







Orbis Medical Park

Ballast Nedam is part of the consortium building this new hospital in Sittard-Geleen. The hospital will open in the summer and is fully equipped for care in the 21st century. The Atrium is a dominant feature that connects the different sections of the hospital.

The Atrium is based on three elliptical cores that house the stairways and lifts.

Financial agenda

7 May 2008

The Annual General Meeting of Shareholders will be held at the Artis Conference Centre in Amsterdam at 01.30 p.m.

11 July 2008

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Renovation of the Patronaatsgebouw

The Patronaatsgebouw building in Heerlen, dating from the 1930s, was intended as a community centre for miners in the State Mines. This listed building now performs the same function for a broader audience, with theatre performances and exhibitions.

Foreword

Ballast Nedam withstood the turbulent market of 2007 well.

The result achieved was in line with the expectations expressed in March 2007, although the markets changed considerably during the year. The prices of suppliers and sub-contractors rose sharply, and the increases could not be passed on to our clients immediately.

Ballast Nedam once again made good progress in 2007 with the implementation of its strategy. During the year under review, the emphasis was placed on new contract forms, such as design & construct and public-private partnerships (PPPs), with success.

This is underscored by the fact that Ballast Nedam won an order in 2008 for a large design & construct project, the Nuon Magnum power station in the Eemshaven, and was designated as the preferred bidder for two PPP projects.

We take an optimistic view of the future. We see good opportunities in the continuing demand for housing, the PPP projects and the various niche segments. The niches we have in mind are offshore wind farms, industrial construction, international projects, large complex projects, high-rise construction and CNG stations.

Our confidence that we can successfully seize these opportunities is based on the enthusiastic input of our employees. During the past year, I experienced this enthusiasm yet again during visits to the Ballast Nedam companies. On behalf of my two colleagues, I would like to express my gratitude for that. Ballast Nedam is in an excellent starting position for the future.

I would like to take this opportunity to place the spotlight on one of those enthusiastic employees, Mr. René Kottman, as we will now have to move on without him. I thank him for his clear contributions to the good starting position that Ballast Nedam now holds.

Theo Bruijninx
CEO



"Good opportunities in the continuing demand for housing, the PPP projects and the various niche segments."

Five-year summary

x €1 000 000	NL GAAP					
	2007	2006	2005	2004	2004	2003
Revenue and result						
Revenue	1 270	1 310	1 206	1 164	1 164	1 619
The Netherlands	1 157	1 206	1 105	1 042	1 042	1 132
international	113	104	101	122	122	487
Order book	1 438	1 093	1 064	971	971	1 046
EBITDA	63	63	58	63	45	33
Impairment	-	-	-	(8)	(7)	(6)
Depreciation	(20)	(19)	(18)	(19)	(17)	(23)
EBITA	43	44	40	36	21	4
Amortisation	(1)	(2)	(2)	(1)	(2)	(4)
EBIT	42	42	38	35	19	-
Profit before taxation	38	38	28	24	15	(6)
Net result before amortisation	28	46	22	14	10	50
Net result	27	44	20	13	8	46
Investments						
Investments	37	67	32	20	17	19
Disposals	7	12	67	20	20	26
Net investments	30	55	(35)	-	(3)	(7)
Balance sheet data						
Non-current assets	242	253	211	268	179	213
Current assets	656	541	636	556	352	342
Assets	898	794	847	824	531	555
Current liabilities	(590)	(555)	(644)	(586)	(327)	(362)
Capital structure						
Capital employed	256	177	74	78	(11)	(2)
Shareholders' equity	172	158	124	101	109	102
Interest-bearing long-term loans	97	36	54	99	39	27
Net cash	52	62	129	160	160	136
Net financing position	(63)	23	68	56	116	104
Ratio's						
EBIT / revenue	3%	3%	3%	3%	2%	0%
Net result / revenue	2%	3%	2%	1%	1%	3%
Net result / average shareholders' equity	16%	31%	18%	14%	8%	58%
Shareholders' equity / assets	19%	20%	15%	12%	20%	18%
Average number of employees	3 838	3 701	3 721	4 022	4 022	4 957
Shares						
Number of ordinary shares issued (x 1 000)	10 000	10 000	10 000	10 000	10 000	10 000
Number of ordinary shares outstanding (x 1 000)	9 900	9 924	9 847	9 861	9 861	9 879
Market capitalisation at year end	280	328	327	123	123	47
Dividend paid	13	10	-	-	-	-



Prefabricated concrete

The Zuiderpark is a large urban park in the heart of Rotterdam South. The 14 prefabricated concrete bridges in the park won the 2007 Concrete Prize. "Like powerful and beautiful swans, the bridges stretch out their necks to the opposite bank. A joy to see."

Profile, mission, strategy, objectives and group structure

Profile

Ballast Nedam is a multi-disciplinary Dutch property and infrastructure construction group, offering a wide range of construction-related products and services. The group has more than 3 800 employees in the divisions Building and Development (Ballast Nedam Bouw en Ontwikkeling) and Infrastructure (Ballast Nedam Infra) and is primarily active in the Dutch market, with selected international activities in some areas of expertise. Ballast Nedam was formed in 1877 and is listed on NYSE Euronext in Amsterdam. The share is included in the Amsterdam Small Cap Index.

Mission

Ballast Nedam aims to offer its customers high-quality total solutions in the built-up environment. To that end, we provide commitment, quality, reliability, expertise and flexibility at every level of the organisation. Ballast Nedam aims to offer employees a challenging working environment and to contribute to the quality of the living environment. Our activities and approach are designed to optimise the Group's shareholder value.

Strategy

Ballast Nedam's strategy consists of the following four key priorities.

Increasing the value of the business

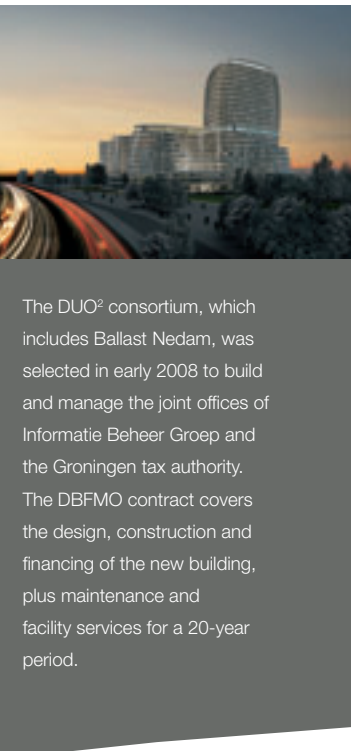
Ballast Nedam aims for a structural increase in profitability through a shift in the mix of the activities. This means relatively more development (at the front end of the chain) and more management of maintenance and operation (at the back end of the chain) than construction. Ballast Nedam is also focusing more on niche segments (such as offshore wind farms, industrial construction, international projects, large complex projects, high-rise construction and CNG stations). By also further improving the company's operating performance (operational excellence), Ballast Nedam will optimise the company's shareholder value.

Strengthening the front and back-end of the horizontal value chain

Ballast Nedam aims to become involved in projects at an earlier stage, and to remain involved in projects for longer than merely executing clients' instructions. The horizontal value chain consists of the development, construction and management of maintenance and operation of both property and infrastructure projects. By covering the entire value chain, Ballast Nedam aims to meet growing customer demand for total solutions. These high-quality total solutions in the horizontal chain are based on excellent execution of these activities. Our range also relies on the unique, innovative and efficient products and services of the internal suppliers active in the vertical chain.

