances relating to Heijmans or specifically to the project.

Determining the indirect recoverable value involves the use of judgements and estimates. These factor in uncertainties affecting the strategic land portfolio, such as demographic changes, location, and details and implementation of development plans and adminstrative decisions, with as local a focus as possible. For each location, the outcome is an expected trend for land and residential property prices, as well as other variables, that ultimately determine the indirect recoverable value. Twice a year, the Group carries out its own assessment of the values of all the land holdings.

In general, the risk of deviations from the judgments and estimates is greater for strategic land holdings without a land-use plan than for those with one. Moreover, this risk keeps increasing the longer the expected delay is for the start of the development work.

The net realisable value of the strategic land portfolio was calculated in 2014 and compared with the carrying amount. This led to a write-down of €16.5 million and a reversal of an earlier write-down of €2.8 milion concerning a joint venture (2013: write-downs totalling €5.9 million other than concerning joint ventures, and write-downs totalling €1.1 million specifically concerning joint ventures).

x € 1.000

The decreases in value are partly due to specifically local conditions that have adversely affected the success of projects, time to completion, expected margins and the number of completed residential properties.

The term of the strategic land portfolio is more than 12 months after the balance sheet date. Items in "Residential properties in preparation or under construction" usually have a term of 3 to 5 years as from the balance sheet date. The other items in principle have a term of less than 12 months.

Residential properties in preparation or under construction

Residential properties in preparation or under construction can be analysed as follows:

	2014	2013
Unsold residential properties:		
Costs less provisions for losses and risks	74.494	93.179
Sold residential properties:		
Costs less provisions for losses and risks, plus profits based on percentage of completion	153.256	117.542
less: Progress billings	-146.195	-124.674
Total residential properties in preparation or under construction	**81.555**	**86.047**

Revenues from sales of residential properties in preparation and construction recognised in the reporting period amounted to €0.2 billion (2013: €0.2 billion).

Finished products

€3.4 million (2013: €2.3 million) of the inventory of unsold property (part of the inventory of finished products) is measured at net realisable value, which is lower.

x € 1.000

6.16 Work in progress

	31 December 2014	31 December 2013
Costs less provisions for losses and risks, plus profits based on percentage of completion	1.616.721	2.060.275
less: Progress billings	-1.633.713	-2.087.871
Balance of work in progress	**-16.992**	**-27.596**
Positive balance of work in progress (recognised under current assets)	167.314	123.970
Negative balance of work in progress (recognised under current liabilities)	-184.306	-151.566
Balance of work in progress	**-16.992**	**-27.596**

The value of work in progress is periodically assessed for each project by the project manager and the manager of the unit concerned. The assessment is mainly based on the information in the project files, the project accounting records and the knowledge and experience of the persons involved. Inherent parts of the process are that estimates are made, and that the Group is involved in negotiations and discussions concerning the financial settlement of project aspects, such as less work and/or additional work, claims and penalties, date of completion, and quality of the work. Actual results might differ from the estimates. This will be so particularly for long-term projects that include considerable customisation. It can also occur if there are unsettled claims or discussions with clients about additional work that are still continuing on the balance-sheet.

The uncertainty surrounding the above-mentioned estimates increases, for example, to the degree that:

- contract types involving special arrangements mean more risks for the Group. Such is the case with a DC contract, under which the Group accepts the design risk. DBMO contracts also include responsibilty for maintenance and operation.
- projects are at the design stage. When producing a final design from a provisional one, significant changes may be necessary, which can require a positive or negative adjustment to the initial forecast.
- projects are fraught with opportunities and risks during execution. Examples include additional work, claims and unforeseen circumstances that could be for the account of the Group.

Additonal work and claims submitted to clients are recognised if and to the extent that they have been approved, or negotiations with the clients concerned have reached such an advanced stage that it is probable that they will accept the additional work or the claims, and that the amounts can be reliably determined. When determining the amount to be recognised, specific contractual arrangements and the legislation of the contry where a project is being carried out are taken into account.

x € 1.000

For claims and penalties imposed by contractors against Heijmans, because of construction overruns for example, these are recognised if it is likely that they will have an adverse effect.

Bonuses are recognised as revenues from projects in progress if the project is far enough advanced and that it is probable that the performance indicators specified will be met, and that the bonus amount can be reliably determined. If the bonus can only be received after expiry of a predetermined period following completion of the project, then that bonus is only recognised when it is sufficiently probable that the bonus will be received.

The positive balance of work in progress represents all the projects in progress for third parties where the incurred costs plus the capitalised profit, less the recognised losses, are greater than the progress billings.

The negative balance of work in progress represents all the projects in progress for third parties where the incurred costs plus the capitalised profit, less the recognised losses, are less than the progress billings.

Revenues from work in progress carried out for third parties that were recognised in the reporting period amounted to €1.7 billion (2013: €1.8 billion).

Work in progress generally has a term of less than 12 months.

6.17 Trade and other receivables

	31 December 2014	31 December 2013
Trade receivables	228.654	273.424
Amounts to be invoiced	37.221	33.298
Receivables from joint operations	11.251	9.707
Prepayments	13.832	9.103
Other receivables	19.173	14.772
Total trade and other receivables	**310.131**	**340.304**

Trade receivables are presented after deduction of impairment losses. The write-down for expected bad debts is recognised in the income statement under administrative expenses. At year-end 2014, a provision of €7.5 million was recognised for impairment of trade receivables (2013: €6.8 million).

Trade and other receivables are mainly short-term.

x € 1.000

6.18 Cash and cash equivalents

	31 December 2014	31 December 2013
Bank balances	70.688	50.742
Cash in hand	4	1
Funds in blocked accounts	3.095	10.270
Total cash and cash equivalents	**73.787**	**61.013**

Of the total cash and cash equivalents, an amount of €16 million (2013: €16 million) is held by joint ventures.

The bank balances include €7 million (2013: €10 million) for payments to German creditors in order to comply with local legislation for the protection of creditors.

The funds in blocked accounts mainly relate to the obligatory G accounts (guarantee accounts) under the Dutch Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act.

Cash is utilised to reduce the Group's financing to the extent contractually and practically permitted, for example, by making the balances concerned part of notional cash pool arrangements.

x € 1.000

6.19 Equity

Paid-up and called-up share capital In thousands of ordinary shares	**2014**	**2013**
Outstanding at 1 January	19.349	17.328
Stock dividend	103	262
Share Matching Plan	9	-
Share issue	-	1.759
Outstanding at 31 December	**19.461**	**19.349**

Refer to statement 2b for explanatory notes on the changes in equity, and to the Company financial statements for explanatory notes on the authorised share capital, the statutory reserve for participating interests, the hedging reserve, the appropriation of result, and other figures.

Stockdividend

On 16 May 2014, 102,998 new shares were issued and distributed as stock dividend.

Share Matching Plan

In April 2014, the Group issued 9,171 shares in connection with a conditional allocation becoming unconditional. The allocation had been made in April 2011 to members of the Executive Committee under the Share Matching Plan (see also note 6.29).

x € 1.000

6.20 Earnings per share

Basic earnings per ordinary share

Basic loss per share in 2014 was €2.44 (2013: earnings of €0.10). The calculation is based on the result after tax attributable to the holders of ordinary shares or depositary receipts for ordinary shares, and on the weighted average of the number of ordinary shares that were outstanding during 2014.

Result attributable to holders of ordinary shares	**2014**	**2013**
Result attributable to holders of ordinary shares after tax	**-47.293**	**1.857**

Weighted average number of ordinary shares In thousands of shares.	**2014**	**2013**
Ordinary shares outstanding on 1 January	19.349	17.328
Effect of stock dividend 16 May 2014/ 15 May 2013	65	166
Effect of share issue 28 April 2014 under the Share Matching Plan	6	-
Effect of share issue 26 August 2013	-	617
Weighted average number of ordinary shares at 31 December	**19.420**	**18.111**

Diluted earnings per ordinary share

The calculation of the diluted earnings per share in 2014 is based on the weighted average number of ordinary shares in 2014, 19,420 thousand, plus the dilution effect of 210 vested option rights and 2,289 shares allocated under the Bonus Investment Share Matching Plan (see note 6.29).

x € 1.000

6.21 Interest-bearing loans and other financing liabilities

The breakdown of interest-bearing loans and other financing liabilities is shown below.

