PRESS RELEASE

HALF YEAR RESULTS 2018

VolkerWessels expects positive market trends to continue in second half of the year

- Net result € 43 million (+16%); *net result incl. OpenIJ provision after tax € 19 million (-49%)*
- EBITDA of € 93 million (+3.3%); *EBITDA incl. OpenIJ provision € 61 million (-32%)*
- Net cash position improved by € 116 million to € 13 million
- Order book at historic high of € 8,767 million (+4.1%)
- Expect to pay interim dividend equal or slightly better than € 0.28 per share paid in November 2017
- Reconfirms to be on track to meet medium-term objectives, we changed our medium-term objective to improve strategic working capital from € 100 million to € 200 million

Amersfoort, 30 August 2018 – Koninklijke VolkerWessels N.V. reports an all-time high order book in its Half Year 2018 report, which is a reflection of the positive trends in the markets in which the multi-branded construction company operates. The company sees a satisfactory underlying operational performance. VolkerWessels has decided to report the OpenIJ project separately going forward. This is showing its focus on the project and allows its shareholders to better evaluate the performance of the company and its segments.

Jan de Ruiter, Chairman of the Management Board

'The markets in which we are active are very strong. Demand for our products and services remains high. As a result of this continued increased demand, our order book has reached an all-time high at € 8,767 million (up 4.1% versus 30 June 2017). The order book of C&RED increased by over € 500 million, including new significant long-term residential development positions in the cities of Amsterdam, Delft and Utrecht securing long term production volume. The decision by the Dutch government to stop gas connectivity for new build homes after the 1st of July 2018 may temporarily impact the growth of the construction of new homes in the Netherlands. With our MorgenWonen® product, we are very well positioned for this new development.

The EBITDA, excluding the provision for OpenIJ, for H1 2018 of € 93 million is well above the range of € 85 - € 91 million that we expected in the press release of 3 July. Our working capital improved and our net cash position improved by € 116 million. As we reduced our strategic working capital close to € 100 million, I am proud to announce that we have decided to change our medium-term objective to improve strategic working capital from € 100 million to € 200 million.

The financial information in this press release has not been audited

We are pleased by the performance of our UK operations, which has delivered strong results. Given our significant exposure to long-term infrastructure, we have seen minimal negative impact from any ongoing Brexit related uncertainty. The UK infra market continues to develop favourably and we are well placed to benefit from this trend going forward.

Our Dutch Infra segment results overall showed a lower performance. By an even stronger focus on project selection and control, we aim to restore its financial performance in line with its leading market positions in the Netherlands. On the 3rd of July, VolkerWessels announced the additional provision of € 31.5 million for OpenIJ. We have decided to report OpenIJ separately going forward allowing our shareholders to better evaluate the performance of the company and its segments.

OpenIJ is a significant outlier. Hence, when setting our interim dividend, the negative impact of OpenIJ will not be taken into account. We expect to pay an interim dividend which is equal or slightly better than the € 0.28 per share paid in November 2017. We will formally announce our interim dividend on 15 November.

Overall, controlled growth with a clear focus on improvements remains our key priority. We reiterate our expectation that our full year EBITDA result to be the same or slightly better relative to 2017 and expect all segments to contribute positively.'

Operational performance

Net result from continuing operations*	EBITDA*	EBITDA margin	ROCE	Solvency	Net cash position	Order Book	Revenue
H1 2018 € 43 m	H1 2018 € 93 m	H1 2018 3.4%	30/06/18 17.0%	30/06/18 30%	30/06/18 € 13 m	30/06/18 € 8,767 m	H1 2018 € 2,769 m
16%	3%	=	+200 bps	=	€116 m	4.1%	3.8%
H1 2017 € 37 m	H1 2017 € 90 m	H1 2017 3.4%	30/06/17 15.0%	30/06/17 30%	30/06/17 -€ 103 m	30/06/17 € 8,423 m	H1 2017 € 2,668 m

Financial performance including provision OpenIJ

Net result from continuing operations*	EBITDA*	EBITDA margin	ROCE	Solvency	Net cash position	Order Book	Revenue
H1 2018 € 19 m	H1 2018 € 61 m	H1 2018 2.2%	30/06/18 14.4%	30/06/18 30%	30/06/18 € 13 m	30/06/18 € 8,767 m	H1 2018 € 2,769 m
-49%	-32%	-120 bps	-60 bps	=	€116 m	4.1%	3.8%
H1 2017 € 37 m	H1 2017 € 90 m	H1 2017 3.4%	30/06/17 15.0%	30/06/17 30%	30/06/17 -€ 103 m	30/06/17 € 8,423 m	H1 2017 € 2,668 m

* Net result from continuing operations / EBITDA 2017 excl. € 13 million third party result
All numbers exclude share incentive charge

The financial information in this press release has not been audited

Overall performance of VolkerWessels

Summary overview of results

(€ million, unless stated otherwise)	**H1 2018**	**H1 2017**	**FY 2017**
Revenue	2,769	2,668	5,714
Operating expenses	*-2,759	*-2,633	*-5,558
Share in results of associates and JVs (after income tax and 3rd party result)	12	14	27
Operating result	**22**	**49**	**183**
Net financial result	0	1	4
Income tax	-3	-13	-45
Net result from continuing operations	**19**	**37**	**142**
Net result from discontinued operations (after tax)	0	1	1
Net result for the financial period	**19**	**38**	**143**
Minority interests	0	1	3
Net result attributable to shareholders	**19**	**37**	**140**
Operating result	22	49	183
D&I of property, plant and equipment	35	33	69
A&I of intangible assets	4	8	13
EBITDA	**61**	**90**	**265**
EBITDA margin (%)	2.2%	3.4%	4.6%
EBITDA excluding 2018 OpenIJ provision	**93**	**90**	
Order book (per end of period)	8,767	8,423	8,091
Interim dividend		22.4	22.4
Final dividend		-	61.6
Total dividend		**22.4**	**84.0**
Total dividend as % of Net results attributable to shareholders (adjusted for share incentive plan)		60%	60%
Per share data attributable to shareholders			
Number of shares (in million)	80	80	80
Earnings per share (€)	0.24	0.46	1.75
Earnings per share from continuing operations (€)	0.24	0.45	1.74
Earnings per share from discontinued operations (€)	0.00	0.01	0.01
Interim dividend		0.28	0.28
Final dividend		-	0.77
Total dividend		**0.28**	**1.05**

* Under IFRS any benefit due to the Managing Directors or any of the relevant key managers will need to be reflected in the annual accounts of VolkerWessels as personnel expenses, irrespective of the fact whether the costs are borne by VolkerWessels or not. The cash flow effects related to the share incentive, including the tax effects, are borne in full by Reggeborgh Holding and consequently, the cash flow effects for VolkerWessels will be nil. For the period between 1 January 2018 and 30 June 2018 the total amount is: € 3 million, between 12 May 2017 and 30 June 2017: € 1 million and between 12 May and 31 December 2017: € 5 million, this is adjusted in comparison to the (interim) financial statements.

The financial information in this press release has not been audited

Summary overview of results per operating segment

(€ million, unless stated otherwise)	Revenue			EBITDA			Order Book (period end)		
	H1 2018	**H1 2017**	**Δ**	**H1 2018**	**H1 2017**	**Δ**	**H1 2018**	**H1 2017**	**Δ**
NL – C&RED	1,041	1,029	1.2%	39	37	5.4%	3,315	2,805	18.2%
NL – Infrastructure	645	629	2.5%	11	19	-42.1%	1,829	1,718	6.5%
NL – E&T Infrastructure	332	318	4.4%	13	8	62.5%	921	1,078	-14.6%
United Kingdom	548	498	10.0%	16	11	45.4%	1,162	1,257	-7.6%
Local currency (GBPm)	*482*	*428*	*12.6%*	*14*	*9*	*55.5%*	*1,030*	*1,102*	*-6.5%*
North America	130	116	12.1%	9	12	-25.0%	877	986	-11.1%
Local currency (CADm)	*200*	*168*	*19.1%*	*14*	*17*	*-17.6%*	*1,355*	*1,461*	*-7.3%*
Germany	110	107	2.8%	6	7	-14.3%	711	609	16.7%
Other/eliminations	-37	-29		-1	-4		-48	-30	
Total				**93**	**90**	**3.3%**			
Provision OpenIJ				-32					
Total	**2,769**	**2,668**	**3.8%**	**61**	**90**	**-32.2%**	**8,767**	**8,423**	**4.1%**

All EBITDA numbers are excluding share incentive charge.