Strengthening supply companies in the vertical value chain

Ballast Nedam also applies chain management in the vertical chain. The product range of the specialised companies will be further completed and their position will be expanded. The operational performance of the prefab companies will be improved further and we are seeking opportunities to replace the existing concessions of the raw material companies, and where possible, to expand these.



The DUO² consortium, which includes Ballast Nedam, was selected in early 2008 to build and manage the joint offices of Informatie Beheer Groep and the Groningen tax authority. The DBFMO contract covers the design, construction and financing of the new building, plus maintenance and facility services for a 20-year period.

Active portfolio management

Important decision-making criteria for the removal or addition of activities from or to the current portfolio are the profitability of the activity and the extent to which the activity relates to our core activity: providing advanced total solutions in the built-up environment. The added value to these total solutions can be provided in both the horizontal and the vertical chain. Naturally, we also take account of the distinctive profile through innovation and efficiency benefits, the need for investment, the risk profile and timing.

The investment priorities for the coming years are to acquire land positions for development potential and concessions to produce raw materials and to expand and broaden our specialised companies.

Objectives for 2008

In terms of concrete objectives, in 2008 Ballast Nedam will:

1. Expand development potential by acquiring more development positions than will be applied in that period. In the medium-term, therefore, Ballast Nedam will execute relatively more projects that are self-initiated and developed on a risk-bearing basis than is the case at present.
 - Expand the development potential by at least 5%, to more than 15 750 residential properties.
2. Acquire relatively more projects through planning development, alternative design, the design & construct approach, the engineer & build approach and public-private partnerships (PPPs), rather than by participating in comprehensive tenders.
 - Ballast Nedam aims to be in the top three in at least three out of four qualifying procedures for PPP projects in which it takes part. If Ballast Nedam is among the top three bidders, at least one of the three qualifying procedures must lead to preferred bidder status.
3. Expand management of maintenance and operation.
4. Strengthen synergies between the two divisions and in the vertical value chain.
5. Strengthen and possibly expand the business units in the vertical value chain. These include the engineering office, the specialised companies, the prefab plants and the raw material companies.
 - Ballast Nedam will broaden and expand the product range of the specialised companies through acquisitions or investments.
 - Ballast Nedam will replace and expand the concessions for raw material production through acquisitions, and will start its own planning development for raw material production.
 - Ballast Nedam will emphasize innovation, which should lead to at least two innovative initiatives.
6. Devote extra attention to performance of the primary business processes (operational excellence).
 - All regional companies will achieve positive operating results in 2008.
7. Increase its appeal as an employer.
8. More explicitly take responsibility for the effects of achieving total solutions on the living environment.
 - Ballast Nedam will implement the guiding principles of the client construction company.
9. Achieving an operating result of between 3% and 5% of revenue.
 - A virtually unchanged operating result is expected in 2008 (2007: € 42 million) on higher revenue (2007: € 1 270 million), with the margin remaining within the target range of 3% to 5% (2007: 3.3%). For further notes on the prospects for 2008, see page 55.



In the next decade, the Laakhaven West and Petroleumhaven districts of The Hague will be given a facelift. Ballast Nedam is part of the Laakhaven West Development Consortium, which will turn the former harbour district, covering the space of about 30 pitches fields, into a robust and trendy urban area.

Objectives for 2007

On the basis of our strategy, we formulated five objectives for 2007, with the required quantitative and qualitative results (targets) for each objective and the necessary priorities for this. The extent to which each of the five objectives was achieved in 2007 is set out below.

1. *Ballast Nedam is seeking a structural improvement in profitability and, partly as a result of that, greater shareholder value.*

At the heart of Ballast Nedam's strategy is our desire to strengthen the value chain, both in the earlier and later stages (from concept development through design and implementation to maintenance and operation). This means that greater emphasis will be placed on project development, engineering, maintenance and facility management – all activities generating a higher margin. Moving the mix of activities in this direction will bring about a structural improvement in Ballast Nedam's margins across the board.

Targets for 2007

- Acquire one or more project development companies.
- Further increase the land bank.
- Achieve an operating result at least matching 2006. The Board of Management expects higher results in the Infrastructure division, but does not expect the Building and Development division to be able to match the excellent results achieved in 2006. In 2006, this division's results were strongly affected by the outcome of a number of large real estate projects. It is not certain how many of these projects will start in 2007, but the margin is expected to remain well above 5%.

Achievements in 2007

- No contribution to the growth of development potential was made through the acquisition of a project development company. Negotiations were conducted with a number of companies, but no agreement was reached on a price or terms.
- During 2007, the development potential of the land bank increased by 18% to 15 000 homes. This growth was achieved by acquiring more positions in housing numbers than the number of positions brought to development. The number of hectares in the land bank fell from 654 to 604 hectares, partly because Ballast Nedam withdrew from the integrated development of the Blauwe Stad in exchange for a number of development rights. The development rights acquired in the Blauwe Stad are not valued in a number of hectares.
- The operating result before taxation in 2007 was € 42 million, matching the result for 2006. This is satisfactory, in view of the sharp increase in prices charged by suppliers and sub-contractors in 2007. The operating result of the Infrastructure division improved from € 16 million in 2006 to € 18 million in 2007. The Building and Development division achieved a margin of 5.5% and an operating result of € 33 million, compared with € 36 million in 2006. All the targets set for the operating result in 2007 were therefore achieved.

In 2007, a separate business unit Ballast Nedam Infra Beheer was set up within the Infrastructure division. This unit focuses on the management of maintenance and facility services for infrastructure. In the Building and Development division, Ballast Nedam Services was already active in this area, with activities focusing on property. Both companies work closely with the regional construction companies and maintenance services. Ballast Nedam Services made good progress in the external market in 2007, for instance winning an order to manage the maintenance of 250 catering establishments and 75 pharmacies. Ballast Nedam is responsible for the day-to-day maintenance of more than 20 000 homes.

2. *Ballast Nedam wishes to enhance the company's reputation, both with customers and in the labour market.*

Targets for 2007

- Improve the name recognition of Ballast Nedam.
- Position Ballast Nedam as an attractive construction company in the graduate recruitment market.

Achievements in 2007

- Ballast Nedam is a firmly established name in the Dutch construction industry. This has positive effects on the recruitment of new employees in the labour market. Now that demand for personnel has grown substantially, Ballast Nedam is positioning itself explicitly in the labour market for graduates. We do this partly through participation in various labour markets and trade fairs that are attractive for the company, in which students, often with a technical background, seek information on potential jobs and careers. Students are informed of the possibilities offered by our company in workshops and business presentations at such fairs. Ballast Nedam presents itself in practice during excursions and open days for potential job candidates. During 2007, 25 of these were organised.
- Ballast Nedam continually has places for new employees. In 2007, we offered training or graduation placements for more than 100 students, at levels ranging from apprenticeship (BBL) to university level. We offer a number of these young people a start in our company as management or financial trainees, giving them an opportunity to experience different sides of our business in the early years of their careers. For a certain period, they regularly change jobs and/or business units, so that they can clearly appreciate the inter-relationships between the internal processes. A special form of this is Ballast Nedam's participation in a programme in which a group of new graduates exchange jobs in different construction companies. For three years, they can gain experience with the participating companies in contracting, at engineering firms and at clients. This, too, is expected to lead to a better understanding of the inter-company processes in the construction world.

3. *Ballast Nedam needs to have the necessary in-house disciplines, skills and know-how to be able to offer integrated solutions to often complex spatial planning problems.*

In order to achieve these goals, Ballast Nedam devotes a great deal of time, money and attention to structural improvement of its competencies. We do this not only by broadening and deepening our knowledge and expertise internally, but also by contracting strategic partnerships with other specialised companies.