31 December 2014	Non-current portion	Current portion	Total
Cumulative financing preference shares	66.100	-	66.100
Syndicated bank financing	-	-	-
Project financing	866	6.292	7.158
Other non-current liabilities	26.924	600	27.524
Financial lease commitments	1.449	739	2.188
Current account overdrafts with credit institutions	-	2.180	2.180
Total liabilities	**95.339**	**9.811**	**105.150**

31 December 2013	Non-current portion	Current portion	Total
Cumulative financing preference shares	66.100	-	66.100
Syndicated bank financing	-	-	-
Project financing	2.259	11.573	13.832
Other non-current liabilities	26.266	700	26.966
Financial lease commitments	1.921	612	2.533
Current account overdrafts with credit institutions	-	17.620	17.620
Total liabilities	**96.546**	**30.505**	**127.051**

Cumulative financing preference shares

At year-end 2014, 6,610,000 cumulative financing B preference shares were outstanding at €10 a share. The dividend on these shares is 7.9% as of 1 January 2014 and is payable annually, 14 days after the General Meeting of Shareholders. At the General meeting of Shareholders in April 2014, the shareholders voted in favour of authorising the Executive Board, for a period of 18 months, to repurchase up to 40% of the B financing preference shares in the Company. Subsequently, the amount outstanding on these shares can be reduced over the next few years in accordance with the percentage repurchased by cancelling the shares in question. In line with the adopted resolution, Heijmans' Excutive Board has until the end of 2015 to repurchase up to 40% of the said shares, without incurring additional costs. The dividend will be reviewed on 1 January 2019 and every five years thereafter. The Group has the right to repurchase or cancel these preference shares before their maturity date.

x € 1.000

Syndicated bank financing

The committed and syndicated bank facility of €250 million runs until 31 March 2015, with €231 million of this amount extended until 31 March 2016, and €212 until 31 March 2017. Extending this facility involves a cost of €0.4 million, which has been capitalised. This facility is provided by a bank consortium comprising Rabobank, ING Bank, ABN AMRO Bank, KBC, RBS, Van Lanschot Bankiers and Deutsche Bank. Collateral has been provided for the facility. The credit margin on this facility ranges from 1.5% to 2.0%, depending on the leverage ratio. None of this facility was being used at year-end 2014. The conditions agreed are a (recourse) leverage ratio not exceeding 3 and an interest cover ratio of at least 3, both to be tested every six months. In principle, if the conditions are violated, drawings under the facility are repayable immediately on demand. The Executive Board actively monitors compliance with the conditions.

The leverage ratio is calculated as the net debt divided by EBITDA (earnings before interest, tax, depreciation and amortisation), based on the net debt and EBITDA definitions agreed with the bank consortium. The interest coverage ratio is calculated as the EBITDA divided by the net interest expense. The definitions of these terms as agreed with the banks have undergone a number of adjustments. The key adjustments in relation to the accounting definition of net debt are the reduction by the amount of outstanding cumulative financing preference shares and the financing of certain projects that are negotiated without any guarantee on the part of Heijmans (non-recourse). The main adjustments with respect to the EBITDA in accounting terms concern the capitalised interest, results on the sale of business units, fair value adjustments, reorganisation costs, and operating results of joint ventures. These ratios were achieved met during the reporting year. As the (recourse) net debt was negative at year-end 2014, the (recourse) leverage ratio is not relevant. Interest cover ratio at year-end 2014 was 3.4. The potential this ratio offered at the end of 2014 was limited, mainly owing to the loss of €11.2 million on the Tilburg energy factory project (€2.0 million for the first half of 2014 and €9.2 million for the second half). An amendment to the credit agreement has been finalised with the bank consortium, whereby a maximum portion of the results relating to the project will be ignored when calculating the conditions metric (EBITDA) for the test at mid-2015. The credit could be increased by up to 1.5% for the second half of 2015. As charge for the amendment, the Group is apying a fee of 0.25%. Partly thanks to the new arrangement, the Group is confident it can continue operating during the next year within the framework of the conditions. Satisfying the conditions at mid-2015 and at other times partly depends on achieving the EBITDA specified in the 2015 business plan, as well as on the size of the working capital, which is subject to seasonal factors.

Project financing

Project financing is negotiated for specific projects. The redemption schedules for project financing are usually related to the projects' progress. The term of the project financing extends at the most to the delivery date and/or sale date of the projects. The value of the projects concerned, including future positive cash flows from these projects, serves as security. Heijmans N.V. has guaranteed the repayment of principal and/or interest up to an amount of €6 million (2013: €12 million) of the total project financing. Regarding the remaining €1 million (2013: €2 million), this is therefore financed without a guarantee from Heijmans N.V.

x € 1.000

Financial lease commitments

The financial lease commitments relate primarily to equipment in Belgium. The lease commitment is equal to the present value of the debt. The lease payments fall due as follows:

31 December 2014	< 1 year	1–5 years	> 5 years	Total
Lease payments	789	1.507	117	2.413
less: Interest portion	94	129	2	225
Lease commitment	**695**	**1.378**	**115**	**2.188**

31 December 2013	< 1 year	1–5 years	> 5 years	Total
Lease payments	741	1.899	246	2.886
less: Interest portion	129	215	9	353
Lease commitment	**612**	**1.684**	**237**	**2.533**

There were no charges recognised in the financial year for contingent lease payments.

Average interest rate	2014	2013
Cumulative financing preference shares	7,9%	7,3%
Syndicated bank financing	2,9%	3,1%
Project financing	2,6%	2,7%
Other bank financing	2,3%	2,5%
Financial lease commitments	5,0%	5,1%
Other non-current liabilities	3,0%	2,7%

x € 1.000

6.22 Employee benefits

Movement in the liability for defined benefit plans and anniversary payments

	Liability		Fair value of assets		Net liability (net asset) relating to vested pension rights and anniversary payments	
	2014	2013	2014	2013	2014	2013
Total at 1 January	**368.746**	**356.517**	**366.366**	**360.117**	**2.380**	**-3.600**
Recognised in profit or loss.						
Costs of accrual	544	1.192	-	-	544	1.192
Interest expense/-income	11.540	12.300	11.509	12.610	31	-310
Settlements and curtailments	-1.196	-11.568	-	-6.318	-1.196	-5.250
Recognised in unrealised results						
Experience adjustments to actuarial result	-7.176	2.221	-	-	-7.176	2.221
Indexing of actuarial result	78.826	7.363	-	-	78.826	7.363
Actuarial result based on discount rate	-3.159	13.369	-	-	-3.159	13.369
Actuarial result based on return on investments	-	-	63.737	5.405	-63.737	-5.405
Contributions and benefits						
Employer contributions	-	-	2.223	7.200	-2.223	-7.200
Employee contributions	-	574	-	574	-	-
Pension and anniversary payments	-13.946	-13.222	-13.946	-13.222	-	-
Total at 31 December	**434.179**	**368.746**	**429.889**	**366.366**	**4.290**	**2.380**

x € 1.000

The total liability arising from defined benefit pension plans and anniversary payments is recognised in the balance sheet as follows:

	31 December 2014	31 December 2013
Non-current employee-related liabilities	26.731	23.554
Current employee-related liabilities	2.043	4.320
Employee-related receivable	-24.484	-25.494
	4.290	**2.380**

The employee-related receivable concerns a plan that, in accordance with the regulations for valuation in the Pensions Act as specified in the Financial Assessment Framework, is subject to a funding ratio of 107.8%. (See "Stichting Pensioenfonds Heijmans N.V." below.) The receivable is based on the assumption that this closed plan will gradually wind down, and on the conclusion that the Group, as the former employer, will eventually be the sole remaining stakeholder and therefore logically entitled to the final balance.

Liability for defined benefit plans in the Netherlands

The liability for defined benefit plans concerns the liabilities recognised for one company pension fund and approximately 15 plans placed with insurance companies.

Stichting Pensioenfonds Heijmans N.V.