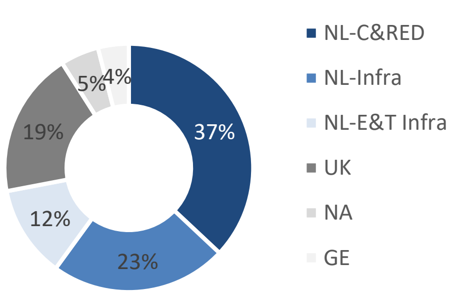
Bridge to EBITDA in H1 2018 interim financial statements of € 58 million (adj. EBITDA of € 61 million -/- share incentive charge € 3 million)

Quarterly revenue and EBITDA

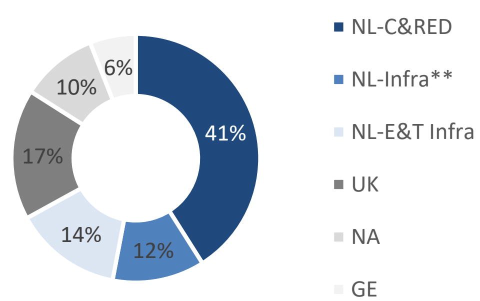
(€ million)	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**
Revenue	1,539	1,230	1,747	1,299	1,473	1,195	1,528	1,390	1,510	1,062
EBITDA*	53	8	110	65	77	13	113	66	77	-2

* EBITDA H1 2018 including OpenIJ provision of € 31.5 million

H1 2018 Revenue per segment*



H1 2018 EBITDA per segment*



* Breakdown excludes Other/Eliminations, NL-E&T Infrastructure includes the activities in Belgium
** NL-Infra EBITDA and total EBITDA excludes the OpenIJ provision

The financial information in this press release has not been audited

Consolidated income statement

VolkerWessels has adopted IFRS 15 with effect of 1 January 2018 using the modified retrospective method. The information presented for FY 2017 and H1 2017 has not been restated. The impact on the group equity at 1 January 2018 and impact on the H1 2018 profit & loss and statement of cash flow was limited. VolkerWessels has changed the presentation of certain amounts in the balance sheet to apply IFRS 15. Details are available on page 30 and 31.

We have decided to report the OpenIJ project separately going forward. This shows our focus on the project and allows our shareholders to better evaluate the performance of the company and its segments.

OpenIJ

The provision regarding the OpenIJ project in IJmuiden totaled € 67.5 million in 2017. The provision in 2017 mainly related to the redesign of the two caissons (the construction holding the lock doors) i.a. to prevent torsion and cracking during immersion. The new design specified i.a. reinforced caissons and heavy temporary structures. Implementation works revealed significantly higher costs for specialist materials and equipment and personnel as well as a prolonged construction period. On the 3rd of July, VolkerWessels announced the additional provision of € 31.5 million, simultaneously with a statement from Rijkswaterstaat in which an updated project planning was communicated.

OpenIJ remains a challenging project which is now approximately 53% completed. Work on the world's largest sea lock is ongoing and the exterior lock head (the structure which will contain the exterior lock door) is currently in the process of being immersed into its final position. OpenIJ expects to finalize the interior lock head over the summer of 2019. The construction of the lock doors is progressing as expected and OpenIJ expects the doors to be shipped to the Netherlands before the end of this year. VolkerWessels' share in the cash outflow of the project till the 30th of June is € 53 million. OpenIJ is currently in constructive discussions with its banking syndicate to reschedule the financing scheme of the project.

Revenue

Revenue in H1 2018 increased by 3.8%, or € 101 million, to € 2,769 million as compared to € 2,668 million in H1 2017. Revenues increased in all segments principally driven by overall higher volumes due to improved market conditions.

Operating expenses

In line with the increase in revenue, operating expenses increased by 3.6%, or € 94 million, to € 2,727 million in H1 2018. Including the provision for OpenIJ € 2,759 million.

EBITDA and EBITDA margin

The EBITDA margin in H1 2018 is stable at 3.4%. EBITDA increased 3.3% to € 93 million. Including the provision for OpenIJ EBITDA decreased to € 61 million.

The C&RED, E&T and UK segment posted higher EBITDA numbers of respectively increases of € 2 million, € 5 million and € 5 million. They are mainly the effect of favourable timing of projects and the positive market conditions.

The financial information in this press release has not been audited

As a consequence of the additional provision for OpenIJ, Infrastructure posted a negative EBITDA result of € 21 million. Without the provision for OpenIJ, the underlying EBITDA for Infrastructure is € 11 million.

The decrease of € 3 million in North America is the result of a relatively late start of the production season in Canada. In Germany, EBITDA declined by € 1 million due to timing of projects. Both segments are expected to deliver as planned in 2018.

Our aim is to further improve our EBITDA margin by continuing to focus on margin rather than volume. Our operational excellence initiatives, including the focus on improving and optimizing our risk, project and contract management processes, will enable us to reduce our failure costs going forward.

Personnel

VolkerWessels' average number of employees increased by 464 to 16,331 from H1 2017 to H1 2018.

Net financial result

The net financial result was stable in H1 2018 at € 0 million (H1 2017: € 1 million).

Net Result

The H1 2018 net result from continuing operations amounted to € 43 million (H1 2017: € 37 million). Including the provision after tax for OpenIJ the net result from continuing operations amounted to € 19 million.

The H1 2018 net result from discontinued operations amounted to € 0 million (H1 2017: € 1 million).

Capex

In H1 2018, the gross capital expenditure relating to property, plant and equipment amounted to € 31 million, 1.1% of revenue (H1 2017: € 35 million, 1.3% of revenue). In H1 2018, the net capital expenditure relating to property, plant and equipment amounted to € 16 million, 0.6% of revenue (H1 2017: € 32 million, 1.2% of revenue).

Order Book

The order book of VolkerWessels at 30 June 2018 is historic high at € 8,767 million versus € 8,423 million at 30 June 2017, which represents an increase of 4.1%. The strong order book consists of an increased pipeline of projects in our Construction & Real Estate Development segment (especially in the Development sector), Infrastructure segment and our German segment, balanced by a decrease in the Energy & Telecoms Infrastructure segment (due to the production volume delivered on a long-term framework contract) and UK and North America. We take a cautious approach to order book recognition; we only include signed contracts and - for framework contracts - work packages agreed with our clients. During H1 2018, we did not contract large integrated multidisciplinary infra projects (defined as contract value > € 200 million).

Condensed overview of balance sheet

(€ million, unless stated otherwise)	**30/06/2018**	**30/06/2017**	**31/12/2017**
Total assets	3,637	3,586	3,605
Total group equity	1,087	1,080	1,135
Net cash	13	(103)	297
Capital employed	1,074	1,183	838
Solvency ratio *(%)*	30%	30%	31.5%

Solvency and Net cash position

VolkerWessels has a solid capital structure in place, with a solvency ratio of 30% at 30 June 2018 (30% at 30 June 2017). Total equity, including the result for the year, was stable at € 1.1 billion at 30 June 2018. This is the net combined result of (i) the profitability of the company during H2 2017 and H1 2018 and (ii) dividend payments of € 84.0 million in total in November 2017 and May 2018.

Despite the ongoing loss funding for OpenIJ project, our net cash position improved by € 116 million resulting in a net cash position of € 13 million at 30 June 2018.

Sustainable RCF

We successfully amended and extended our € 600 million revolving credit facility (the "RCF") by one year and two one-year extension options, potentially extending the tenor to January 2025. VolkerWessels is the first company in the Dutch construction sector linking sustainability performance to its banking credit facility. The credit margin of the RCF is based on the leverage ratio (net debt to EBITDA) and has been reduced to reflect VolkerWessels' strong performance. All other terms have remained unchanged. The RCF can be used for general corporate and working capital purposes (including acquisitions, capital expenditure, dividend distributions and interest expenses).