Targets for 2007

- Bring a number of new methods and applications to the market each year, as occurs at present via the company's innovation programme. We wish to maintain at least the present high level.
- Enter into at least two new strategic alliances with specialist companies.

Achievements in 2007

- Ballast Nedam successfully continued the internal innovation programme in 2007. More information on innovations such as the application of 3D and 4D models in tenders, energy-neutral road marking and noise barriers that improve air quality is presented on page 43.

- Alliances with market parties led to the following initiatives in 2007:
 - Together with ACTMA, Ballast Nedam is marketing an energy-neutral road marking system under the name Infra Fiber Technics. This patented system makes use of fibre technology.
 - Ballast Nedam formed the CNG Net B.V. company together with Dutch4. CNG Net is active in the construction, operation, management and maintenance of natural gas fuel stations.
 - Ballast Nedam has contracted an alliance with the German company Kampa AG to sell and build energy-efficient housing for the Dutch market under the Libella label. The homes are industrially produced, but offer options for individual clients.
4. *Ballast Nedam must continue to maintain its ranking among the leading Dutch construction groups. An organisation's size is a significant strategic factor in this industry.*

Achievements in 2007

Ballast Nedam was once again ranked among the top five Dutch construction groups in 2007.

5. *Ballast Nedam is aware of its social responsibility to the environment in which the group operates. It is impressed on employees at all levels that they need to be aware of the effect of their actions on themselves, on the company and on the environment in which they are working.*

Targets 2007

- In the 2006 Annual Report a separate section on corporate social responsibility (CSR) was included. This policy will be pursued with continued vigour.
- Comply with the Dutch Corporate Governance Code.

Achievements in 2007

Corporate social responsibility:

- Ballast Nedam's CSR policy is continually in development and is reflected partly in policy on the following priorities: employees, energy & climate, chain responsibility & procurement, society & communication and innovation.
- In 2007, special attention was devoted to chain responsibility and Ballast Nedam committed to the guiding principles for promotion of professional partnership in the construction industry, an initiative of the seven largest Dutch construction companies.
- In the energy & climate field, our investments in knowledge of non-conventional fuels resulted in the target of creating a nationwide network of 250 natural gas stations within four years.

Compliance with the Dutch Corporate Governance Code:

- Messrs. Jacobs and Malizia were appointed to the Board of Management in 2007 for a four-year term. In compliance with the Dutch Corporate Governance Code, an exit scheme was agreed with them, involving the payment of one times their fixed annual salary.
- In December 2007, the Supervisory Board decided to form an Audit Committee, thus further optimising the corporate governance structure. This is discussed in more detail in the Report of the Supervisory Board.

Group structure

Ballast Nedam consists of two divisions: Building and Development and Infrastructure. The basic principle of the organisation is decentralised enterprise in the business units of these divisions. The holding company has a small staff that supports the Board of Management. The Board of Management consists of three members, a chairman and two members that each hold primary responsibility for one of the divisions.

Building and Development

Ballast Nedam Bouw en Ontwikkeling B.V. is one of the larger building and development companies in the Netherlands in the field of housing and utility projects. The division is active throughout the horizontal value chain, which consists of development, construction and management of maintenance and operations. These activities are performed with the following business units:

- Ballast Nedam Ontwikkelingsmaatschappij focuses on larger development projects throughout the Netherlands.
- Ballast Nedam Bouw Special Projects specialises in larger, complex construction projects.
- Nine construction regions focus mainly on development, construction and maintenance of real estate projects in their local markets.
- Ballast Nedam Services is active nationwide in management of the maintenance and operation of real estate projects.

The Building and Development division has two pre-fabricated concrete plants that supply the external and internal housing and utility markets.

Infrastructure

Ballast Nedam Infra B.V. is one of the larger engineering and construction companies in the infrastructure field in the Netherlands. The division is active throughout the horizontal value chain, which consists of development, construction and management of maintenance and operations. These activities are performed with the following business units:

- Ballast Nedam Infra Projects specialises in larger complex infrastructure projects in the Netherlands, all international projects and the offshore wind farm projects.
- Five construction regions win orders for and implement infrastructure projects in their local markets.
- Ballast Nedam Infra Beheer specialises in management of the operation and maintenance of infrastructure projects.

The Infrastructure division has a large number of business units active in the vertical value chain: an engineering company, 11 specialised companies, four prefab plants and a company active in raw material extraction:

- Infra Consult + Engineering is a multidisciplinary engineering firm that provides consulting and design services in all construction phases for both real estate and infrastructure projects.
- The 11 specialised companies focus solely on specific products such as foundations and excavations. The key issues are innovation and cost leadership.
- The four prefab plants in the division supply clients throughout the construction market, with the focus on infrastructure projects.
- The raw material company holds concessions in the Netherlands, Belgium, Germany and Norway.

For both divisions

Two companies are jointly steered by the two divisions:

- Ballast Nedam Concessies focuses on projects of a concession nature in the horizontal chain, for instance with PPPs, for both divisions.
- Ballast Nedam Bouwmaterieel focuses on management and operation of general construction equipment for both divisions, in the vertical chain.

Other

The projects of the Ballast Nedam International division, which was disbanded in 2005, such as the development and operation of a ski resort in Canada, management of maintenance in Saudi Arabia and completion of old international projects are managed directly by the holding company.



A2 noise barrier

Residents of the district alongside the A2 near Maarsse see a noise barrier of more than 4 kilometres long rising, while the noise from the motorway slowly but surely abates and peace returns.

Report of the Board of Management

Introduction

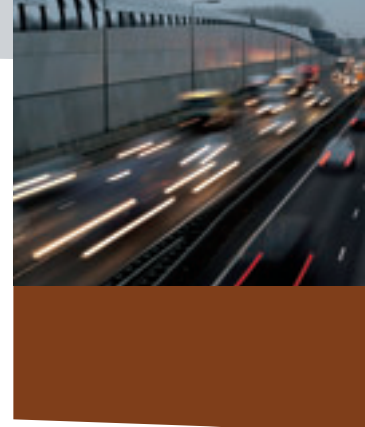
Ballast Nedam performed in line with expectations in 2007. This gives cause for satisfaction, particularly as the prices of suppliers and sub-contractors increased sharply during the year.

The performance of the Dutch construction market was excellent. Building production grew by more than 5% in 2007. In the coming years, this rate of growth will slow and will stabilise in the medium term. A shift will occur from new construction to repair, redevelopment and maintenance.

Ballast Nedam increasingly supplies total solutions in the horizontal chain, by providing integrated development, construction and management services. Ballast Nedam is also active in the vertical chain, in areas including engineering, specialised companies, prefab companies and raw materials. These companies contribute towards the total solutions that we offer our clients. They also give Ballast Nedam a competitive advantage through their innovative and efficient services and products, and through their lead in cost information. In the past two years of increases in cost prices, in-house activities performing in different phases of the construction cycle have proved to be an advantage. This helps to stabilise results from year to year.

The main short-term threats are the risk that it will not be possible to charge on cost price increases to final clients in full, and the recurring procedural delays in issuing building permits. The main opportunities are the continuing strong demand for housing, the PPP projects and the various niche segments, such as offshore wind farms, industrial construction, international projects, large complex projects, high-rise construction and CNG stations.

The combination of strong growth in the order book, increased development potential, a good starting position in current tenders for PPP projects, the many initiatives in niche segments, the experience gained through the new design & construct orders and the well-qualified and enthusiastic employees form the basis for the near future. Ballast Nedam is extremely well positioned to avail itself of the opportunities in the market.