For the portion of salary above the maximum for the industry pension fund, the accrual of pension is placed with an insurer. This plan came into effect on 1 January 2012 for new employees. As from 1 January 2013, existing employees have also been accruing pension rights under this plan. (This concerns employees who have been with the Company since before 1 January 2012 and were accruing supplementary pension rights with Pensioenfonds Heijmans). The plan is an average pay plan with conditional indexation and qualifies as a defined contribution plan. No new members will be admitted to the Pensioenfonds Heijmans plan. The accrued pensions of these employees (who became members of the supplementary plan before the end of 2012) remain guaranteed by Stichting Pensioenfonds Heijmans N.V. While employees stay with Heijmans, the pensions they accrued until the end of 2012 are conditionally indexed. Heijmans pays a contribution each year to cover the costs of this. Approximately 31% of the membership in the new plan were members of the former plan who are still employed at Heijmans, and accordingly have a conditional right to indexation. Of the rest, 50% are former employees and 19% are pensioners. The average term of the pension liabilities is approximately 17 years. Because of the funding deficit in the former plan, Heijmans made an additional contribution of €5 million in 2012, and a further €3 million in 2013. Heijmans is under no obligation to make a subsequent contribution. The pension contributions and required buffers are calculated in accordance with the rules in the Pensions Act. In accordance with these rules, the contributions are cost effective, and the funding ratio needs to be at least 104% at year-end 2014. The funding ratio as at this date is 107.8%. Supervision of compliance is a responsibility of De Nederlandsche Bank (DNB), the Netherlands central bank. The Board of the fund comprises representatives of the employer, employees and pensioners.

x € 1.000

Insured plans

Heijmans has some 15 insured pension plans in the form of guarantee contracts. Apart from the costs for actuarial accrual and indexation, Heijmans has no obligation to make contributions if mortality assumptions become more onerous. The risks inherent in the plan of these being necessary are largely borne by the insurers. It is a responsibility of the insurers to hold sufficient funds to pay out all benefits. Supervision of this aspect is in the hands of DNB. The contributions are determined according to the bases in the insurance contract. The average term of the pension liabilities is approximately 15 years.

A decision was made in 2013 to harmonise one of the larger insured plans. For the accrual of new rights, existing members transferred on 1 January 2014 to the industrial and above-mentioned supplementary average-pay plans. This change for existing members represented a curtailment of the plan and led to a reduction in the pension liability by approximately €4 million. The decrease was recognised in 2013 in profit or loss.

Industry pension funds

The majority of pensions have been placed with industry pension funds, the main ones being the Bouwnijverheid pension fund and the Metaal en Techniek pension fund. Both these funds operate average pay plans with indexation. The funding ratio of the Bouwnijverheid pension fund stood at 114.5% at year-end 2014 (year-end 2013: 111.6%). The funding ratio of the Metaal en Techniek pension fund stood at 103.0% at year-end 2014 (year-end 2013: 103.8%). These funding ratios are calculated in line with the accounting principles used by the various industry pension funds, in accordance with the Pensions Act and the Financial Assessment Framework.

As regards these plans, Heijmans has an obligation to withhold the predetermined premiums. The Group cannot be compelled to supplement any shortfalls, other than by means of future contribution adjustments. Heijmans has no claim to any surplus on the funds. As the employees bear the actual risks of the plans, they are recognised defined contribution plans.

Liability for defined benefit plans in Germany

Pension plans apply to a number of German employees, for which plans a liability has been recognised in the balance sheet. These plans have not been placed with outside insurance companies or funds. The pension entitlements consist primarily of fixed, income-independent monthly payments.

Pension plans in Belgium

In Belgium, most employees participate in a defined contribution pension plan provided by the employer. The Belgian Vandenbroucke Act requires that, in principle, a minimum yield of 3.25% must be earned on the amounts deposited with insurance companies. A payable, if any, to the insurance company at the end of the year will be recognised. The minimal guarantee of return might influence Heijmans' future cash flows.

Anniversary payments

The anniversary payments in the Netherlands and Belgium consist of a monthly salary, or a portion thereof, for employment periods of 25 and 40 years. In Germany, the anniversary payment is a fixed sum for an employment period of 10 years, one and one half months' salary for a period of 25 years, and two months' salary for a period of 40 years.

x € 1.000

Income and expense items recognised in connection with defined benefit plans and anniversary payments	2014	2013
Costs of accrual	-544	-1.192
Interest expense	-11.540	-12.300
Expected return on assets	11.509	12.610
	-575	**-882**
Administrative and other expenses	-431	-799
Settlements and curtailments	1.196	5.126
Total defined benefit plans and anniversary payments	**190**	**3.445**

The principal actuarial assumptions as at the balance sheet date are:

	31 December 2014	31 December 2013
Discount rate	2,00%	3,25%
Expected return on plan assets	2,00%	3,25%
Future wage inflation	2,25%	2,25%
Future pay increases	0-1,5%	0-1,5%
Future indexation	0-0,75%	0-0,75%
Staff turnover	7,0-16,0%	7,0-16,0%
Mortality table	AA Forecast Table 2014 0/0	AA Forecast Table 2012-2062 0/0

The discount rate is based on high quality corporate bonds adjusted for the term of the payment obligation. This also applies to the expected yield.

x € 1.000

Financing liability for defined benefit plans and anniversary payments	31 December 2014	31 December 2013
Defined benefit plans:		
- Funded plans	415.014	348.540
- Unfunded plans	13.501	13.043
Anniversary payments (unfunded)	5.664	7.163
Liability for defined benefit plans and anniversary payments at 31 December	**434.179**	**368.746**

Breakdown of plan assets as percentage of total	31 December 2014	31 December 2013
Shares	8%	7%
Fixed-interest Securities	41%	40%
Liquid assets	0%	1%
Other/insured plans	51%	52%

Stichting Pensioenfonds Heijmans N.V. assets

At Stichting Pensioenfonds Heijmans N.V., approximately 65% of the interest-rate risk associated with the liabilities is hedged using a liability-matching portfolio. Of the total plan assets, valued at €209 million, €176 million is in fixed-interest securities, €32 million in shares, and €1 million in liquid assets. The fixed-interest securities as well as the shares are listed, and these assets are measured at list price. No investments are made in Heijmans own financial instruments.

Reasonably possible changes as of the reporting date to one of the relevant actuarial assumptions, with the other assumptions remaining unchanged, can affect the liabilities associated with the defined benefit plans as shown below.

x € 1 million	2014	
	Increase	Decrease
Change of 0.50 percentage points in discount rate	-34,4	39,1
Change of 0.25 percentage points in wage and price inflation, and in indexation	11,3	-4,7
Change of 1 year in life expectation	15,9	-16,2

The above effects were determined by the actuary who performed the calculations. The combined effect of changes to more than one of the assumptions can be different from the sum of the corresponding individual effects owing to interactions.

The effects presented apply only to the liabilities, and not to the fair value of the investments. For a plan in the form of an insurance contract, the effect of a change in the discount rate is largely mitigated by an equal but opposite effect on the plan investments. This is because of the guarantee provided by the insurer.

Heijmans expects to contribute approximately €2 million in 2015 to the defined pension plans and approximately €30 million to the defined contribution plans. The expected contributions in subsequent years are likely to be in line with those expected for 2014, depending as well on changes in the above-mentioned actuarial assumptions.

x € 1.000

6.23 Provisions

General

Provisions for warranty obligations, restructuring costs and environmental risks are recognised if Heijmans has an existing obligation and it is probable that an outflow of economic benefits will occur. The amount of each provision can be reliably estimated. The provisions are stated at face value, unless the time value of money is material.

	31 December 2013	Reversal of unused amounts	Provisions formed	Provisions used/ other changes	31 December 2014
Warranty obligations	11.461	-1.656	2.268	-980	11.093
Restructuring costs	8.501	-1.458	25.410	-6.832	25.621
Environmental risks	1.796	0	75	-443	1.428
Other provisions	7.513	-1.391	588	-1.741	4.969
Total provisions	**29.271**	**-4.505**	**28.341**	**-9.996**	**43.111**

Duration of provisions and non-interest-bearing debt	31 December 2014	31 December 2013
Non-current portion	4.648	6.993
Current portion	38.463	22.278
Total	**43.111**	**29.271**

Provision for warranty obligations

The provisions relate to complaints and deficiencies that become apparent after the delivery of projects and that fall within the warranty period. The magnitude of the costs provided for is dependent partly on the estimated allocation of the claim to the related construction partners. It is expected that most of the obligations will materialise in the next two years.

Provision for restructuring costs

The provision for restructuring costs relates to the downsizing costs in support of organisational changes. Most of the provision will be used in 2015 and the remainder in the years 2016 and 2017.

x € 1.000

Provision for environmental risks

This item represents possible site restoration costs. The costs have been estimated per site, based on government regulations concerning the method of restoration and soil investigation. The periods within which restoration needs to take place vary per site. In the event that the restoration does not have to take place for another few years, there is an obligation to monitor the pollution. The expected monitoring costs have also been included in the provision.