The applicable credit margin incentivises VolkerWessels to deliver year-on-year improvements in five sustainability indicators: (i) injury frequency, (ii) social return, (iii) car fleet CO_2 emissions, (iv) waste separation and (v) proportion of newly built zero-energy bill homes. Depending on the number of sustainability indicators achieved, a margin discount or increase will be applicable.

At 30 June 2018 € 200 million was drawn under the RCF (€ 145 million at 30 June 2017).

Working Capital overview

(€ million)	30/06/2018	30/06/2017	31/12/2017
Inventories (excl. Property development)	73	62	66
Balance of Contract Assets and Liabilities*	31	63	-75
Trade and other receivables (excl. Receivables from associates and JVs)	893	909	832
Trade and other payables (excl. Amounts owed to associates and JVs)	-1,394	-1,377	-1,480
Net taxes	-9	-7	-18
Traditional Net Working Capital	**-406**	**-350**	**-675**
Land	194	218	193
Property development	133	151	175
Property held for sale	40	107	69
Associates and JVs less provision	118	106	113
Non-current receivables from associates and JVs	69	45	51
Net receivables on participations	104	97	107
Strategic Net Working Capital	**658**	**724**	**708**
Net Working Capital	**252**	**374**	**33**

* Includes provisions for onerous construction contracts

Traditional net working capital improved by € 56 million compared with 30 June 2017 to € 406 million negative, mainly caused by a lower contract assets and liabilities position at 30 June 2018. Strategic net working capital improved by € 66 million compared with 30 June 2017 to € 658 million. This mainly relates to the sale of several properties and a lower land position. The land bank decreased by € 24 million compared with 30 June 2017 to € 194 million.

Net working capital improved by € 122 million to € 252 million at 30 June 2018. The financing of the loss of the OpenIJ project and the increase of turn-key projects in our Construction & Real Estate Development segment, will impact our cash conversion in 2018 and our year-end net cash position. Also, investments in exciting new project developments in Amsterdam and Delft will short term consume liquidity but in the medium term strengthen our project development activities in these very important cities. At the same time, we continue to target a reduction of € 200 million of our strategic working capital in line with our changed medium-term objectives and the development of our traditional net working capital in line with revenue.

Other

Outlook and Medium-Term Objectives

At this moment we expect our 2018 EBITDA result to be at the same level or slightly better than 2017 and we are on track to meet our medium-term objectives. By 30 June we already reduced our strategic working capital close to € 100 million, therefore, we have decided to change our medium-term objective to improve strategic working capital from € 100 million to € 200 million.

The financial information in this press release has not been audited

Interim Dividend

When setting our interim dividend, the negative impact of OpenIJ will not be taken into account. We expect to pay an interim dividend which is equal or slightly better than the € 0.28 per share paid in November 2017. We will formally announce our interim dividend on 15 November 2018.

Sustainability H1 2018

VolkerWessels is committed to building a better quality of life. To illustrate this commitment, VolkerWessels is the first company in the Dutch construction sector to link its sustainability performance to the credit margin of its revolving credit facility. In April/May 2018 we broke ground on the first biological wastewater purification plant in the Netherlands. In addition, we are going to build the first PlasticRoad bicycle path made from recycled plastic and we reached the milestone of building 1,000 MorgenWonen® homes. These gas-free, zero-energy bill homes arrive at the building site in pre-fabricated modules and are assembled within a day. We also started construction on 19 earthquake-proof MorgenWonen homes in the Dutch province of Groningen. Furthermore, we pledged to realise a Madaster Material Passport on three VolkerWessels projects. We not only implement the passport but also actively communicate the message behind the concept of listing the materials used in construction and how they can be disassembled and reused. Together with Madaster board member Thomas Rau we organised three meetings about the Madaster Material Passport: one for 100 board members of VolkerWessels in the Netherlands, one for 100 VolkerWessels clients and one for the management meeting with all VolkerWessels directors present. In doing so we are taking the Material Passport a step further.

We also believe it is important to promote environmental awareness among our employees. So, in early 2018 we gave all employees the opportunity to pitch their ideas for a new VolkerWessels housing concept: a circular house that makes a positive contribution to the health of its residents and based on maximum circularity of the building itself.

It is encouraging to see that our performance has not gone unnoticed. VolkerWessels obtained the first BREEAM-NL Outstanding certificate in the Netherlands for the Alliander office building in Duiven, the Valley project was named 'most conscious builder' in the Amsterdam Zuidas district, and MorgenWonen® received the NOM Keur – a guarantee of predictably high-quality energy performance at zero-energy bill homes.

Acquisitions

Visser & Smit Hanab has reached agreement with Stedin Group on the principal terms and conditions to acquire Joulz Energy Solutions (JES). JES is a market leading player in design, construction and maintenance of complex medium and high voltage infrastructure and installations. JES is one of the few players in the market capable of offering integrated electrification solutions to its clients. The transaction is subject to satisfactory due diligence and expected to close in Q3 2018.

Declaration of the Management Board

The Management Board of VolkerWessels, hereby declares that, to the best of its knowledge:

1. the interim financial statement over the first half year of 2018 provides a true and fair view of the assets, liabilities, financial position and result of VolkerWessels and the companies included in the consolidation as a whole;
2. the interim financial statement over the first half year of 2018 provides a true and fair overview of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Amersfoort, 30 August 2018

Management Board

Jan de Ruiter
Jan van Rooijen
Alfred Vos
Dick Boers
Henri van der Kamp
Alan Robertson

# # #

The financial information in this press release has not been audited

Results per segment

Netherlands – Construction & Real Estate Development

(€ million, unless stated otherwise)	H1 2018	H1 2017	2017
Revenue	1,041	1,029	2,043
EBITDA	39	37	93
EBITDA margin *(%)*	3.7%	3.6%	4.6%
Average number of employees (#)	3,724	3,712	3,716
Order book *(per end of period)*	3,315	2,805	2,831

Revenue of our Netherlands – Construction & Real Estate Development segment (C&RED) increased by 1.2%, or € 12 million, to € 1,041 million in H1 2018, mainly as a result of improved market conditions especially in real estate development. The number of new homes sold decreased to 1,076 from 1,710 in the same period in 2017. The lower number is explained by the timing of transactions with institutional real estate investors and project permit delays as a result of which pre-selling also gets delayed. EBITDA increased by € 2 million to € 39 million, up 5.4%, with the EBITDA margin improving by 10 basis points to 3.7%. The result of C&RED is negatively impacted by a provision of € 10 million for an arbitration claim which we lost. C&RED is appealing the decision.

Market developments in H1 2018

The residential construction market runs at high capacity, driven by low interest rates and the economic upturn which is boosting consumer confidence. The market has grown rapidly in volume and prices continue to increase. Looking forward we expect material prices to consolidate while labour costs will continue to increase. Interest from private buyers and professional investors in properties remains at a high level. Due to increased prices in the Randstad conurbation, growth outside the Randstad is now also gathering pace. The non-residential market (mainly offices) concentrates on A locations near transportation hubs, with Amsterdam the most popular city for office development. The vacancy levels in the Dutch office market are currently at the lowest level since 2007, after successfully transforming many old office buildings into new housing developments. New office developments in the major cities are therefore needed to remain attractive for (inter)national companies and organizations.

H1 2018 Highlights

VolkerWessels builds many eye-catching projects. In Amsterdam VolkerWessels continued to work on the new ING headquarters building, the ongoing development of the NDSM wharf and finished the North-South metro line in Amsterdam, which is now operational. Other projects under construction include The Valley in Amsterdam, the NATO complex and the Onderwijs and Cultuur Complex in The Hague, E-Shelter in Schiphol Rijk and Brainport Industry Campus in Eindhoven. Additions to our order book were the Holendrecht Community Campus in Amsterdam, the construction of a new municipality building in Heerlen and the construction of a new hospital in Hardenberg. Superior long-term residential development positions have been obtained in Amsterdam, Delft and Utrecht; securing long-term production volume.