Hanzelijn

The new railway line between Lelystad and Zwolle reduces the travelling time between the north and north-east of the Netherlands and the Randstad region. The 790-meter tunnel below the Drontermeer lake runs through a bird sanctuary. Work producing noise will be halted during the breeding and migration seasons.

Infrastructure

x € 1 000 000	NL GAAP					
	2007	2006	2005	2004	2004	2003
Revenue	675	676	541	522	522	603
Order book	541	572	557	340	340	484
EBITDA	33	30	27	30	30	27
EBITA	19	18	16	12	12	11
EBIT	18	16	14	11	11	8
EBIT / revenue	2.7%	2.4%	2.6%	2.0%	2.1%	1.3%
Capital employed	127	109	33	29	20	3
Average number of employees	2 098	1 977	1 934	2 048	2 048	2 267

Market

The infrastructure market presents a mixed picture. There is sufficient work across the board, but price levels are still fluctuating and are below par in the public procurement segment, in particular. Price levels are improving in the market in which our specialised companies are active and the market is making demands on our distinctive capacity.

We expect actual government demand for large infrastructural works to be limited in the coming years. However, we foresee a growth market for offshore wind farms and foreign infrastructural works, in which we can distinguish ourselves through our specialised units.

Our clients increasingly require overall solutions. Both central government, on the basis of the 'the market unless...' principle, and local clients ask us with growing frequency to consider solutions at an early stage in projects. The clients then ask us to take responsibility for project development, implementation and maintenance. The market for development planned in-house is therefore growing, and we achieve the requested total solutions by acquiring land positions with increasing frequency.

New market opportunities

In view of the importance of a good infrastructure for the Dutch economy, infrastructural maintenance and improvement will require ongoing investment. There is also a continuing public need for infrastructural solutions in the built-up environment. The generation and achievement of these solutions requires know how, creativity and innovation – competencies that clients are increasingly expecting of market players.

These market developments provide scope for Ballast Nedam to take the initiative in developing, implementing and managing infrastructure projects. The fact that the government is making contracting increasingly innovative – in other words, assessing tenders on the basis of more than price alone - also plays a role in this process. This trend will continue, as government capacity is diminishing. Ballast Nedam accepts many design & construct contracts and has all the in-house means to distinguish itself in this area. The trend will continue with design, construct & maintain contracts and ultimately lead to contracts covering the entire value chain. We therefore expect more scope for PPP constructions in the coming years. This market offers particular opportunities for companies capable of offering integrated infrastructural solutions. Ballast Nedam Infra intends to focus primarily on concession projects with an acceptable risk profile here.



A total of 1 845 GEWI piles will be installed to prevent the railway tunnel from rising. These piles are formed in the ground, with a steel core encased in grout. The piles anchor the tunnel in the soil. A system in which five piles are installed at one time was developed especially for this work.

We expect the market for large infrastructural works in the industrial sector, and the energy sector in particular, to grow in the coming years. This involves conventional forms of energy, but our clients also increasingly request innovative and renewable forms of energy that respond to climate change. This means that we show entrepreneurial skills by developing sustainable solutions for the growing energy demand, with or without partners. The Infrastructure division responds to the fact that fossil fuels are becoming increasingly scarce and that the CO2 problem is continually moving higher on the agenda through various initiatives relating to cleaner non-conventional fuels such as CNG, LNG and hydrogen, and in the field of energy-efficient forms of housing.

Strategy

As a developer, Ballast Nedam's Infrastructure division aims to be active throughout the chain. We distinguish ourselves by offering total product solutions. The division's specialised companies respond to client needs by developing and producing these products.

Ballast Nedam Infra provides total solutions for market demand, which is often abstract, by identifying, developing, designing, executing, managing, maintaining and operating these solutions. We are able to perform these processes both individually and as a whole. In order to strengthen the total solutions, the Infrastructure division must keep pace with the demand side. We aim to expand our activities further at both ends of the chain, and in association with this, to complement our product range further by strengthening our supply companies, the specialised units. This means that in the coming years, the Infrastructure division will grow to become a design engineering and construction business that is active throughout the chain and aims to distinguish itself by offering products based on market demand.

Strengthening the front and back ends of the horizontal value chain

Ballast Nedam Infra's strength lies in the know-how and expertise it has which enables it to organise the entire chain, and thus solve the client's problems. At the front end, we have companies that operate close to the market and, through active project development, offer final products in response to abstract market demand. We aim to strengthen the front end of the horizontal value chain by acquiring land positions for the expansion of development potential and by capturing a leading position in the PPP market for infrastructure. In the government procurement market, we focus on integrated contracts such as design & construct, in which we invested in 2007. As a result, we have built up knowledge and experience in this market and aim to strengthen our role in it further during 2008.

There is steadily increasing market demand for performance of the management function, as well as long-term maintenance. We therefore formed a new company, Ballast Nedam Infra Beheer, in early 2007, to manage infrastructure and offer long-term guarantees for infrastructural projects. This strengthens the back end of the horizontal value chain. This organisation will steer all infrastructural works with a long maintenance period, after the execution phase.

The companies active in the horizontal value chain are established in Groningen, Zaandam, Arnhem, Nieuwegein, Capelle aan den IJssel, Soesterberg and Eindhoven. Large higher-risk projects are contracted and implemented by the Projects department in Nieuwegein. Chain management focuses primarily on infrastructure at present. In the coming years, this will be increasingly integrated with the activities of the Building and Development division.

Strengthen supply companies in the vertical value chain

An important precondition for managing the building chain is the availability of specialist in-house know-how and expertise. The Infrastructure division therefore cherishes its specialised activities. Our approach to clients is based on the products, for which we make use of our various supply companies. The specialised companies serve as the knowledge centres and procurement specialists in their own fields for the rest of the organisation. They distinguish themselves through quality, innovation and cost price leadership. We can thus generate a distinctive profile and build up an improved competitive position, and on that basis, supply added financial value.



When water levels rise in the IJssel lake in Gelderland province, water is pumped away from the town of Velp by the Volharding pump station. The pump has been renovated. The operating building is designed to match the listed buildings and the pumps are only visible from the dike.

In 2008, Ballast Nedam aims to strengthen the supply companies in the vertical building chain by expanding the specialised companies, improving the operating performance of the prefab companies and replacing and, where possible, expanding the raw material production positions, in order to further complete the product range and match it more closely to client needs.

The transfer of the asphalt companies in the Infrastructure division to the five regional companies in 2007 provides a good example of action that strengthens a specialism. We regard co-ordination of the production, transportation, processing and responsibility for the quality of the asphalt as a specialism, and since 2007, have therefore organised these activities in an autonomous business unit within the division.

The companies active in the vertical building chain are established in Kootstertille, Klazienaveen, Arnhem, Leerdam, Nieuwegein, Soest, Soesterberg, Harmelen, Almere and Bergen op Zoom. The raw material companies are established in the Netherlands, Germany, Belgium and Norway.

Increasing the value of the business by becoming more active in the industrial construction and offshore wind farm segments, as well as internationally

Ballast Nedam Infra performs civil engineering and construction projects for industrial private parties. Our expertise includes specific support systems for process installations such as foundations, concrete works, steel constructs and where necessary, covering related infrastructure and architectural matters. This is appropriate for us as we are originally a contractor, with civil engineering as our main pillar. The clients are primarily businesses in industrial processing and production. They usually operate in the chemicals, oil and gas and energy markets, including waste incineration units, power stations and bio-energy, biomass and nuclear power plants. In mid-2007, Ballast Nedam Industriebouw successfully completed an extension to a waste processing company in Amsterdam with two high-yield waste incineration lines (HR AVI). Ballast Nedam Infra is also designing and installing the entire cooling water circuit for the Sloe power station in Vlissingen.