Other provisions

The other provisions include €1.6 million for legal disputes (2013: €2.6 million), €1.3 million for amounts payable to the Tax Office (2013: €2.0 million), and €0.6 million for vacant properties (2013: €1.3 million). The remainder is primarily for expenses that might be incurred in relation to occupational disability.

6.24 Trade and other payables

Trade and other payables	31 December 2014	31 December 2013
Suppliers and subcontractors	367.460	315.480
Invoices due for work in progress	40.844	38.727
Invoices due for work completed	45.690	53.912
Pension obligations	1.858	1.025
Employee expenses payable	27.613	29.304
VAT payable	42.512	44.208
Wage tax and social security contributions payable	14.444	25.061
Other tax payable	402	403
Administrative and sales expenses payable	11.283	8.796
Interest payable	6.135	5.529
Other liabilities	16.640	22.454
Total trade and other payables	**574.881**	**544.899**

x € 1.000

6.25 Financial risks and management

General

In the normal course of business, Heijmans is exposed to various financial risks, including credit, liquidity, market and interest-rate risks.

This section describes the degree to which these risks manifest themselves, the objectives set regarding the risks, and the policy and procedures for measuring and managing them, as well as the management of capital.

The risk policy is focused on the identification and analysis of the risks to which the Group is exposed and the setting of acceptable limits.

The risk policy and systems are assessed on a regular basis and then modified if necessary for changes in market conditions and the operations of the Group. The objective is to create a disciplined and constructive approach to risk management, with the aid of training, standards and procedures whereby all employees are aware of their roles and responsibilities.

The Audit Committee periodically reviews the risk management policy and procedures. In addition, the Committee reviews the risk policy used in the light of the risks to which the Group is exposed.

Credit risk

Credit risk is the risk the Group runs of financial losses if a party against which Heijmans has a claim fails to meet its contractual obligations. Credit risks arise primarily from receivables due from customers and consortium partners.

The credit risk associated with property development is limited, as future residents can only take possession of the new property once they have met all their obligations. The creditworthiness is assessed in transactions involving the development of commercial property, building assignments and infrastructure projects, with additional collateral possibly being requested. Heijmans carries out many assignments for public authorities for which the credit risk is considered extremely limited.

The assessment of creditworthiness is part of the standard procedure. Credit risk is mitigated by pre-financing arrangements and payments in instalments. Risks are insured with a credit insurer if considered necessary.

The large number of clients, a substantial proportion of which are private individuals and public authorities, means there is no concentration of credit risk.

The cash and cash equivalents are held at different banks that are assessed as regards creditworthiness. There is no major concentration of credit risk.

A provision for doubtful receivables is recognised following an assessment of the potential risks for each individual receivable. Doubtful receivables are subjected to an impairment test and written down as necessary to the present value of the future cash flows if lower.

x € 1.000

The carrying amount of the financial assets exposed to credit risk can be specified as follows:

	31 December 2014	31 December 2013
Other assets	31.004	41.641
Cash and cash equivalents	73.787	61.013
Trade and other receivables	310.131	340.304
Total	**414.922**	**442.958**

Other assets consist principally of receivables from public authorities and loans provided by the Group to joint ventures in which it participates.

The geographical distribution of the carrying amount of the trade receivables including receivables from joint operations subject to credit risk is as follows:

	31 December 2014	31 December 2013
Netherlands	146.907	159.321
Belgium	44.917	63.346
Germany	48.081	60.464
Total	**239.905**	**283.131**

Age analysis of outstanding debtors without impairment, in periods after invoice due payment date:

	31 December 2014	31 December 2013
< 30 days	23.918	31.757
30 - 60 days	11.223	9.898
60 - 90 days	1.342	2.869
> 90 days - 1 year	9.227	11.969
> 1 year	17.014	14.426
Total	**62.724**	**70.919**

Including debtor payments not yet due and debtors for which an impairment was recognised, the balance of trade receivables at year-end 2014 was €229 million (2013: €273 million).
The due dates of the other financial assets have not been exceeded.

x € 1.000

Trade receivables are reported after deducting impairment losses relating to doubtful receivables. The movement in the provision was as follows:

	2014	2013
Balance at 1 January	6.805	7.374
Additions	1.665	930
Withdrawl	-291	-98
Release	-708	-1.401
Balance at 31 December	**7.471**	**6.805**

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations at the time it is required to do so (see also note 6.21, "Interest-bearing loans"). The liquidity risk management assumption is that sufficient liquidity levels will be maintained to meet current and future financial obligations, both under normal circumstances and exceptional circumstances, without incurring unacceptable losses and without endangering the reputation of the Group.

12-month rolling liquidity forecasts are used to determine whether the Group has sufficient liquidity available. Based on this forecast, the Group considers that sufficient liquidy is available for it to conduct operations.

To secure the availability of financial resources for the long term and the short term, Heijmans has access to the following facilities:

- €66 million in cumulative financing preference shares without a repayment obligation;
- €250 million committed and syndicated bank financing for a term expiring end of March 2015, €231 for a term expiring end of March 2016, and €212 million for a term expiring end of March 2017;
- project financing for which committed financing is available for most of the anticipated principal sum and duration of the project in question, and
- €66 million in cash in hand and current account facilities, which is not committed. At year-end 2014, there were no indications that these facilities would change.

In order to satisfy clients' requirements for bank guarantees, Heijmans has access to sufficient guarantee facilities with various institutions. These facilities are not committed.

At year-end 2014, the total of facilities guaranteed by banks was €524 million (2013: €568 million) provided by 21 parties.

x € 1.000

The contractual maturity dates of the financial obligations, including interest payments, are as follows:

31 December 2014	Carrying amount	Contractual cash flow	< 6 months	6 - 12 months	1 – 2 years	2 – 5 years	> 5 years
Cumulative financing preference shares	-66.100	-92.210	-5.222	-	-5.222	-15.666	-66.100
Syndicated bank financing	-	-	-	-	-	-	0
Project financing	-7.158	-7.319	-4.285	-2.147	-278	-609	0
Other non-current liabilities	-27.524	-30.776	-1.606	-1.180	-20.589	-3.422	-3.979
Financial lease commitments	-2.188	-2.414	-544	-245	-489	-1.019	-117
Current account overdrafts with credit institutions	-2.180	-2.180	-2.180	-	-	-	-
Trade and other payables	-574.881	-574.881	-574.881	-	-	-	-
Total	**-680.031**	**-709.780**	**-588.718**	**-3.572**	**-26.578**	**-20.716**	**-70.196**

31 December 2013	Carrying amount	Contractual cash flow	< 6 months	6 - 12 months	1 – 2 years	2 – 5 years	> 5 years
Cumulative financing preference shares	-66.100	-91.780	-4.792	-	-5.222	-15.666	-66.100
Syndicated bank financing	-	-	-	-	-	-	-
Project financing	-13.832	-14.204	-474	-11.350	-1.517	-800	-63
Other non-current liabilities	-26.966	-27.609	-2.385	-893	-1.357	-22.974	0
Financial lease commitments	-2.533	-2.887	-462	-278	-836	-1.064	-247
Current account overdrafts with credit institutions	-17.620	-17.620	-17.620	-	-	-	-
Trade and other payables	-544.899	-544.899	-544.899	-	-	-	-
Total	**-671.950**	**-698.999**	**-570.632**	**-12.521**	**-8.932**	**-40.504**	**-66.410**

For the cumulative financing preference shares the nominal value on the liability due date and interest revision term have been taken into account.
The cumulative financing preference shares do not have a repayment obligation. In the liquidity overview the nominal value of the loan has been included in the period > 5 year.

Market risk

Market risk is the risk that the income of the Group or the value of financial instruments is adversely affected by changes in market prices, for example, due to movements in exchange rates, interest rates and share prices. The objective of managing market risk is to keep the market risk position within acceptable limits while achieving optimum returns.

To manage market risk, derivatives may be bought and sold, and financial commitments may be undertaken. Transactions of this nature are carried out within established guidelines.

x € 1.000

Price risk

Price risk associated with the purchase of raw materials and auxiliary materials, as well as with outsourced work, is mitigated by making price indexation agreements with clients, or where possible by making price agreements with suppliers at an early stage. If necessary, derivatives may be used occasionally to hedge the price risk of procuring raw materials.

Interest-rate risk

The interest rate policy at Heijmans N.V. is directed towards limiting the impact of changes in interest rates on the results of the Group. In addition, some of the loans have been concluded at fixed rates of interest.