Netherlands – Infrastructure

(€ million, unless stated otherwise)	H1 2018	H1 2017	2017
Revenue	645	629	1,474
EBITDA	11	19	52
OpenIJ provision	-32		
EBITDA including OpenIJ provision	-21	19	
EBITDA margin (%)	1.7%	3.0%	3.5%
Average number of employees *(#)*	5,002	4,925	4,983
Order book *(per end of period)*	1,829	1,718	1,568

Revenue of our Netherlands – Infrastructure segment increased by 2.5% or € 16 million to € 645 million in H1 2018 mainly caused by increased volumes at OpenIJ. Excluding the provision for OpenIJ, EBITDA decreased by € 8 million to € 11 million. This decrease mainly relates to the poor weather conditions in Q1 2018 which impacted our road construction activities negatively and a different approach to tenders. Our infra segment performed below expectation. We have started initiatives to improve controls both during the tender phase as well as the execution phase all with the aim to restore profitability in line with the strong market leading position in the Netherlands.

As a consequence of the additional provision for OpenIJ, Infrastructure posted a negative EBITDA result of € 21 million. Without the provision for OpenIJ, the underlying EBITDA for Infrastructure is € 11 million. We refer to the OpenIJ paragraph for more detailed information.

Market developments in H1 2018

Where the market for local and regional infrastructure projects is improving as a result of the economic recovery, we notice a continued highly competitive market for large, multidisciplinary infra projects (> € 200 million). The combination of high unrecoverable tender costs for lost tenders and the unattractive DBFM contract form, warrant an even more selective approach vis-à-vis these projects. Despite the fact that we did not contract infra projects in this specific category over the first 6 months of 2018, our Infrastructure order book increased to € 1,829 million (+6.5% versus 30 June 2017). We continue to focus on margin over volume, constructive cooperation with our partners and clients and the quality of our order book.

H1 2018 Highlights

The first two pilot projects of PlasticRoad will be constructed in the Province of Overijssel in the form of 30 meter long bicycle paths made of hollow prefabricated elements enabling water drainage and laying down of cables and pipes, with the exact final locations still to be decided. We continue to focus on innovation and improving efficiency. BIM is becoming increasingly important in the projects that we undertake and we are running a pilot with Virtual Reality software incorporated in hard hats and/or glasses, enabling our staff to work more efficiently.

Important tenders won in the first half of 2018 include Zwolle Herfte (major extension of rail capacity near Zwolle based on an Alliance contract) and N200 (maintenance and renovation of the N200 Motorway between Halfweg and Amsterdam).

The financial information in this press release has not been audited

Netherlands – Energy & Telecoms Infrastructure*

(€ million, unless stated otherwise)	H1 2018	H1 2017	2017
Revenue	332	318	674
EBITDA	13	8	32
EBITDA margin (%)	3.9%	2.5%	4.7%
Average number of employees (#)	2,821	2,780	2,789
Order book *(per end of period)*	921	1,078	1,005

* NL-E&T Infra includes the activities in Belgium

Mainly due to favourable market conditions in the onshore energy market, revenue of our Netherlands – Energy & Telecoms Infrastructure segment increased by 4.4%, or € 14 million, to € 332 million. EBITDA increased with € 5 million to € 13 million in H1 2018. As a result, EBITDA margin for the segment was 3.9% in H1 2018 compared to 2.5% in H1 2017. EBITDA margin increased because of a higher proportion of high margin contracts in the energy market. The order book decreased due to the H1 2018 production volume delivered on a long-term contract that was included in our order book since December 2015. Our Belgian operation contributed well to the EBITDA of this segment.

Market developments in H1 2018

After a relatively slow start in Q1 2018 because of cold weather conditions, market demand has increased significantly in Q2. All sectors are positively influenced by both the general economic development and the investments that result from the energy transition in the Netherlands. The ongoing digital transformation is an important trend in the telecoms market, requiring an ongoing need for fast data transmission (optical fibre and VDSL).

H1 2018 Highlights

Visser & Smit Hanab has reached agreement with Stedin Group on the principal terms and conditions to acquire Joulz Energy Solutions (JES). JES is a market leading player in design, construction and maintenance of complex medium and high voltage infrastructure and installations. JES is one of the few players in the market capable of offering integrated electrification solutions to its clients. The transaction is subject to satisfactory due diligence and expected to close in Q3 2018.

In H1 2018 VolkerWessels started work on the migration of Digitenne (a KPN activity) to a new future-proof system. GasUnie, Alliander and MapXact (a subsidiary of VolkerWessels) formed a partnership to increase the use of ground radar technology to visualise the position of underground cables and pipelines. VolkerWessels continued with the implementation of IoT at for example climate sensors and general asset management for owners of real estate.

VolkerWessels United Kingdom

(€ million, unless otherwise stated)	**H1 2018**	**H1 2017**	**2017**
Revenue	548	498	995
Revenue in GBP m	*482*	*428*	*872*
EBITDA	16	11	33
EBITDA in GBP m	*14*	*9*	*29*
EBITDA margin *(%)*	2.9%	2.2%	3.3%
Average number of employees *(#)*	2,876	2,703	2,713
Order book *(per end of period)*	1,162	1,257	1,213
Order book (per end of period) GBP m	*1,030*	*1,102*	*1,077*

In local currency, revenue in H1 2018 increased 12.6% to £ 482 million. EBITDA improved by £ 5 million to £ 14 million with the H1 EBITDA margin improving by 70 basis points to 2.9%. Taking into account the negative impact of the GBP:EUR exchange rate, revenue increased in euro terms by 10.0%, or € 50 million, to € 548 million in H1 2018 and EBITDA increased 45.4%, or € 5 million, to € 16 million. In GBP terms, the UK order book decreased by 6.5% to £ 1,030 million. The slight decrease of the order book relates to the negotiated exit of a multi-year loss making highways maintenance contract offset by higher volumes from framework agreements.

Market developments in H1 2018

The UK infrastructure and construction sectors have continued to show strong growth in the first half of 2018, despite various challenges including the ongoing uncertainty regarding the Brexit negotiations, continuing local government funding challenges, the impact of the collapse of Carillion plc and a more severe winter than in previous years.

Over the coming few years, market activity will be driven by major infrastructure projects in rail, roads, water and in the electricity sub-sectors(including High Speed Two, Smart Motorway programme, Thames Tideway Tunnel and Hornsea One offshore wind farm). VolkerWessels UK remains well positioned to benefit from the positive long-term trends in the UK Infrastructure market.

H1 2018 Highlights

VolkerWessels UK has delivered a strong set of results for H1 2018 with positive developments across all market sectors. In addition to delivering continued exemplary safety performance, we are also accelerating investment in organisational capacity as we embark on the digital transformation of our business. Our core focus remains on infrastructure and construction, however, we are also exploring opportunities in off-site-manufacture housing and associated land development.

Major contracts secured in the first half year include the On Track Machine framework for Network Rail, HMNB Clyde framework for Defence Infrastructure Organisation, 77 Coleman Street development for Kajima and multiple waste water projects for United Utilities.

VolkerWessels North America

(€ million, unless otherwise stated)	H1 2018	H1 2017	2017
Revenue	130	116	351
Revenue in CAD m	*200*	*168*	*515*
EBITDA	9	12	55
EBITDA in CAD m	*14*	*17*	*81*
EBITDA margin *(%)*	6.9%	10.3%	15.7%
Average number of employees (#)	1,200	1,131	1,348
Order book *(per end of period)*	877	986	828
Order book (per end of period) CAD m	*1,355*	*1,461*	*1,249*

Revenue from our North America segment increased € 14 million to € 130 million while EBITDA decreased € 3 million to € 9 million. The decrease is explained by the strong seasonality pattern and the relative late start of the production season in Canada. However, we expect that North America will deliver according to plan in 2018.

Market developments in H1 2018

The expectations for VolkerWessels in Canada remain strong for the coming years based on continued strong demand for work in infrastructure services for provincial, municipal and private developments. Our long-term road maintenance contracts in Alberta and British Columbia continue to provide a solid basis for our performance in North America.

In the Seattle area VolkerWessels is well-positioned to benefit from increased investment in infrastructure, particularly through its exposure to roadwork (including new construction, rehabilitation and intersections), civil work (bridges, retaining walls, etc.) as well as underground utilities and development construction.

H1 2018 Highlights

Our operation in British Columbia was successful in extending Service Area 24 for another 10 years. Construction activities continue to improve in the Canadian province of Alberta. In Calgary we are working on upgrading and improving the Anderson Road and the 162nd Avenue extension and rebuilding the 30-year old 17th Avenue and upgrading the 100-year old utilities of this road. We continue to work on the Clairmont Trunk Sewer & Lift Station in Grande Prairie for Aquaterra Utilities and the Saprae Creek Water, Sewer & Road Construction in Fort McMurray for the Regional Municipality of Wood Buffalo.