In view of the current demand for renewable energy, higher oil prices and the expertise gained through the construction of the offshore wind farm at Egmond aan Zee, Ballast Nedam expects to be able to capture a leading position in and to contribute to Dutch and European objectives in the field of renewable energy. In this market segment, Ballast Nedam develops and builds offshore wind farms in the Netherlands and elsewhere in Europe. The current methods of building the foundations for these are not geared to the requirements for the large-scale offshore farms of the future. One of the few vessels suitable for installing such foundations is Ballast Nedam's own heavy lift vessel, the Svanen. At the end of 2007, Ballast Nedam rented this vessel to Danish contractor MT Højgaard A/S, which will use it to build foundations for 25 offshore windmills for the Rhyll Flats project in the Irish Sea.

Ballast Nedam Infra creates new international opportunities by exporting the broad know-how and experience it has in the company with works in other countries. International activities are steered from the Projects unit in Nieuwegein, making use of the international knowledge and experience of the entire Ballast Nedam organisation. Ballast Nedam Infra focuses primarily in this regard on project management and engineering of projects and on the specialised activities that distinguish our business in the Netherlands. These include advanced foundation techniques, port facilities, quay walls, roads and waterworks. All international projects require the approval of the Board of Management. Important acceptance criteria include the financing (e.g. by the Dutch government and/or payment guarantees) and the contract terms. International orders are currently being fulfilled in Ghana, Gambia, Saudi Arabia, Surinam and the Netherlands Antilles.



The government, the private sector and nature protection organisations are working together to make the Grensmaas region safer for local residents and restore the river to its former glory. The inner bend in the Meuse river, which has silted up at the level of the bridge between Roosteren and Maaseik, will be broadened to give the water more space.

Operations in 2007

Ballast Nedam Infra once again improved its operating result in 2007 (from € 16 million in 2006 to € 18 million). The division has held up well in difficult conditions in the infrastructure market.

The projects started or completed in 2007 are described below. These clearly show how Ballast Nedam Infra is implementing the strategy described above, within the structure of the organisation.

Infra Projects

Infra Projects is specialised in larger complex infrastructure projects in the Netherlands, Ballast Nedam's large international projects and offshore wind farm projects. Examples of current projects include:

- Drontermeer railway tunnel
Ballast Nedam is one of the designers and builders of a railway tunnel commissioned by Prorail, running below the Drontermeer lake, as part of the Hanzelijn connection between Lelystad and Zwolle.
- Anna van Bueren car park, The Hague
In the area around the Central Station in The Hague, Ballast Nedam is working on the New Babylon project, to create new-style surroundings for the station, with offices, shops and housing. The deep underground car park below the Anna van Buerenplein has space for 960 cars and is intended partly for office workers in New Babylon.

Specialism:

In six days and nights, in the biggest consecutive pouring operation ever in the Netherlands, we poured almost 12 000 m³ of underwater concrete for the 1.2 meter-thick floor covering 100 by 100 meters. We are now working hard on the future tunnel that will provide access to the car park. Innovations in the execution by the specialised Ballast Nedam companies involved include the use of a sand drainage unit to quickly remove the large volumes of sand from the restricted construction site.

- Cooling water circuit for the Sloe power station in Vlissingen
In mid-2007, Ballast Nedam started work on construction of the cooling water circuit for the Sloe power station in the port and industrial location east of Vlissingen. Commissioning of the power station, which will supply power for industry and domestic households, is expected in 2009.
- Port in Paramaribo, Surinam
The rehabilitation of the port in Paramaribo involves the repair and reinforcement of the existing terminal, expansion of the port location and storage facilities. This project is funded by the European Development Fund.
- St. Maarten jetty
Ballast Nedam is one of the companies building a new jetty for cruise vessels for the St. Maarten port authorities in the Netherlands Antilles. A growing number of vessels stop at this port. The new jetty will allow it to receive six, rather than four vessels per day and provide mooring for the biggest cruise vessels in the world.

Realization

The five building regions originally focused on the conventional contracting market, to win and perform orders for infrastructure projects in their local markets. Today, they focus increasingly on planning and project development and project management, through design & construct contracts. Examples of current projects include:

- N57 highway near Brielle
The expansion and asphaltting work on the busy N57 highway between Brielle and the lock complex spans a length of 11 kilometers. Major maintenance work was performed on the one-kilometer Haringvlietsluis section. Old concrete from the lock was recycled as foundation material for the three roundabouts built on the N57.
- A7 in Winschoten
Asphaltting of the A7 between Groningen and the German border had to be completed before the start of the winter season. By applying innovative traffic control measures, 235 000 tons of asphalt were laid, new road markings were applied and 22 construction works were renovated within the set term.



The old 'New Port' in Paramaribo dates from the 1950s, when mixed cargoes were still common. Today, most cargoes arrive in containers. The port will be modified and renovated. Port activities will continue as normal while building work is in progress. The bridge over the Surinam River, which Ballast Nedam delivered in 2000, is just visible in the background.

- N31 at Zurich-Harlingen
Ballast Nedam is part of the 'De Eendracht' construction consortium that will double the breadth of the N31 highway between Zurich and Harlingen between July 2007 and December 2008, to create a motorway making the connection safer. This design & construct contract also includes a viaduct at the Zurich junction.
- Waalkade in Nijmegen
The Waalkade in the heart of Nijmegen is a weak link in the river water defenses. Ballast Nedam is raising the quay wall with dam walls, among other things, so that the entire barrier can be raised by half a meter when water levels are high. The barrier will be finished with brickwork and stone, to preserve the historic atmosphere.
- Leksesveer in Wageningen
A high-water channel is being dredged to provide more space for the waters of the Lower Rhine to flow freely to the sea. The outer dike is being lowered and obstacles such as the ferry causeway are being replaced by a bridge. Ballast Nedam built a temporary dike in order to limit the obstruction to traffic. The Leksesveer project is part of the European Sustainable Development of Floodplains (SDF) project.
- Quay wall in Den Helder
This design & construct project involves expanding, broadening and renovating the 195-meter Visserijkade in the port of Den Helder. The new 270-meter connecting Onderzee-dienstkade is being built as a combined wall with injection anchors. The capacity of this sustainable quay wall will be expanded by a total of 2 300 m², which will make it ideal for landing fish and for goods transshipment for the offshore industry and the maritime shipping.

Management:

This project includes a 25-year maintenance contract for the new quay wall. During the 25-year period, we will perform management and maintenance activities for the quay wall, the location, port security and drinking water and energy supplies.

Specialism:

For the combined wall, 27-meter tube piles filled with sand and concrete were used. In order to create a stable situation in the long term, Gebroeders van Leeuwen secured these piles with innovative 45-meter Leeuw anchors.

Management

Ballast Nedam Infra Beheer is specialised in the management of long-term commitments relating to management & maintenance and product and other guarantees. Together with other Ballast Nedam Infra companies, this company creates total solutions for clients, promoting sustainable solutions (CO₂-/NO_x-reduction). Examples of completed and current management projects include:

- Wind farm at Egmond aan Zee
As a partner in the Egmond Consortium, Ballast Nedam designed and built the Egmond aan Zee Offshore Wind Farm on a turnkey basis. The first Dutch wind farm in the North Sea consists of 36 large windmills (axis height 70 meters), positioned 10 to 18 kilometers off the coast. In 2008, the second year of the five-year management and maintenance contract, the wind farm will be inspected for factors including the integrity of the foundations, the stability of the soil protection, the operation of the cathodic protection and the quality of the coatings.
- N11 at Alphen aan den Rijn
2008 is the fourth year of a ten-year DB(F)M contract for the management of the N11 highway connecting Alphen aan den Rijn with the A12. The focus in 2008 will be on regular maintenance of the road.