Had the interest rate for 2014 been on average 2 percentage points higher, then the result before tax based on the balance sheet positions at year-end would have been approx. €1.2 million higher (2013: €0.4 million higher). The effect of a 2-percentage point difference in interest rates on the Group's equity (assuming all other variables remained constant) would have been an increase of €0.9 million (2013: virtually nil). This effect on the result before tax was mainly due to the cash balance at year-end 2014. The interest rate exposure measured on the basis of the average debt during the year would have a more limited effect on the result.

The table below shows the periods in which interest rates for interest-bearing financial assets and financial liabilities are reviewed:

		31 December 2014					
		Total	**0–6 Months**	**6–12 Months**	**1–2 Years**	**2–5 Years**	**> 5 Years**
6.13	Other assets	31.004	15.508	755	5.471	8.026	1.244
6.18	Cash and cash equivalents	73.787	73.787	-	-	-	-
6.21	Cumulative financing preference shares	-66.100	0	-	-	-66.100	-
6.21	Syndicated bank financing	-	-	-	-	-	-
6.21	Project financing	-7.158	-5.258	-1.900	0	0	0
6.21	Other non-current liabilities	-27.524	-1.375	-20.426	0	-2.843	-2.880
6.21	Financial lease commitments	-2.188	-489	-205	-426	-953	-115
6.21	Current account overdrafts with credit institutions	-2.180	-2.180	-	-	-	-
Total		**-359**	**79.993**	**-21.776**	**5.045**	**-61.870**	**-1.751**

x € 1.000

		31 December 2013					
		Total	0–6 Months	6–12 Months	1–2 Years	2–5 Years	> 5 Years
6.13	Other assets	41.641	17.044	1.695	3.270	17.499	2.133
6.18	Cash and cash equivalents	61.013	61.013	-	-	-	-
6.21	Cumulative financing preference shares	-66.100	-66.100	-	-	-	-
6.21	Syndicated bank financing	-	-	-	-	-	-
6.21	Project financing	-13.832	-388	-13.444	-	-	-
6.21	Other non-current liabilities	-26.966	-2.322	-20.526	-1.193	-2.925	-
6.21	Financial lease commitments	-2.533	-80	-218	-742	-1.256	-237
6.21	Current account overdrafts with credit institutions	-17.620	-17.620	-	-	-	-
	Total	**-24.397**	**-8.453**	**-32.493**	**1.335**	**13.318**	**1.896**

Of the interest-bearing debt at the balance sheet date, 77% (2013: 69%) had been negotiated at a fixed interest rate and 23% (2013: 31%) at a variable interest rate. Due to seasonal effects, the average debt during the year is higher than the debt at the balance sheet date. The portion of the gross debt subject to a variable interest rate is also higher during the year. The gross variable-interest debt is offset by items including cash and cash equivalents, which are also subject to variable interest.

"The average weighted interest term to maturity of the project finance is 0.2 years (2013: 0.8 years).

The interest-bearing loans are measured at amortised cost rather than at fair value. The measurement of the loans is therefore not affected by changes in interest rates.

Currency risk

The currency risk on sales, purchases and loans is extremely limited for Heijmans, since by far the greater part of the cash flows within the Group are in euros.

x € 1.000

Fair values

The table below shows the fair values and the carrying amounts of the financial instruments. The fair values are allocated to different levels of the fair-value hierarchy, depending on the inputs used to determine the measurement methods. The levels are defined as follows:

Level 1: listed (unadjusted) market prices available to the Group on the measurement date, in active markets for identical assets or liabilities.

Level 2: input that is not a listed market price at level 1, but is obtainable for the asset or liability concerned, either directly (as a price) or indirectly (derived from a price).

Level 3: input for the asset or liability not based on data available in a market (non-precise input).

Heijmans has no financial assets or liabilities measured at fair value.

			31 December 2014		31 December 2013	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Note	level	**Loans and receivables**				
6.13	2	Other assets	31.004	32.682	41.641	46.135
6.17	*	Trade and other receivable (excluding derivatives)	310.131	310.131	340.304	340.304
6.18	*	Cash and cash equivalents	73.787	73.787	61.013	61.013
6.21	*	Current account overdrafts with credit institutions	-2.180	-2.180	-17.620	-17.620
6.21	2	Cumulative financing preference shares	-66.100	-77.203	-66.100	-70.810
6.21	2	Syndicated bank financing	-	-	-	-
6.21	2	Project financing	-7.158	-7.241	-13.832	-14.124
6.21	2	Other non-current liabilities	-27.524	-28.702	-26.966	-27.888
6.24	*	Trade and other payables	-574.881	-574.881	-544.899	-544.899
		Other financial liabilities				
6.21	2	Financial lease commitments	-2.188	-2.329	-2.533	-2.781
			-265.109	**-275.936**	**-228.992**	**-230.670**

* The carrying amount is a reasonable approximation of the fair value.

The above values are based on the present value of future cash flows. The loans with a fixed interest rate are discounted using the yield curve for 31 December 2014, plus the relevant risk mark-up.
All loans with a variable interest rate are assumed to have a fair value equal to their carrying amount.

Capital management

The policy has been designed to achieve a sound capital position with sufficient availability of credit to be able to ensure continuity for stakeholders. A sound capital structure is based on a leverage ratio, a net interest-bearing debt after deduction of cumulative preference finance shares plus non-recourse finance, divided by EBITDA not exceeding 3.0 and an interest cover ratio of at least 3.0 (see also note 6.21 for a description of the financial ratios in the conditions agreed with the banks).

x € 1.000

6.26 Rental and operating lease contracts

	31 December 2014	31 December 2013
Rental contracts		
Instalments due within 1 year	17.195	17.206
Instalments due between 1 and 5 years	45.767	48.853
Instalments due after 5 years	18.404	20.389
Total	**81.366**	**86.448**
Lease contracts		
Instalments due within 1 year	26.962	26.188
Instalments due between 1 and 5 years	44.004	44.422
Instalments due after 5 years	1.336	655
Total	**72.302**	**71.265**

A charge of €30 million for operating leases was recognised in profit or loss for 2014 (2013: €29 million).

The lease commitments primarily relate to future instalments on leases for vehicles and equipment. The rental commitments are for the lease of company buildings. The joint ventures in which Heijmans participates have undertaken neither rental commitments nor lease commitments.

Around 3,400 lease vehicles (2,400 cars, 900 vans, and 100 trucks) are leased in the Netherlands under an operating contract. In 2013, an umbrella agreement covering the cars and vans was signed with the main leasing company for a term of four years. The individual contracts covered by the agreement have terms varying from 24 months to 72 months. These contracts can only be dissolved after compensation is paid for the difference between the market value and the carrying amount (only if the market value is lower), and for the portion of the lease payments representing the management fee or administrative expenses and interest. For trucks, the maximum term is usually 120 months.

x € 1.000

6.27 Investment commitments

	31 December 2014	31 December 2013
Contractual commitments for:		
- acquisition of property, plant and equipment	4.049	2.044
- acquisition of land	109.521	75.030
	113.570	**77.074**

There are no group guarantees for the capital expenditure commitments (2013: €21 million guaranteed). Of the investment commitments, €16 million (2013: €17 million) was undertaken by joint operations in which Heijmans participates. The amount presented is Heijmans' share of the commitments undertaken by the joint operations.

The joint ventures in which Heijmans participates have undertaken investment commitments of €1 million (2013: €2 million), this amount represents Heijmans' share.

6.28 Contingent liabilities

General

Contingent liabilities are potential liabilities resulting from events prior to the balance sheet date. The liabilities are potential because the outflow of economic benefits depends on the occurrence of uncertain events in the future. Contingent liabilities can be divided into bank guarantees, parent Group guarantees and other contingent liabilities.

Bank and Group guarantees	31 December 2014	31 December 2013
Bank guarantees relating to:		
Execution of projects	308.003	280.482
Tenders	4.105	3.493
Other	28.857	36.372
	340.965	**320.347**
Group guarantees relating to:		
Execution of projects	356.954	364.055
Unconditional liabilities	0	20.606
Contingent liabilities	11.798	13.861
Credit and bank guarantee facilities	120.855	131.232
	489.607	**529.754**
Total	**830.572**	**850.101**

The Group guarantees associated with financing facilities have been provided in connection with project financing, bank guarantees and credit facilities apply to foreign subsidiaries, joint operations and joint ventures. Heijmans has guaranteed its share of the debt of various joint operations and property joint ventures for a total of €21 million (2013: €24 million).