In the US, where VolkerWessels operates MidMountain Contractors in the state of Washington, market conditions have improved as the US economy accelerates. In the Seattle region in particular, this is partly thanks to the presence of various multinationals, such as Boeing, Microsoft and Amazon, with a high level of economic activity. VolkerWessels started with its projects at the North Satellite Terminal (N-Sat) at Sea-Tac Airport and for the Port of Seattle.

The financial information in this press release has not been audited

VolkerWessels Germany

(€ million, unless otherwise stated)	**H1 2018**	**H1 2017**	**2017**
Revenue	110	107	244
EBITDA	6	7	17
EBITDA margin (%)	5.5%	6.5%	7.0%
Average number of employees (#)	356	336	335
Order book *(per end of period)*	711	609	684

Revenue at our Germany segment increased by 2.8%, or € 3 million, to € 110 million and EBITDA decreased € 1 million, to € 6 million in H1 2018. However, we expect that Germany will deliver according to plan in 2018. The order book increased to € 711 million (+17% versus 30 June 2017).

Market developments in H1 2018

VolkerWessels expects the market in Germany to remain favourable in the coming years. If interest rates remain at the current low levels, investor demand is expected to remain high. Construction capacity constraints are expected to be the biggest challenge for the overall German construction market. VolkerWessels Germany has significant in-house construction capacity which gives it an advantage over its competitors.

H1 2018 Highlights

Despite the continued growth in the market, margins are more important than volume and VolkerWessels remains selective when taking on new projects. This focus has enabled VolkerWessels to cautiously grow the order book in recent years while improving its margins.

In 2018 VolkerWessels continued construction work on the Hallesches quarter in Berlin. This project involves the construction of a total of six residential and commercial buildings. During 2017 the housing projects “Yours” and “Metronome” were completed. In June 2018 the project "Deutscher Bundeswehr Verband" with an office area of 3,300 m^2 was also completed. At the end of 2018 the new quarter will be complemented with an administrative building comprising a day-care centre.

In Berlin and Leipzig VolkerWessels is working on the following projects: Dämeritzer Ufer (29,000 m^2 with 166 residential units and 35 terraced houses), LEO Urban Living (9,480 m^2 with 166 apartments and 2 commercial units), STRIETZ in Leipzig-Stötteritz (3,564 m^2 with 112 apartments). In North Rhine-Westphalia VolkerWessels is working on the project O-Quartier in Solingen (300 apartments).

# # #

The financial information in this press release has not been audited

For more information:

Robert Kamphuis, Media Relations
T +31 6 30 21 57 55
E rkamphuis@volkerwessels.com

Ingrid Prins, Investor Relations
T +31 6 515 92 484
E iprins@volkerwessels.com / IR@volkerwessels.com

For more information please visit our corporate website: www.volkerwessels.com

Analyst meeting

VolkerWessels will comment on its annual results during an analyst meeting on 30 August 2018 at 10.30 CET. You can download the presentation for H1 2018 on: www.volkerwessels.com => Investor Relations => Financial Information. The meeting can be followed live via: https://channel.royalcast.com/webcast/volkerwessels/20180830_2/

Important information:

This document is intended to provide financial and general information about Koninklijke VolkerWessels and its group companies in respect of its most recent financial results and, as such, is solely informative. This document must be read in connection with the relevant financial documents it refers to and such financial documents are leading in case of any inconsistency with the information as provided herein. This document contains forward-looking statements which are based on the current expectations, estimates and projections of Koninklijke VolkerWessels' management and information available at the date of publication of this document. These forward-looking-statements are subject to uncertainties and cannot be relied upon. VolkerWessels does not assume any obligation to update or revise forward-looking-statements after the date of publication of this document.

This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The financial information in this press release has not been audited

Financial calendar

Event	Date
Half year results 2018 (before trading)	30 August 2018
Nine months trading update 2018 and interim dividend 2018 announcement (before trading)	15 November 2018
Ex-dividend date (interim dividend 2018)	21 November 2018
Record date (interim dividend 2018)	22 November 2018
Payment date (interim dividend 2018)	28 November 2018
Annual results 2018 (before trading)	28 February 2019
Annual report 2018 available	4 March 2019
Annual General Meeting of shareholders	18 April 2019
Ex-dividend date (final dividend 2018)	24 April 2019
Record date (final dividend 2018)	25 April 2019
Payment date (final dividend 2018)	2 May 2019
First quarter 2019 trading update (before trading)	16 May 2019
Half year results 2019 (before trading)	29 August 2019
Nine months trading update 2019 and interim dividend 2019 announcement (before trading)	14 November 2019
Ex-dividend date (interim dividend 2019)	20 November 2019
Record date (interim dividend 2019)	21 November 2019
Payment date (interim dividend 2019)	27 November 2019

The financial information in this press release has not been audited

Interim Financial statement of Koninklijke VolkerWessels NV

as at 30 June 2018, 30 June 2017 and 31 December 2017

based on IAS 34

The financial information in this press release has not been audited

(1) INTERIM CONSOLIDATED INCOME STATEMENT

Amounts in millions of euros

	Note		1 January 2018 to 30 June 2018			1 January 2017 to 30 June 2017			1 January 2017 to 31 December 2017	
Continuing operations										
Revenue	8.7		2,769			2,668			5,714	
Operating expenses			-2,762	*		-2,634	*		-5,563	*
Share in results of associates and joint ventures (after income tax)	8.10		12			27	**		40	**
Operating result			19			61			191	
Financial income		10			9			21		
Financial expenses		-10			-8			-17		
Net financial result			0			1			4	
Result before tax			19			62			195	
Income tax			-3			-13			-45	
Result from continuing operations			16			49			150	
Result from discontinued operations (after income tax)			0			1			1	
Net result for the financial period			16			50			151	
Attributable to:										
Shareholders of the Company			16			36			135	
Minority interests			0			14			16	
Net result for the financial period			16			50			151	

* Including share incentive charge of € 3 million (HY 2017: € 1 million; FY 2017: € 5 million).
** Including third party result of € 13 million.

The financial information in this press release has not been audited

(2) EARNINGS PER SHARE

	Note	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017	
Basic							
Weighted average number of ordinary shares in issue (x 1)		80,000,000		80,000,000		80,000,000	
Net result attributable to shareholders (in million €)		16	*	36	*	135	*
Basic earnings per share (in €)		0.20		0.45		1.69	
Net result from continuing operations attributable to shareholders (in million €)		16		35		134	
Basic earnings per share from continuing operations (in €)		0.20		0.44		1.68	
Net result from discontinued operations attributable to shareholders (in million €)		0		1		1	
Basic earnings per share from discontinued operations (in €)		0		0.01		0.01	
Diluted							
Weighted average number of ordinary shares in issue (x 1)		80,000,000		80,000,000		80,000,000	
Net result attributable to shareholders (in million €)		16	*	36	*	135	*
Diluted earnings per share (in €)		0.20		0.45		1.69	
Net result from continuing operations attributable to shareholders (diluted) (in million €)		16		35		134	
Diluted earnings from continuing operations per share (in €)		0.20		0.44		1.68	
Net result from discontinued operations attributable to shareholders (diluted) (in million €)		0		1		1	
Diluted earnings from discontinued operations per share (in €)		0		0.01		0.01	

* Including share incentive charge of € 3 million (HY 2017: € 1 million; FY 2017: € 5 million)

The financial information in this press release has not been audited

(3) INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in millions of euros

	Note	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017	
Net result for the financial period			16		50		151
Revaluations of commitments (assets) in connection with defined pension plans		0		0		-5	
Income tax		0		0		1	
Items which will never be transferred to the income statement			0		0		-4
Foreign currency exchange differences for foreign operations		-3		-18		-29	
Share of unrealised result from associates and joint ventures		0		4		5	
Effective portion of changes in fair value of cash flow hedges		-2		3		4	
Income tax		0		1		-1	
Items which have been or may be transferred to the income statement			-5		-12		-21
Total other comprehensive income after income tax			-5		-12		-25
Total comprehensive income for the financial period			11		38		126
Attributable to:							
Shareholders of the Company			11		24		110
Minority interests			0		14		16
Total comprehensive income for the financial period			11		38		126
Total comprehensive income attributable to shareholders of the Company arises from:							
Continuing operations			11		23		109
Discontinued operations			0		1		1
Total comprehensive income attributable to shareholders of the Company			11		24		110