The port on the island of St. Maarten in the Netherlands Antilles is being made suitable for large cruisers. In the future, six ships a day will be able to dock at the new pier. The progress of the work can be tracked on www.bnpa.eu.



The Sint Antonius hospital in Nieuwegein had a temporary parking problem while renovation work was carried out.

As a solution, it rented a temporary car park with 1 450 spaces. The car park has an open, user-friendly character. Once the parking problem is solved, it can be relocated, rented and/or sold.

- N210 highway in South Holland province
Ballast Nedam Infra Projects is building the new N210 provincial highway between Krimpen aan den IJssel and Bergambacht under a design & construct contract. This road section of about 14 kilometers will be supported by 34,600 concrete piles which will replace the existing wooden piles. At the same time, Ballast Nedam Infra Beheer expects to maintain the existing road until year-end 2010. The new N210 will then be managed as a whole for a period of 20 years.

Prefab:

Haitsma Beton will supply the 34 600 prefabricated concrete piles, varying in length between 11 and 18 meters, which will be shipped in with the company's own vessels. A vessel with a maximum load of 250 piles will sail every two to three days. The necessary plates were produced and delivered by Waco Lingen Beton.

Concessions

The aim of Ballast Nedam Concessies is to generate long-term, stable cash flow by investing in projects with an acceptable risk profile and good returns. The company also manages these investments, focusing on project financing in relation to long-term concession contracts (including PPPs). In due course, Ballast Nedam will hold a portfolio of investments in concession projects that it can trade or retain, at its own discretion.

Ballast Nedam Concessies concentrates primarily on the technical fields/products of both the divisions. Examples include:

- DBFM-contract: N31 Waldwei (PPS)
Ballast Nedam Concessies is a shareholder in Wâldwei.com b.v., which won the DBFM contract at the end of 2003 to double the width of the N31 highway between Hemriksein and Nijegaasterhoek and to build the Fonejachtbrug bridge and the Langdeel aquaduct. The contract runs for 20 years (to 2023) and is settled on the basis of an availability fee. The N31 now forms a safe and fast connection between Leeuwarden and Drachten.

Management:

Following completion in December 2007, the N31 was transferred to the management organisation of the Waldwei consortium. Ballast Nedam Infra Beheer is one of the partners and is responsible for 15 years of management.

- CNG Net
In mid-2007, Ballast Nedam Concessies formed CNG Net, a company focusing on the construction, operation, management and maintenance of natural gas fuel stations in the Netherlands. The aim is to create a nationwide Dutch network of 250 stations within four years. In this way, Ballast Nedam Concessies combines its sustainability goals with commercial business plans.
- Offshore Wind Energy
In 2006, Ballast Nedam Concessies contracted a strategic alliance with the E-concern group for the development of offshore wind farms on the Dutch Continental Shelf. Exclusive rights were obtained in 2007 for concession off the coast of Scheveningen and the procedure for public works management (WBR) permits is now in progress.

The following two PPP projects which will be open for tenders in 2008, are the DBFM contract for motorway A12 from Utrecht to Veenendaal and the motorway A15 at the Tweede Maasvlakte.

For these infrastructure tenders, Ballast Nedam Concessies works closely with Ballast Nedam Infra Projects and Ballast Nedam Infra Beheer, which take responsibility for the technical scope. These projects are entirely in line with Ballast Nedam's strategy of covering the entire horizontal value chain, which involves development, construction and management of the maintenance and operation of both property and infrastructure projects. The projects for the Building and Development division are described on page 32.

Specialisms

Ballast Nedam's specialised companies focus on specific products such as foundations and excavations. Innovation and cost leadership are key themes.

Infra Consult + Engineering (IC+E)

Design and calculation of architectural constructions are essential in the primary process, partly because of the increasing integration of construction processes. With its own IC+E civil engineering company, Ballast Nedam has a broad range of design knowledge and experience. The company has years of experience in the field of large and small-scale innovative works in the Netherlands and elsewhere. It plays an important role in many of the integrated (design & construct) contracts.

Examples of specialised projects include:

Parking

- Temporary car park at Sint Antonius Hospital in Nieuwegein
Ballast Nedam has built a new above-ground modular car park for 1 450 cars on the site of the existing car park at the Sint Antonius Hospital in Nieuwegein. This temporary car park has an open and user-friendly character, as we used a galvanised steel frame, concrete floor elements of concrete double T-beams developed by Haitsma and a balustrade of galvanised steel, with no other columns on the parking deck.

Petrol Stations

- Construction of self-service Tango station in Delft
On assignment for Q8, Ballast Nedam demolished the petrol station on the provincial highway in Delft and built a new self-service Tango station. Following soil and water clean-up operations, the prefabricated concrete pumping island was installed. Ballast Nedam IPM produces these islands, which achieve time savings, exclusively for Tango. Safety and supervision are extremely important at self-service petrol stations. Cameras are therefore installed to show what is happening at a distance and record all movements at the petrol station.
- New natural gas fuel station in Drachten
This project involved the design, joint construction of the installation, construction of the building and maintenance of the CNG installation. Waco Lingen Beton produced the concrete prefab building. After the station becomes operational, it will be serviced and maintained under a maintenance contract.

Environmental technology

- Soil decontamination at De Sniep, Diemen
This former 125 000 m² industrial site in Diemen was contaminated with a cocktail of polycyclic aromatic hydrocarbons (PAHs), heavy metals, mineral oils, PER, TRI, CIS, vinyl chloride and asbestos. In order to decontaminate the site, an extensive decontamination line was built, including stripper towers, a blower unit and a dry active carbon filter.

Prefab

Ballast Nedam Infra's four prefab plants consist of three prefabricated concrete plants and an iron foundry. The prefab plants in the division supply the entire construction market, focusing on infrastructure projects.

Ballast Nedam Infra is seeing recovery in the prefabricated concrete market and assumes that this will continue, with a positive effect on the results of these companies in the coming years. Examples of prefab projects include:



The polluted groundwater at the former De Sniep industrial estate in Diemen must be decontaminated, so that the end product can be discharged into the sewage system or surface waters. The treatment unit consists of a number of treatment components in the correct sequence and extracts the contaminants, including volatile compounds.



Cyclomedia will have a new transparent office building with striking round glass elements. Stained concrete was used for the semi-circular columns. The use of prefabricated floor elements reduced the cost of installing the central area of the entrance.

- **Stand at TT Assen**
Shortly before the 77th Dutch TT, Haitsma completed the first of four stands at the race track. Our involvement in designing the concept accelerated construction work, so that the Strubben stand was ready before the race. Haitsma has an efficient method for building step elements with large spans. It will use three-step elements between 8 and 9 metres long in all four stands. The challenge was to create a fan shape with these straight elements and at the same time, ensure alignment of the vertical connections between the elements.
- **Cyclomedia office in Waardenburg**
Waco Lingen Beton supplied a range of prefabricated concrete elements for the new office of Cyclomedia, a company specialised in 360° panoramic photography. The interior façade panels have round cut-outs for glass elements. The elements were delivered between June and August 2007 and construction is currently being completed.