The Group and bank guarantees issued for divested operations (Leadbitter and Heitkamp) are not included in the above table (bank guarantees of €4 million and Group guarantees of €91 million). With regard to work completed and work in progress, the guarantees will be taken over by the buyer if this is possible. Where this is not possible, the buyer has provided a bank or corporate guarantee.

Other contingent liabilities
At year-end 2014, the other contingent liabilities with significant cash impact amounted to €37 million (2013: €38 million), and those with limited cash impact to €103 million (2013: €166 million), in total €140 million (2013: €204 million). Of the total amount, €23 million (2013: €31 million) is recognised under joint operations. This relates mainly to commitments to acquire land when the building permit is obtained and/or a certain sales percentage is achieved. No Group guarantees were issued for these commitments in 2014 (2013: none).

At year-end 2014, the joint ventures in which Heijmans participates had contingent liabilities with significant cash impact amounting to €13 million (2013: €20 million), and contingent liabilities with limited cash impact amounting to €23 million (2013: €23 million), in total €36 million (2013: €43 million). This relates mainly to commitments to acquire land when the building permit is obtained and/or a certain sales percentage is achieved. The aforementioned amounts relate to Heijmans' share in the joint ventures.

6.29 Related parties

Related parties for Heijmans can be divided into subsidiaries, associates, joint arrangements (joint ventures and joint operations), a company pension fund, the members of the Supervisory Board and the members of the Executive Board. Transactions with related parties are conducted at arm's length, on terms comparable to those for transactions with third parties.

Transactions with subsidiaries, associates, joint ventures and joint operations
Heijmans undertakes a number of operating activities together with related parties, including in the form of joint ventures. Significant transactions in this context are the contribution of land positions in joint ventures and/or their financing. In addition, large and complex projects are carried out in cooperation with other companies.

There are no transactions with the organisation's management, with the exception of the remuneration discussed below. For information on the relationships with joint ventures and associates, see note 6.12.

The Group's share in the revenues and total assets of the joint operations is broken down below by segment.

2014 **Business segment in € millions**	Property development	Residential building	Non-residential	Infrastructure	Eliminations	**Total**
Revenue	28,6	6,4	7,7	103,4	-5,0	141,1
Costs	-29,3	-5,7	-6,9	-99,1	5,0	-136,0
Non-current assets	4,0	0,0	0,0	0,6	0,0	4,6
Current assets	61,5	3,1	3,0	18,7	-1,2	85,1
Total assets	**65,5**	**3,1**	**3,0**	**19,3**	**-1,2**	**89,7**
Non-current liabilities	24,0	0,0	0,0	0,0	0,0	24,0
Current liabilities	10,4	2,7	2,1	18,4	-1,2	32,4
Total liabilities	**34,4**	**2,7**	**2,1**	**18,4**	**-1,2**	**56,4**
Equity	**31,1**	**0,4**	**0,9**	**0,9**	**0,0**	**33,3**

2013 **Business segment in € millions**	Property development	Residential building	Non-residential	Infrastructure	Eliminations	**Total**
Revenue	17,1	13,8	49,4	91,6	-2,9	169,0
Costs	-18,1	-12,7	-43,3	-85,9	2,9	-157,1
Non-current assets	4,0	0,0	0,0	1,8	0,0	5,8
Current assets	67,7	2,8	6,6	7,7	-2,1	82,7
Total assets	**71,7**	**2,8**	**6,6**	**9,5**	**-2,1**	**88,5**
Non-current liabilities	24,7	0,0	0,0	1,0	0,0	25,7
Current liabilities	8,3	2,5	0,5	20,0	-2,1	29,2
Total liabilities	**33,0**	**2,5**	**0,5**	**21,0**	**-2,1**	**54,9**
Equity	**38,7**	**0,3**	**6,1**	**-11,5**	**0,0**	**33,6**

Company pension fund

Heijmans is affiliated with Stichting Pensioenfonds Heijmans N.V. The principal function of this company pension fund is to operate pension plans for Heijmans' current and former employees and retired personnel.

In 2014, some €0.4 (2013: €2 million) in pension contributions was paid by Heijmans to the above-mentioned company pension fund. Heijmans also made an additional contribution of €3 million in 2013 because of a prior funding deficit. No additional contributions were made in 2014.

Remuneration management

Remuneration of Supervisory Directors

None of the Supervisory Directors hold depositary receipts for shares in Heijmans N.V., nor have they been allocated any options or depositary receipts for shares. All Supervisory Directors receive a fixed annual fee that is not dependent on the results in any one year. They also receive a fixed or variable expense allowance. None of the Supervisory Directors has any other business links to Heijmans from which they could derive personal benefit.

The total payments granted to Supervisory Directors in 2014 and 2013 were as follows:

in €	2014	2013
A.A.Olijslager – Chair*	53.980	54.908
P.G.Boumeester**	37.723	37.723
R. van Gelder***	37.723	37.723
S. van Keulen****	42.723	42.723
R. Icke*****	37.723	37.723

* Supervisory Director since 18 April 2007 and Chairman since 1 July 2008
** Supervisory Director since 28 April 2010
*** Supervisory Director since 1 July 2010
**** Supervisory Director since 18 April 2007
***** Supervisory Director since 9 April 2008

Remuneration of Members of the Executive Board and the Executive Committee

A breakdown of the gross fixed remuneration, the variable remuneration and the pension contribution per member of the Executive Board is shown below.

in €	Gross fixed remuneration		Long-term variable remuneration		Short-term variable remuneration		Pension contributions	
L.J.T. van der Els *	493.764	493.764	0	43.460	0	74.065	102.160	102.160
M.C. van den Biggelaar **	395.661	395.661	0	38.788	0	59.349	75.501	80.940
A.G.J. Hillen ***	395.661	395.661	0	35.986	0	59.349	118.454	128.212
Total	**1.285.086**	**1.285.086**	**0**	**118.234**	**0**	**192.763**	**296.115**	**311.312**

* Chair of the Executive Board since 18 April 2012 and member of the Executive Board since 28 April 2010
*** Member of the Executive Board since 1 September 2009
*** Member of the Executive Board since 18 April 2012

The remuneration of the Members of the Executive Board and of the Executive Committee is as follows:

in €	2014	2013
Gross fixed remuneration	1.851.995	1.852.753
Gross short-term variable remuneration	0	331.238
Bonus Investment Share Matching Plan	22.878	49.371
Pension contributions	385.646	410.978
Crisis levy	254.839	254.839
Reimbursement of expenses	87.240	87.240
Total remuneration of Members of the Executive Board and the Executive Committee	**2.602.598**	**2.986.419**

In 2014, €1,811,975 (2013: €2,046,428) was recognised in the income statement in respect of:
- gross fixed remuneration paid;
- Gross short-term variable remuneration;
- Bonus Investment Share Matching Plan;
- pension commitments;
- expenses reimbursed; and
- Crisis levy

for the Members of the Executive Board.

The short-term variable remuneration for 2014 for the Executive Committee was set at nil. The long-term variable remuneration granted in 2014, for the period 2012-2014, was also set at nil. For further details, see the section on remuneration in the Annual Report.

A reserve of €0.6 million was formed for variable remuneration for the periods 2013-2015 and 2014-2016 to the current members of the Executive Board (2013: €0.6 million for the periods 2012-2014 and 2013-2015).
An amount of €246,882 is reserved for Mr L.J.T. van der Els (2013: €241,856), €197,831 for Mr M.C. van den Biggelaar (2013: €196,856), and €197,831 for Mr A.G.J. Hillen (2013: 194,697). A reserve of €0.2 million has been formed for the variable remuneration to members of the Executive Committee for the periods 2013-2015 and 2014-2016 (2013: €0.2 million for the periods 2012-2014 and 2013-2015).

The charge in 2014 for the long-term variable remuneration for members of the Executive Board was €0 (2013: €0.2 million) and for members of the Executive Committee €0 (2013: €0.1 million).

In order to bind directors to the Company for the longer term and to encourage a focus on long-term value creation, with effect from 2010 a Bonus Investment Share Matching Plan has been introduced whereby directors can decide on a voluntary basis to use part of their variable short-term remuneration to purchase Heijmans shares.