The financial information in this press release has not been audited

(4) INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of euros

	Note	30 June 2018		30 June 2017		31 December 2017	
Land and buildings		223		244		237	
Machinery and equipment		208		182		198	
Other fixed operating assets		30		47		44	
Property, plant and equipment under construction		6		11		4	
Property, plant and equipment			467		484		483
Goodwill		407		407		407	
Other intangible assets		34		23		29	
Intangible assets			441		430		436
Investments in associates and joint ventures		132		129		126	
Non-current receivables		118		83		85	
Other non-current assets		27		5		29	
Deferred tax assets		57		43		52	
Other non-current assets			334		260		292
Total non-current assets			1,242		1,174		1,211
Land		194		218		193	
Property held for sale		40		107		69	
Inventories		206		213		241	
Contracts assets	8.3	535		0		0	
Construction contracts		0		556		410	
Trade and other receivables		1,043		1,030		967	
Income tax receivable		9		12		8	
Assets held for sale		0		12		12	
Cash and cash equivalents		368		264		494	
Total current assets			2,395		2,412		2,394
Total assets			3,637		3,586		3,605

The financial information in this press release has not been audited

(4) INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of euros

	Note	30 June 2018		30 June 2017		31 December 2017	
Equity attributable to shareholders of the Company		1,076		1,058		1,124	
Minority interests		11		22		11	
Total group equity	6		1,087		1,080		1,135
Loans and other financing obligations	8.11	83		87		71	
Derivatives		2		0		0	
Employee benefits		38		38		44	
Provisions for associates and joint ventures		11		19		11	
Other provisions	8.3	129		86		89	
Deferred tax liabilities		42		24		41	
Total non-current liabilities			305		254		256
Loans and other financing obligations	8.11	270		277		126	
Derivatives		0		3		0	
Contract liabilities	8.3	416		0		0	
Construction contracts		0		493		485	
Trade and other payables		1,419		1,401		1,508	
Employee benefits		10		9		19	
Provisions for associates and joint ventures		3		4		2	
Other provisions	8.3	108		40		40	
Income tax payable		19		19		26	
Liabilities held for sale		0		6		8	
Total current liabilities			2,245		2,252		2,214
Total equity and liabilities			3,637		3,586		3,605

The Group has initially applied IFRS 15 using the modified retrospective method. Under this method the comparative information is not restated. See note 8.3

The financial information in this press release has not been audited

(5) INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of euros

	Note	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017	
Cash flow from operating activities							
Result from continuing operations excluding minority interest		16		35		134	
Adjustments for:							
- Depreciation and impairment of property, plant and equipment		35		33		69	
- Amortisation and impairment of intangible assets		4		8		13	
- Proceeds from sale of property, plant and equipment		-5		-3		-4	
- Result on the sale of participating interests		3		-22		-26	
- Share of result, less dividend received, from associates and joint ventures		-5		-2		-2	
- Financial income		-10		-9		-21	
- Financial expense		10		8		17	
- Income tax		3		13		45	
- Share incentive		3		0		5	
Operating cash flow before changes in working capital and provisions			54		61		230
Changes in land, property classified as held for sale, inventories, contracts assets and -liabilities		-60		16		166	
Changes in trade and other receivables		-51		-128		-120	
Changes in trade and other payables		-85		-80		16	
Changes in provisions and employee benefits		-18		-41		-6	
			-214		-233		56
Cash (used in) / generated by operating activities			-160		-172		286
Interest paid		-9		-12		-14	
Interest received		10		9		18	
Income tax paid		-15		-5		-16	
Income tax received		0		0		0	
			-14		-8		-12
Net cash (used in) / generated by continuing operating activities			-174		-180		274
Net cash (used in) / generated by discontinued operating activities			-2		-1		-7
Net cash (used in) / generated by operating activities			-176		-181		267

The financial information in this press release has not been audited

(5) INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of euros

	Note		1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017
Cash flow from investment activities							
Acquisition of subsidiaries, net of cash		-1		-1		-5	
Investment in property, plant and equipment		-31		-35		-81	
Investment in intangible assets		-8		-8		-10	
Proceeds from the sale of property, plant and equipment		16		3		18	
Granted borrowings		-43		-27		-71	
Repayments of borrowings		15		19		83	
Investments in other financial assets		2		0		-4	
Other changes in financial fixed assets		1		-4		-8	
Proceeds from sale of subsidiaries, net of cash		5		30		30	
Net cash (used in) / generated by continuing investment activities			-44		-23		-48
Net cash (used in) / generated by discontinued investment activities			0		0		0
Net cash (used in) / generated by investment activities			-44		-23		-48
Cash flow from financing activities							
Receipts from non-current loans and borrowings		232		170		51	
Repayment of non-current loans and borrowings		-69		-20		-45	
Payment arising from financial lease liabilities		-16		-3		-10	
Dividends paid to shareholders of the Company		-62		-83		-106	
Net cash (used in) / generated by continuing financing activities			85		64		-110
Net cash (used in) / generated by discontinued financing activities			0		0		0
Net cash (used in) / generated by financing activities			85		64		-110
Change in cash and cash equivalents							
Cash and cash equivalents as at the beginning of the financial period			484		386		386
Effect of exchange rate differences on cash, cash equivalents and bank overdrafts			0		-8		-11
Net cash (used in) / generated by operating activities			-176		-181		267
Net cash (used in) / generated by investment activities			-44		-23		-48
Net cash (used in) / generated by financing activities			85		64		-110
Cash and cash equivalents as at the ending of the financial period			349		238		484
Composition of cash position as at the ending of the financial period							
Cash and cash equivalents			368		264		494
Bank overdrafts			-19		-26		-10
Total cash and cash equivalents as at the ending of the financial period			349		238		484

The financial information in this press release has not been audited

(6) INTERIM CONSLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in millions of euros

	Note	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017	
Group equity at the beginning of the financial period							
Equity attributable to shareholders of the Company		1,124		1,116		1,116	
Minority interests		11		12		12	
Total group equity at the beginning of the financial period *			1,135		1,128		1,128
Impact of change in accounting policy			0		0		0
Adjusted total group equity at the beginning of the financial period			1,135		1,128		1,128
Comprehensive income for the financial period							
Result for the financial period		16		50		151	
Other comprehensive income for the financial period		-5		-12		-25	
Total comprehensive income for the financial period			11		38		126
Dividends			-62		-83		-120
Acquisitions of minority interests that do not lead to a change of control			0		0		-2
Share based payments by the majority shareholder			3		1		5
Other movements			0		-4		-2
Group equity at the ending of the financial period			1,087		1,080		1,135
Group equity at the ending of the financial period							
Equity attributable to shareholders of the Company		1,076		1,058		1,124	
Minority interests		11		22		11	
Total group equity at the ending of the financial period			1,087		1,080		1,135

** The Group has initially applied IFRS 15 using the modified retrospective method. Under this method the comparative information is not restated. See note 8.3*

The financial information in this press release has not been audited

(7) SEGMENT INFORMATION

Amounts in millions of euros

	Note	1 January 2018 to 30 June 2018		1 January 2017 to 30 June 2017		1 January 2017 to 31 December 2017	
Revenue							
The Netherlands							
Construction & Real Estate Development		1,041		1,029		2,043	
Infrastructure		645		629		1,474	
Energy & Telecoms Infrastructure		332		318		674	
United Kingdom		548		498		995	
North America		130		116		351	
Germany		110		107		244	
Other / eliminations		-37		-29		-67	
Total revenue	8.7		2,769		2,668		5,714
EBITDA							
The Netherlands							
Construction & Real Estate Development		39		50 *		106 *	
Infrastructure		-21		19		52	
Energy & Telecoms Infrastructure		13		8		32	
United Kingdom		16		11		33	
North America		9		12		55	
Germany		6		7		17	
Other / eliminations		-4 **		-5 **		-22 **	
Total EBITDA			58		102		273
Amortisation and depreciation			-39		-41		-82
Operating result (EBIT)			19		61		191
Net financial result			0		1		4
Result before tax			19		62		195
Income tax			-3		-13		-45
Result from discontinued operations after income tax			0		1		1
Result for the financial year			16		50		151
Attributable to:							
Shareholders of the Company		16		36		135	
Minority interests		0		14		16	
Result for the financial year			16		50		151

* Including third party result of € 13 million.
** Including share incentive charge of € 3 million (HY 2017: € 1 million; FY 2017: € 5 million).