Raw material

In the coming years, raw material markets will be marked by growing demand for high quality materials and limited supply. Logistics will also increasingly become a determining factor. We are responding to this with our different quarries. We also continually consider opportunities to expand our concessions and so strengthen our position in the raw material market. The raw material companies hold strategic raw material positions in the Netherlands, Germany, Belgium and Norway for recovery and production of granulates such as sand, gravel, clay and stone chippings. Important developments in the raw materials field include:

- Vinci subsidiary Eurovia acquired a 23% interest in our Norwegian joint venture Bremanger Quarry, a sandstone quarry with a reserve of about 500 million tonnes. At the same time, Bremanger Quarry acquired all Eurovia's shares in a sandstone quarry of more than 100 million tonnes, also lying in an open shipping lane.
This investment in our quarry expands our growth opportunities in various West European markets. The high quality sandstone makes it particularly suited for applications in road-building from a safety point of view. The merger of the two quarries, which lie close to each other, offers scale benefits in production, commerce and logistics.
- Ballast Nedam Grondstoffen is the contractor for the first work in the Grensmaas river near Roosteren. The soil material released is shipped away to our Bichterweerd processing unit at Dilsen-Stokkem.
- After almost 50 years in operation, the Bichterweerd processing unit will be phased out over the coming two years, because the concession ends.
At the same time, we have started building a new processing unit at GroßKünkel in Germany, which will be operational from mid-2008.
- In December, Ballast Nedam Grondstoffen and a recreation company signed a contract with the Ede municipal authority, aimed at creating a recreational lake through sand quarrying.

Prospects

The Infrastructure division looks forward to the coming years with confidence, based on a well-filled order book, the expected price increases in the market in which our specialised companies are active and our growing knowledge of innovative government contracts.

The division expects its operating result to improve again in 2008.

The expected improvement in the results of the regional businesses and the prefabricated concrete companies will more than offset the lower results expected from the raw material companies as a result of the expiry of a quarrying concession in Belgium.



Roll on - Roll off terminal

The Norfolk Line Shipping terminal in Vlaardingen provides space for three maritime vessels that can be loaded and unloaded with the aid of unloading bridges. The facilities, buildings and underground infrastructure were built in phases, and the first vessels were able to dock at the terminal while construction was still in progress.



Kunstlinie

Ballast Nedam built the new Kunstlinie theatre in Almere under an engineer & build contract, delivering the building in 2007. Almere's Alderman for Art and Culture described the transparent building as a metaphor for the accessibility of local culture.

Building and Development

x € 1 000 000	NL GAAP					
	2007	2006	2005	2004	2004	2003
Revenue	601	622	658	524	524	546
Order book	916	525	503	568	568	455
EBITDA	36	39	38	24	24	23
EBITA	33	36	35	21	21	19
EBIT	33	36	35	21	20	18
EBIT / revenue	5.5%	5.8%	5.3%	4.0%	3.8%	3.3%
Capital employed	69	7	4	(29)	(32)	(12)
Average number of employees	1 634	1 594	1 622	1 728	1 728	1 908

Market

The market for housing and utility construction showed strong growth in 2007. Dutch production of new housing increased during the year to about 75 000 residential properties. Utilities construction showed the strongest growth during the year. This was reflected primarily in the orders won in the commercial property, care and education sectors. Upward pressure on the prices of suppliers and sub-contractors was an inseparable part of this strong growth. This placed pressure on margins.

Growth in investments in both utilities and housing construction is expected to slow in 2008. We foresee a further slowdown in this growth in the coming years, and expect it to stabilise in the medium term. Maintenance and the recovery of repair and renovation will increase. New construction of both housing and utilities will increase in the Randstad metropolitan region in the western Netherlands and in North Brabant province, and will decrease in the other regions of the Netherlands.

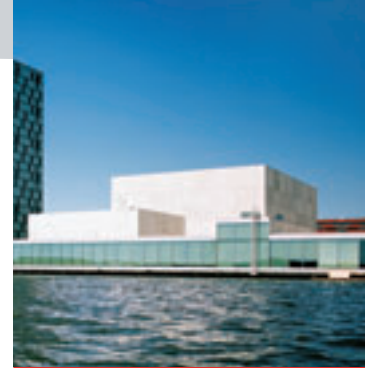
Dutch spatial planning policy is becoming increasingly decentralised. Overall, 70% of housing development planned for the coming years lies in existing urban areas. This means that high-density construction will take place, with a continual need to seek creative solutions with other housing products. This is coupled with an enormous redevelopment programme resulting from the 40 priority districts defined by the government.

The government increasingly requires total solutions. Particularly for larger office buildings, we are required to contribute ideas from the very start and also to undertake development, construction, financing and management for longer periods. In the private market too, clients increasingly demand an integrated approach. As a result, the planning and project development market is becoming increasingly important. An adequate stock of good land positions is essential here.

New market opportunities

Clients for large commercial properties and business complexes are often parties operating on a national scale, who increasingly require an integrated approach from their contractors. They focus on their core business and as far as possible, aim to manage risks properly, at the earliest possible stage. We aim to respond to this by accepting responsibility at an early stage and where possible, becoming involved in the development of projects. The government trend towards offering a growing number of works in the form of PPPs is also consistent with this. We expect this market trend to continue in the coming years. This market offers excellent opportunities for companies that can offer total solutions for building demand. Ballast Nedam Bouw en Ontwikkeling therefore plans to focus on these concession projects in the coming years and sees many opportunities in this market in the short and medium term.

The care sector, primarily hospitals, is a strong growth market. Changes in regulations mean that hospitals must deal with their property in new ways. This makes them less dependent on the Care Institutions Construction Board and gives them responsibility for management themselves. As a result, tenders are increasingly offered as total packages. This ensures better



The theatre, a large low building of 100 by 100 meters, extends from the waterfront in Almere over the Weerwater lake. There are three striking blocks of different sizes and heights: the theatre tower of the main 1 050-seat auditorium, the central auditorium with 350 seats and the 150-seat small auditorium.

co-ordination between the different disciplines. This offers opportunities for the Building and Development division. We can distinguish ourselves in this market by deploying our expertise and experience in the field of engineer & build projects. Changing regulations will also create a market for companies that can accept responsibility for the entire chain in the form of concessions. The division is well equipped for this.

As a result of climate change, the environment is featuring increasingly prominently on the political agenda. This has consequences for the construction sector. The government plans to tighten standards for the energy performance of both new and existing real estate in the coming years. Ballast Nedam Bouw en Ontwikkeling aims to respond to this market and accept social responsibility by developing energy-efficient housing and commercial properties and by applying sustainable installations such as heat and cold storage units.

Housing corporations face a major redevelopment task for the property they own, often in urban areas. Ballast Nedam Bouw en Ontwikkeling is seeking strategic alliances with housing corporations and other market players in site development activities. The division also focuses on acquiring strategic (inner city) positions at locations designated or suitable for future housing construction.

Strategy

On the basis of its existing core activities of construction and project development, Ballast Nedam Bouw en Ontwikkeling aims to become more active throughout the chain, by entering the overall process at the earliest possible stage. To that end, the division aims to have a portfolio of niches with which it can operate distinctively in the market. Niche segments in which Ballast Nedam Bouw en Ontwikkeling is active include high-rise construction, large complex projects, hospitals and PPPs. The division has considerable expertise and experience for successful operation in these niches, including in the field of engineer & build projects.

Ballast Nedam Bouw en Ontwikkeling aims to offer total solutions for market demand, which is often abstract, by identifying, developing, designing, building, managing, maintaining and operating them. This strategy means that the processes must be expanded further at the front and back ends of the chain. The division will therefore grow to become a developing builder in the coming years, active throughout the chain, and plans to focus here on niche segments in which we can operate distinctively in the market.