In April 2011, the members of the Executive Committee purchased Heijmans shares for an amount equal to half the net short-term variable remuneration allocated for 2010. For each share purchased - in total 10,182 shares - one share is conditionally allocated under the Share Matching Plan. The total expense relating to the allocating of these shares is determined at the time of allocation and is recognised on a time-proportionate basis in the income statement during the period that the allocation becomes unconditional. The income statement for 2014 includes a charge of €23,284 (2013: €69,852) relating to the share shares allocated in April 2011. In April 2014, the allocation of 9,171 shares became unconditional. In April 2014, the Group issued 9,171 shares and distributed them to the Executive Committee members concerned. These shares are subject to a mandatory lock-up period of two years.

In April 2014, Mr van der Els used 50% of his short-term bonus for 2013 to purchase shares in Heijmans. Similarly, Mr van den Biggelaar and Mr Hillen each used 20% of their short-term bonuses for the same purpose. For each share purchased - in total 2,289 shares - one share is conditionally allocated under the Share Matching Plan. The allocation becomes unconditional after three years, following which a mandatory lock-up period of two years comes into effect. The total expense relating to the allocation of shares is determined at the time of allocation and is recognised on a time-proportionate basis in the income statement during the period that the allocated shares become unconditional. The income statement for 2014 includes a charge of €6,420 relating to the shares allocated in April 2014.

In his term as Chairman of the Executive Board, Mr Van Gelder was allocated a block of 210,000 options with an exercise price of €20.07 per option. The final date on which the options can be exercised is 1 October 2015.

The pension plan for Mr Van den Biggelaar involves a defined contribution for retirement pension payable from the age of 65, a partner pension, and an orphans' pension. Pension is accrued annually over the gross fixed salary on an average pay basis. Mr Van der Els receives a fixed allowance for pension costs. Mr Hillen's pension is arranged through the industry pension fund and the directly insured average pay plan. He is also receives compensation in respect of termination of the early retirement plan. This compensation is currently €31,898 a year and is indexed in accordance with pay increases under the collective labour agreement.

The pension cost is calculated on the basis of accounting principle 23.

At year-end 2014, the members of the Executive Board owned a total of 139,839 depositary receipts for Heijmans shares. The ownership of these shares is partly a consequence of the Share Matching Plan as described above and partly the result of the purchase of shares by members of the Executive Board. The ownership of depositary receipts for Heijmans shares by the individual members of the Executive Board at year-end 2014 was as follows:

Shares owned on 31 December	**2014**
L.J.T. van der Els - Chair	116.130
M.C. van den Biggelaar **	12.184
A.G.J. Hillen ***	11.525
Total	**139.839**

Remuneration of former Members of the Executive Board

The income statement for 2014 includes €580,815 (2013: €758,060) for gross remuneration, benefits and pension rights granted to Mr. Witzel, a former Member of the Executive Board. Mr Witzel's activities comprise consulting and managing large projects. His contract with Company terminated on 1 October 2014. The above-mentioned amount for 2014 includes the fees Mr Witzel receives under his management agreement that came into effect on 1 November 2014.

6.30 Management estimates and judgements

The accounting information in the financial statements is partly based on estimates and assumptions. The Group makes these estimates and makes assumptions about future developments based on factors such as experience and expectations about future events that may reasonably be expected to occur given the current state of affairs. These estimates and assumptions are continually reassessed.

Revisions of estimates and assumptions, or differences between estimates and assumptions and actual outcomes, may lead to material adjustments to the carrying amounts of assets and liabilities.

Supplementary to the estimates already described in the accounting principles (section 5) and the explanatory notes (6.1 to 6.29), the key elements of estimation uncertainty are explained below.

Measurement of projects
For more information on the key assumptions used in the measurment of projects, refer to note 6.16, “Work in progress”.

Pensions
The key actuarial assumptions for the calculation of the pension obligations are outlined in note 6.22.

Deferred tax assets
For more information on the key assumptions used in the measurement of deferred tax assets, refer to note 6.14, “Deferred tax assets and liabilities”.

Strategic land portfolio
For more information on the key assumptions used in the measurment of land portfolios, refer to note 6.15, “Inventory”.

Impairment tests
For the main principles used in the annual determination of the realisable value of intangible assets, refer to note 6.10, “Intangible assets”.

7. Subsidiaries and joint operations

The following entities were included in the consolidation in 2014. Wholly owned entities are subsidiaries. The remaining entities are joint operations. For practical reasons, entities of only minor significance are not included in this list. A complete list of the subsidiaries included in the consolidation is deposited with the Trade Register at the Chamber of Commerce in Eindhoven. For significant joint ventures and associates, see note 6.12.

	31 December 2014
Heijmans Nederland B.V., Rosmalen	100%
Heijmans Vastgoed B.V., Rosmalen	100%
V.O.F. Projectontwikkeling GZG-terrein, Rosmalen	50%
V.O.F. Mondriaanlaan, Utrecht	35%
Heijmans Woningbouw B.V., Rosmalen	100%
Heijmans Huizen B.V., Huizen	100%
BC Heijmans-Dura Vermeer V.O.F. , Amersfoort	50%
Heijmans Utiliteit B.V., Rosmalen	100%
Heijmans Utiliteit Metaal B.V., Rosmalen	100%
Heijmans Infrastructuur B.V., Rosmalen	100%
Heijmans Integrale Projecten B.V., Rosmalen	100%
Heijmans Wegen B.V., Rosmalen	100%
Heijmans Civiel B.V., Rosmalen	100%
Sander & Geraedts B.V., Koningsbosch	100%
Brinck Groep B.V., Zeewolde	100%
A4 All V.O.F., Rotterdam	45%
Waterdunen V.O.F., Schiedam	40%

	31 December 2014
Heijmans Facilitair Bedrijf B.V., Rosmalen	100%
Heijmans Materieel Beheer B.V., Rosmalen	100%
Heijmans International B.V., Rosmalen	100%
Heijmans Technology B.V., Rosmalen	100%
Heijmans (B) N.V., Schelle	100%
Heijmans Infra N.V., Schelle	100%
Van den Berg N.V., Schelle	100%
Heijmans Vastgoed N.V., Schelle	100%
Heijmans Bouw N.V., Bilzen	100%
Heijmans Deutschland B.V., Rosmalen	100%
Heijmans Oevermann GmbH, Münster	100%
Oevermann Verkehrswegebau GmbH, Münster	100%
Oevermann Hochbau GmbH, Münster	100%
Oevermann Ingenieurbau GmbH, Münster	100%
CMG Gesellschaft für Baulogistik GmbH, Münster	100%
Franki Grundbau GmbH & Co. KG., Seevetal	100%

8. Company financial statements

x € 1.000

8.1 General

The Company financial statements are part of the 2014 financial statements of Heijmans N.V.
With reference to the separate income statement of Heijmans N.V., use has been made of the exemption pursuant to Section 402, Book 2 of the Dutch Civil Code. Please refer to the notes to the consolidated income statement and balance sheet for items in the separate income statement and balance sheet for which no additional explanations are provided.

8.2 Accounting principles for measuring assets and liabilities

For determining the accounting principles to use for measuring the assets and liabilities in its separate financial statements, Heijmans N.V. makes use of the option provided in Section 362 sub 8 of Book 2 of the Dutch Civil Code. This means that the accounting principles applied in the company financial statements of Heijmans N.V. are the same as those applied in consolidated EU-IFRS financial statements. Participating interests over which significant control is exercised are recognised using the equity method.

The share in the result of participating interests consists of the share of Heijmans N.V. in the result of these participating interests. Results from transactions where there is a transfer of assets and liabilities between Heijmans N.V. and its participating interests or between participating interests themselves are not recognised insofar as they can be deemed to be unrealised.

The comparative figures for 2013 have been revised because of the change in accounting policy for joint arrangements (see 5. Accounting principles).

For details of the remuneration of the members of the Supervisory Board and the Executive Board, see note 6.29 to the consolidated financial statements.