The financial information in this press release has not been audited

(7) SEGMENT INFORMATION

Amounts in millions of euros

Orderbook	30 June 2018		30 June 2017		31 December 2017	
The Netherlands						
Construction & Real Estate Development	3,315		2,805		2,831	
Infrastructure	1,829		1,718		1,568	
Energy & Telecoms Infrastructure	921		1,078		1,005	
United Kingdom	1,162		1,257		1,213	
North America	877		986		828	
Germany	711		609		684	
Other / eliminations	-48		-30		-38	
Total orderbook *[unaudited non-GAAP information]*		8,767		8,423		8,091

Other information	30 June 2018	30 June 2017	31 December 2017
Total assets	3,637	3,586	3,605
Total liabilities	2,550	2,506	2,470
Investments in property, plant and equipment	31	35	81
Average numbers of employees	16,331	15,867	16,179

The financial information in this press release has not been audited

(8) NOTES TO THE INTERIM FINANCIAL STATEMENTS

(8.1) General information

Koninklijke VolkerWessels NV has its registered office in Rotterdam, the Netherlands with its head office located at Podium 9, Amersfoort, the Netherlands. The consolidated financial statements of the Company for the first half year of 2018 comprise the Company and its subsidiaries (collectively referred to as 'VolkerWessels' or 'the Group'). The Chamber of Commerce number of VolkerWessels is 34270985.

VolkerWessels is the preferred partner for its stakeholders to shape a sustainable society in terms of construction, transport, energy and communications.

The information in these interim financial statements is unaudited nor have been subject to a limited review by the external auditors of Deloitte Accountants BV.

These interim financial statements have been prepared by the Management Board and released for publication on 30 August 2018.

(8.2) Declaration of conformity

These interim consolidated financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. This financial report does not contain all the information that is required for complete financial statements and therefore it should be read in conjunction with the Annual Report 2017 of the Group, which has been prepared in accordance with IFRS as adopted by the European Union, including the notes and the report of the Management Board. The Annual Report 2017 of the Group is available on www.volkerwessels.com.

(8.3) General accounting policies

The accounting principles adopted are consistent with those of the Annual Report 2017 of the Group, with the exception of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. Changes to significant accounting policies are described below.

The interim consolidated financial statements are prepared on the historical cost bases, with the exception of the following assets and liabilities:
- derivative financial instruments are shown at their fair value;
- assets held for sale and groups of assets that are divested are valued at the lower of book value and fair value after deduction of estimated sale costs;
- plan assets related to defined benefit obligations are valued at their fair value.

All amounts are, unless otherwise stated, in euro and in millions.

Changes in significant accounting policies

The changes in accounting policies are expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The Group has adopted IFRS 15 and IFRS 9 as from 1 January 2018. However as noted in our Annual report 2017 the adoption of IFRS 9 has not a significant impact in terms of classification and measurement, impairment and hedge accounting. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.
The Group has adopted IFRS 15 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for FY 2017 and HY 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.
The details of the significant changes and quantitative impact of the changes are set out below.

Progress measurement (a, b)

As noted in our Annual report 2017 VolkerWessels excludes costs in the measure of progress as these costs do not result in progress in transferring control of goods or services to the customers.
(a) VolkerWessels recognises those costs (e.g. costs for mobilization and tender costs) as a separate asset if it expects to recover the costs. All costs up to the period in which the preferred bid stage is achieved are therefore recognised to the profit and loss account. This change has a limited impact on Group equity at 1 January 2018.
(b) Costs that relate to significant inefficiencies (wasted materials, labour or other resources) have to be excluded from the progress measurement. For projects identified with significant inefficiencies, provisions for losses were already recognised within construction contracts. The proper reclassifications from construction contracts to contract liabilities and/or provisions for onerous contracts have been made.

Onerous construction contracts (c)

IAS 11 contained specific requirements on the costs an entity includes and does not include in identifying, recognising and measuring an onerous construction contract. In contrast, IFRS 15 does not include such requirements. Based on requests for clarification the IFRS Interpretations Committee decided to start a project to clarify the meaning of the term 'unavoidable costs' in the IAS 37 definition of an onerous contract. Awaiting this clarification, VolkerWessels has taken the position that the unavoidable costs in measuring onerous construction contracts are in line with the IFRS 15 definition regarding costs to fulfill a contract.

Furthermore, as noted in our Annual Report 2017 and based on IAS 37 it is not considered defendable to account for a provision at contract inception. This change has a limited impact on Group equity at 1 January 2018.

Presentation of contract assets and contract liabilities, including the provision for onerous contracts (d)

VolkerWessels has changed the presentation of certain amounts in the balance sheet to align with the terminology of IFRS 15 and IAS 37.
- Construction contracts (due from customers, debit balance) are presented as contract asset or as prepayments (in the line item 'trade and other receivables');

The financial information in this press release has not been audited

- Construction contracts (due to customers, credit balance) are presented as contract liabilities or as an accrual (in the line item 'trade and other payables'); and
- Provisions for onerous contracts were previously presented as part of the construction contracts position and are now presented separately (in the line item 'other provisions').

The following table summarises the impact of adopting IFRS 15 for each individual line item on the Group's interim statement of financial position as at 30 June 2018. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below. There was no material impact on the Group's interim statement of profit and loss, OCI and statement of cash flows for the six month period ended 30 June 2018.

Impact on the condensed interim consolidated statement of financial position

	Notes	As reported 30 June 2018	Adjustment	Without IFRS 15
Contract assets	(d)	535	535	0
Construction contracts	(d)	0	-552	552
Trade and other receivables	(d)	1,043	23	1,020
Total current assets		2,395	6	2,389
Total assets		3,637	6	3,631
Equity attributable to shareholders of the company	(b)	1,076	3	1,073
Total group equity		1,087	3	1,084
Other provisions	(b,c,d)	129	46	83
Total non-current liabilities		305	46	259
Contract liabilities	(b,d)	416	416	0
Construction contracts	(d)	0	-525	525
Trade and other payables	(d)	1,419	2	1,417
Other provisions	(b,c,d)	108	63	45
Income tax payable	(b)	19	1	18
Total current liabilities		2,245	-43	2,288
Total equity and liabilities		3,637	6	3,631

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 2018. These have not been applied in preparing these interim consolidated financial statements.

Specifically for 'IFRS 16 Leases', VolkerWessels is in the process of implementing this new standard and is analysing the preliminary quantitative impact. We expect an increase in assets and liabilities and an increase in our EBITDA with a limited impact on net result. The amount is subject to several accounting decisions to be made. The quantitative impact will be included in the Annual Report for 2018.

Transactions in foreign currency

Transactions in foreign currency are translated into euros at the exchange rate on the transaction date.
Monetary assets and liabilities denominated in foreign currency are translated into euros as at the reporting date at the exchange rate prevailing on that date. The differences that arise from the translation are recognised in the income statement.

Non-monetary assets and liabilities that are denominated in a foreign currency and valued on the basis of historical cost are translated at the exchange rate on the transaction date.

The euro exchange rate against the significant currencies for the Group are as follows:

	Average exchange rate		
	H1 2018	H1 2017	FY 2017
GBP	1.14	1.16	1.14
CAD	0.65	0.69	0.68

	Closing rate		
	30 June 2018	30 June 2017	31 Dec 2017
GBP	1.13	1.14	1.22
CAD	0.65	0.70	0.68

(8.4) Seasonality

As is common in the construction industry, VolkerWessels' quarterly results of operations are affected by seasonality. VolkerWessels typically experiences reduced levels of construction activity during the first quarter as a result of frost, snow and heavy rain during winter. Consequently, VolkerWessels' revenue and EBITDA are typically lowest in the first quarter and EBITDA has in the past been nil or negative during the first quarter. The seasonality of the sector has a significant impact on the ratio's for the first half year and at 30 June, compared with year end numbers.