8.3 Company income statement 2014

	2014	2013
Result from participating interests	-58.165	-9.266
Other income and expense after tax	10.872	11.123
Result after tax	**-47.293**	**1.857**

The employee benefits for the Members of the Supervisory Board, the Executive Board, the Executive Committee and the Board's Secretariat are recognised in the company financial statements (see note 6.29 to the consolidated financial statements)..

x € 1.000

8.4 Company balance sheet at 31 December 2014 (before appropriation of profit)

Assets	31 December 2014	31 December 2013
Non-current assets		
Intangible assets	21.207	21.207
Financial assets	11.134	9.138
	32.341	**30.345**
Current assets		
Receivables	612.906	627.795
Cash and cash equivalents	28.508	319
	641.414	**628.114**
	673.755	**658.459**

Equity and liabilities	31 December 2014	31 December 2013
Equity		
Issued capital	5.839	5.805
Share premium reserve	222.152	222.183
Hedging reserve	-54	750
Reserve for actuarial results	-27.346	-23.240
Reserve for Bonus Investment Share Matching Plan	219	192
Statutory reserve for participating interests	41.754	36.415
Retained earnings	64.005	69.060
Result after tax for the current financial year	-47.293	1.857
	259.276	**313.022**
Non-current liabilities	66.100	66.100
Current liabilities	348.379	279.337
	673.755	**658.459**

x € 1.000

8.5 Notes to the company balance sheet

Intangible assets (goodwill)	2014	2013
Carrying amount		
Balance at 1 January	21.207	21.207
Balance at 31 December	**21.207**	**21.207**

Financial assets	2014	2013
Investments in Group companies		
Balance at 1 January	-41.916	-88.968
Share in result of participating interests after tax	-58.165	-9.266
Dividend received from participating interests	-12.755	-24.390
Capital contributions	18.059	92.722
Changes in cash flow hedges	-804	957
Changes in actuarial results relating to employee-related liabilities	-4.106	-12.932
Other changes	0	-39
Balance at 31 December	**-99.687**	**-41.916**
Recognised in the provision for participating interests with a negative asset value	-110.821	-51.054
Recognised under financial assets	11.134	9.138

The “Share in result of participating interests after tax” item includes the gains on the sale of participating interests. The participating interests in Group companies are direct or indirect interests in Group companies. The principal Group companies are listed on page 81.

x € 1.000

Receivables	31 December 2013	31 December 2012
Group companies	597.906	613.678
Tax and social security contributions	14.711	13.780
Other receivables	289	337
	612.906	**627.795**

The receivables fall due within one year.

Cash and cash equivalents

Cash balances are at the free disposal of the Company.

Equity

2014	Issued capital	Share premium reserve Reserve	Reserve for actuarial results	Hedging reserve	Reserve Bonus Investment Share Matching Plan	Statutory reserve for participating interests	Retained earnings	Result for the year after tax	Total Equity
Balance at 1 January	5.805	222.183	-23.240	750	192	36.415	69.060	1.857	313.022
Reclassification	3	0	0	0	-3	5.339	-5.339	0	0
Bonus Investment Share Matching Plan	0	0	0	0	30	0	0	0	30
Appropriation of result for 2013	31	-31	0	0	0	0	284	-1.857	-1.573
Total recognised income and expense	0	0	-4.106	-804	0	0	0	-47.293	-52.203
Balance at 31 December	**5.839**	**222.152**	**-27.346**	**-54**	**219**	**41.754**	**64.005**	**-47.293**	**259.276**

2013	Issued capital	Share premium reserve Reserve	Reserve actuariële resultaten	Afdekkings-reserve	Reserve Bonus Investment Share Matching Plan	Statutory reserve for participating interests	Retained earnings	Result for the year after tax	Total Equity
Balance at 1 January	5.199	209.562	-10.308	-207	122	38.643	157.075	-87.742	312.344
Share issue	528	12.699	0	0	0	0	0	0	13.227
Reclassification	0	0	0	0	0	-2.228	2.228	0	0
Bonus Investment Share Matching Plan	0	0	0	0	70	0	0	0	70
Appropriation of result for 2012	78	-78	0	0	0	0	-90.243	87.742	-2.501
Total recognised income and expense	0	0	-12.932	957	0	0	0	1.857	-10.118
Balance at 31 December	**5.805**	**222.183**	**-23.240**	**750**	**192**	**36.415**	**69.060**	**1.857**	**313.022**

Authorised share capital

Composition of the authorised share capital is as follows:

Authorised share capital in €	31 December 2014
35,100,000 ordinary shares, each with a nominal value of €0.30	10.530.000
7,000,000 cumulative financing preference shares B, each with a nominal value of €0.21	1.470.000
8,000,000 protective preference shares, each with a nominal value of €1.50	12.000.000
	24.000.000

As at 31 December 2014, the number of ordinary shares issued was 19,460,880. All the outstanding shares are paid up, which represents a value of €5,838,264 (at €0.30 per share). Depositary receipts are issued for ordinary shares. Holders of depositary receipts have the option to convert these into shares under certain conditions. This option has been exercised for 7 depositary receipts. The holders of ordinary shares or their depositary receipts are entitled to dividends and have the right to exercise 30 votes per share at meetings of the Company's shareholders.

Refer to section 6.21 of the consolidated financial statements for the notes on the rights and obligations relating to the cumulative financing preference shares.

Share premium reserve

The share premium reserve consists of the capital paid up in excess of the nominal value.

Reserve for actuarial results

The reserve for actuarial results represents the actuarial results on employee-related liabilities (see note 6.22 to the consolidated financial statements).

Hedging reserve

The hedging reserve represents the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to hedged transactions that have not yet occurred.

Reserve for Bonus Investment Share Matching Plan

For information on the Reserve Bonus Investment Share Matching Plan, see note 6.29 to the consolidated financial statements.

Reserve for participating interests

The statutory reserve for participating interests represents the difference between the retained earnings and the direct changes in equity as calculated using the parent company's accounting principles, on the one hand, and that portion for which the parent company can determine distribution, on the other hand. The statutory reserve is determined for each participating interest individually.

x € 1.000

Result appropriation
Please refer to “Other information” for the proposed result appropriation.

Liabilities	31 December 2014	31 December 2013
Non-current liabilities		
Financing preference shares	66.100	66.100
	66.100	**66.100**
Current liabilities		
Group companies	211.472	193.731
Dividend payable on financing preference shares	5.222	4.792
Banks	20.321	29.135
Provision for participating interests with negative asset value	110.821	51.054
Other liabilities	543	625
	348.379	**279.337**

The provision for negative value associates should be taken into account together with the receivables from group companies.

x € 1.000

8.6 Liabilities not disclosed in the balance sheet

Contingent liabilities	31 December 2014	31 December 2013
Bank guarantees	340.965	320.347
Group guarantees to clients	368.752	398.522
Group guarantees to credit institutions	120.855	131.232
	830.572	**850.101**

For information on the guarantees, see note 6.28 to the consolidated financial statements.

Joint and several liability, and guarantees

With the exception of Heijmans Deutschland B.V., statements of joint and several liability as referred to under Section 403(1)(f) of Book 2 of the Dutch Civil Code have been filed with the Trade Register of the respective Chambers of Commerce for all the Dutch wholly owned subsidiaries included in the consolidated figures.

Tax group

Together with its Dutch subsidiaries, Heijmans N.V. forms a tax group for the purposes of corporate income tax and value added tax. In accordance with the standard applicable conditions, each company is jointly and severally liable for the tax liabilities of every company that forms part of the tax group.

Share in result of participating interests

This is the company's share in the results of its participating interests, all of which are Group companies.

x € 1.000

Auditor's fees

The following fees for Ernst & Young Accountants (2013: KPMG Accountants) have been charged to the Company, its subsidiaries and other companies included in the consolidated figures. These are disclosed in accordance with the provisions of Section 382a of Book 2 of the Dutch Civil Code.

x € 1.000	2014		
	Ernst & Young Accountants LLP	**Other EY network firms**	**Total EY**
Examination of the financial statements	1.408	-	1.408
Other audit engagements	80	-	80
Tax consultancy services	-	232	232
Other non-audit services	-	-	0
	1.488	**232**	**1.720**

The costs relating to the examination of the financial statements for the foreign subsidiaries are billed directly by Ernst & Young Accountants LLP.
The costs of tax consultancy services concern a certain success fee for delivered tax consultancy services in 2013 which have been included in the result of 2014.

x € 1.000	2013		
	KPMG Accountants NV	**Other KPMG network firms**	**Total KPMG**
Examination of the financial statements	1.370	481	1.851
Other audit engagements	133	-	133
Tax consultancy services	-	231	231
Other non-audit services	-	-	0
	1.503	**712**	**2.215**

Events after balance date

Up till the date of signing no significant events occured that would influence this annual report.

Rosmalen, 25 February 2015

The Members of the Executive Board
L.J.T. van der Els
M.C. van den Biggelaar
A.G.J. Hillen

The Members of the Supervisory Board
A.A. Olijslager
P.G. Boumeester
R. van Gelder
R. Icke
S. van Keulen