VolkerWessels requires working capital to support seasonal variations in its business which influence the timing of associated spending. Weather and seasonality conditions may generally impact working capital requirements across VolkerWessels' segments.

The increase of the working capital compared with year end 2017 is in line with seasonality impact and is expected to decrease during the second half of 2018.

The financial information in this press release has not been audited

(8.5) Use of estimates and judgements in this interim financial report

The preparation of these interim financial statements in accordance with EU-IFRS requires management to make judgements, estimates and assumptions that affect the application of principles and reported values of assets and liabilities, and of income and expenses.

Based on past experience the Group makes estimates and assumptions with regard to the future, that could reasonably be expected to occur. The outcome may differ from these estimates.

The estimates and underlying assumptions are constantly re-evaluated. Revisions of accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical assessments in the application of the accounting principles are particularly important if they have a significant impact on the amounts included in these interim financial statements.

The Group acknowledges the following areas:
- the valuation of trade receivables;
- measuring progress for recognizing revenue over time;
- the height of potential liabilities arising from guarantees, claims, legal cases, and environmental and remediation costs;
- the useful life estimate of assets;
- fair value measurements and valuation processes.

These areas are the same areas as in the consolidated financial statements 2017.

(8.6) Determination of the fair value

The measurement methods for determination of the fair value are defined as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities, that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobserved inputs).

The interest rate swaps used for hedging are valued at fair value. For determination of the fair value measurement method of level 2 is used.

(8.7) Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services in the following major activities. The table also includes a reconciliation of the disaggregated revenue with the Group's six divisions, which are its reportable segments (note 7).

	Construction contracts	Property development	Service and maintenance	Goods sold and services rendered	Total
The Netherlands					
C&RED	642	313	47	39	1,041
Infrastructure	495	0	103	47	645
E&T Infrastructure	270	0	62	0	332
United Kingdom	480	0	67	1	548
North America	87	5	36	2	130
Germany	60	47	0	3	110
Other/eliminations	-23	0	1	-15	-37
Total revenue	2,011	365	316	77	2,769

(8.8) Issued Capital

The authorised capital as at 30 June 2018 amounted to € 800,000 and consists of 80,000,000 ordinary shares with a nominal value of € 0.01 each. There were no movements in the issued capital of the Company in the first half year of 2018.

(8.9) Dividend payments

In May 2018 VolkerWessels paid a final dividend of € 61.6 million (May 2017: € 83.3 million) which is € 0.77 per share (May 2017: € 1.04 per share).

(8.10) Share in results of associates and joint ventures (after income tax)

In the first half year 2017 VolkerWessels sold a property development project in the Netherlands with a total book profit of € 22 million, as part of the share in results of associates and joint ventures. € 13 million of this book profit is attributable to the other shareholder in the project and is included under 'Minority Interest' in our Income Statement.

The financial information in this press release has not been audited

(8.11) Loans and other financing obligations

	30 Jun 2018	30 Jun 2017	31 Dec 2017
Committed credit facility	200	145	0
Other financing	116	153	154
Financial lease obligations	18	40	33
Bank overdrafts	19	26	10
Total	353	364	197
Repayment in coming year (including bank overdrafts)	-270	-277	-126
Total non-current loans and other financing obligations	83	87	71

Committed financing

In June 2018 we successfully amended and extended our € 600 million revolving credit facility (the "RCF") by one year, extending the maturity of the facility to January 2023. VolkerWessels is the first company in the Dutch construction sector linking sustainability performance to its banking credit facility. The amended facility takes advantage of favourable market conditions and features two one-year extension options, potentially extending the tenor to January 2025. The credit margin of the RCF is based on the leverage ratio (net debt to EBITDA) and has been reduced to reflect VolkerWessels' strong performance. The applicable credit margin is linked to the sustainability performance of VolkerWessels. All other terms have remained unchanged. The RCF can be used for general corporate and working capital purposes (including acquisitions, capital expenditure, dividend distributions and interest expenses).

The drawn amount on the RCF as at 30 June 2018 is € 200 million (30 June 2017: € 145 million; 31 December 2017: € 0 million).

The RCF contains customary mandatory prepayment events for a facility of this type including illegality, change of control and certain disposals (subject to agreed exceptions and thresholds). In addition, the RCF contains several market standard undertakings and default events, and includes two financial covenants (Leverage Ratio and Interest Cover Ratio), which are tested on a semi-annual basis on 30 June and 31 December (the test dates).

As at 30 June 2018, VolkerWessels was in ample compliance with the Leverage and Interest Cover covenants.

Net cash position

	30 Jun 2018	30 Jun 2017	31 Dec 2017
Cash and cash equivalents	368	264	494
Non-current loans and other financing obligations	-83	-87	-71
Non-current derivatives	-2	0	0
Bank overdrafts	-19	-26	-10
Current loans and other financing obligations (excluding bank overdrafts)	-251	-251	-116
Current derivatives	0	-3	0
Net cash position	13	-103	297
Non-recourse financing	61	117	105
Net cash position adjusted for non-recourse financing	74	14	402

As a result of the usual seasonal pattern in the construction industry as mentioned in 8.4, the net cash position as per 30 June 2018 is lower in comparison to 31 December 2017.

The non-recourse financing has decreased in comparison to 31 December 2017 due to settlements in project financing in the Construction & Real Estate Development segment.

(8.12) Guarantees and other contingent liabilities

Bank and parent guarantees

The bank and parent guarantees are as follows:

Guarantees	30 Jun 2018	30 Jun 2017	31 Dec 2017
Guarantees relating to performance	539	520	489
Guarantees relating to credit facilities	1	1	1
Guarantees relating to prepayments received	3	7	10
Guarantees issued to clients based in North America	203	243	239
Total bank guarantees	746	771	739
Guarantees relating to performance	1,135	1,680	1,175
Guarantees relating to credit facilities	152	181	152
Guarantees relating to prepayments received	6	18	8
Total parent guarantees	1,293	1,879	1,335

The financial information in this press release has not been audited

Other contingent liabilities

The other contingent liabilities are as follows:

	30 Jun 2018	30 Jun 2017	31 Dec 2017
Lease agreements	100	83	109
Rental agreements	94	100	118
Leasehold agreements	10	5	2
(Contingent) obligation to purchase building land	119	105	122
Property, plant and equipment under construction	0	1	0
Other	60	32	51
Total other contingent liabilities	383	326	402

(8.13) Related Party Transactions

The Group identifies the shareholders, subsidiaries, associates, joint arrangements and key management as related parties. All related party transactions have been concluded at arm's length.

The total sales to the related parties in the first half year 2018 amounts to € 58 million (HY 2017: € 75 million). The relating outstanding balance as at 30 June 2018 is € 6 million (30 June 2017: € 9 million) commitments as at 30 June 2018 are € 200 million (30 June 2017: € 52 million).

The total purchases from related parties in the first half year 2018 amounts to € 7 million (HY 2017: € 5 million). The relating outstanding balance as at 30 June 2018 is € 1.2 million (30 June 2017: € 0.3 million) and the commitments as at 30 June 2018 are € 45 million (30 June 2017: € 51 million).

(8.14) Events after the reporting date

After the reporting date, no significant events occurred that affect the results, the balance sheet or the cash flow in these interim financial statements of the first half year of 2018.

VolkerWessels undertakes approximately 25,000 projects for more than 7,000 clients per year across its operating segments. The pictures above provide an overview of the diversity of the projects.

1st: Finch building (sustainable homes)
2nd Grand entrance Hoog Catharijne in Utrecht
3rd VolkerRail UK
4th Merwedebridge near Gorinchem

About VolkerWessels

Koninklijke VolkerWessels is a leading integrated and diversified listed construction group with a “think global, act local” mind-set. VolkerWessels’ operating model combines a local sales and client focus with a control and support structure at divisional level that optimises scale and expertise across its operating companies

VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America and Germany. Operationally, its business is organised in six segments. In the countries in which VolkerWessels operates it has over 120 local operating companies, which have national and regional offices and management.

VolkerWessels-corporate office
Podium 9 3826 PA Amersfoort
www.volkerwessels.com
+31-88 186 6186