Strengthening the front and back ends of the horizontal value chain

The strength of the Building and Development division lies in the fact that the organisation has knowledge and experience of the entire construction process and is able to cover the entire chain. At the front end of the chain, our development companies operate close to the market and focus on market demand. In order to serve our clients well, we also intend to regionalise large-scale development further. We set up a new region for this purpose in 2007, the south of the Netherlands, operating from Eindhoven. Only the management of maintenance and operation are organised centrally.

We aim to strengthen the front end of the horizontal value chain by investing in our land positions, thus further expanding our development potential. With the building regions, we aim to capture a leading position in the market for integrated property approaches through engineer & build contracts and development of local projects. The building regions will join the process at an increasingly early stage and develop solutions for customer requirements that are often abstract. In the market for public tenders for large commercial properties, we will also focus on concession contracts. We invested in this during 2007 by participating in three PPP tenders. As a result, we built up knowledge and experience in this market and aim to further strengthen our role in the market in 2008.

There is growing market demand for building management services. Ballast Nedam Services will be expanded further to become a fully-fledged market player in property maintenance and management and in facility services. This will strengthen the back end of the horizontal value chain. From now on, all property development and works with a long maintenance period will be managed from this business unit after the construction phase.



The renovated Albert Heijn XL in Tilburg is now the biggest supermarket in the Netherlands. As the work could not be allowed to cause disruption for shoppers, the building site was kept as small as possible and all materials were delivered on a 'just in time' basis.

The companies active in the horizontal value chain are located in Groningen, Amsterdam, Zaandam, Emmen, Arnhem, Sittard, Nieuwegein, Capelle aan den IJssel and Eindhoven. Ballast Nedam Building and Development aims to preserve the regional character of the organisation. In order to win orders for projects, it is important that we have a local presence and can also convey our identity at that level. Large-scale developments are steered from Ballast Nedam Ontwikkelingsmaatschappij in Nieuwegein. Orders for large, higher-risk projects are acquired, designed and built via the Ballast Nedam Bouw Special Projects unit in Nieuwegein. Chain management focuses primarily on construction at present. In the coming years, this will be increasingly integrated with the activities of the Infrastructure division.

Strengthening supply companies in the vertical value chain

An important precondition for management of the value chain is in-house specialised know-how and skill in the organisation. We therefore think and work on the basis of our knowledge of certain market segments, contract forms and specialised knowledge in our approach to clients. In most cases, that specialised knowledge is held by building regions or the Special Projects unit. The division also has two plants that supply prefabricated concrete products. Both companies had a good year in 2007.

Where possible, we use the products of the specialised companies in the Infrastructure division. If excavations need to be designed and carried out for office buildings, car parks and other large buildings, for instance, the Foundation Techniques unit may be deployed to install dam walls. Gebroeders van Leeuwen is deployed to install anchors and Specialised Earthworks to perform the excavation and pour the underwater concrete floor.

Ballast Nedam Bouw en Ontwikkeling aims to further expand the existing knowledge internally during 2008, and to continue to make use of companies in its own division and the Infrastructure division. Expansion of specialised companies within Ballast Nedam Bouw en Ontwikkeling is not anticipated.

The two pre-fabricated concrete plants active in the vertical value chain are located in Weert and Coevorden.

Increasing the value of the business

The division has achieved operational excellence for many years, reflected partly in the execution of engineer & build contracts and through the development of in-house land positions. The division aims to increase its operational excellence still further in the coming years. Firstly, better use can be made of existing knowledge and experience through an improved exchange of best practices between the different business units. Secondly, the division aims for better management of risks by focusing on an integrated approach and on concessions in which total solutions are required.

In the coming years, we aim to alter the division's mix of activities by focusing more on the front and back ends of the horizontal value chain. This means that development and management of maintenance and operation will account for a larger share of the overall activities. Development will be expanded further by expanding the land positions, and thereby the development potential, and by regionalising large-scale developments. Management of maintenance and operation will be expanded by focusing the activities more on total solutions and thus on long-term property management. All real estate projects with long maintenance periods will be transferred to Ballast Nedam Services.



Oda Parking is part of 'Zitterd Revisited', the plan by architect Jo Coenen for the redevelopment of the historic city centre of Sittard. Laudy is part of the consortium that built the underground car park below the central parks, known as the 'fields of fire'.

Operations in 2007

The Building and Development division achieved an operating result of € 33 million in 2007. This was a good result, particularly in view of the upward pressure on the prices of sub-contractors and suppliers. The main projects started or completed in 2007 are briefly described below. They illustrate how Ballast Nedam Bouw en Ontwikkeling is implementing the strategy described above and how these are performed within the structure of the organisation.

House-building activities showed renewed growth, with a 14% increase in the number of properties delivered, to 1 579 residential properties, 531 of which were developed in-house. The number of homes under construction amounted to 2 532, 28% of which are being developed in-house. In the past year, the development potential of the land bank increased by 18% to 15 000 homes. The book value increased by € 35 million to € 131 million.

This growth was achieved by acquiring more positions in housing totals than the number of positions acquired in development. The number of hectares in the land bank fell from 654 to 604 hectare, as Ballast Nedam withdrew from the integrated development of the Blauwe Stad project in exchange for development rights for 200 residential properties. The development rights acquired in the Blauwe Stad are not valued in a number of hectares.

The development potential of the land bank in terms of commercial property consists of 320 000 m² of office space and 245 000 m² for other commercial areas.

Revenue from in-house development amounted to 29% in 2007 (2006: 30%).

Residential building (units)	2007	2006
Under construction (opening)		
Third party orders	1 232	1 502
Own development	737	824
	1 969	2 326
Started		
Third party orders	1 649	484
Own development	493	543
	2 142	1 027
Handed over		
Third party orders	1 048	754
Own development	531	630
	1 579	1 384
Under construction (closing)		
Third party orders	1 833	1 232
Own development	699	737
Total	2 532	1 969

Development

Ballast Nedam Ontwikkelingsmaatschappij develops housing, offices and other buildings such as shops and schools, on its own land where possible. Examples of completed and current projects include:

- Dock van Delft

The Dock van Delft housing complex, located close to the inner city of Delft, was handed over in 2007. This 190 meter-long sheltered housing complex included 129 homes, some for owner-occupation, some low-rent properties and some commercial rented housing, 111 underground parking spaces and 3 300 m² of commercial property. Dock van Delft has an environmentally-aware climate control system. Energy from heat is stored in the soil during the summer and is used to heat the apartments in the winter. The rented apartments are intended specifically for the over-55s.



Vijfhoek care centre in Tholen has six storeys and a completely underground car park. In addition to 18 owner-occupied and 17 rented apartments, a complete medical centre has been equipped. An outdoor garden has been created on part of the first floor.

- Heeren van Teylingen, Sassenheim
The Heeren van Teylingen complex provides 27 luxury apartments, maisonnettes and penthouses, divided over five floors. The complex offers 'life-cycle resistant' apartments as part of the 'Royal Living' concept. Depending on their own situation and requirements, the residents can make use of various convenience, comfort and care services. This service package is provided by Stichting WoonZorgcentra LAS.
- 147 homes at Vleuterweide, Utrecht
Ballast Nedam Ontwikkelingsmaatschappij developed a complex of 147 homes, to be built by Ballast Nedam Bouw, Central Region, in sub-plan 4.4 of the Vleuterweide housing plan.
- Berckelbosch, Eindhoven
Ballast Nedam is developing the large-scale Berckelbosch housing project, with about 925 homes, in Eindhoven. Construction of the first 70 homes began in October 2007. Sales of 149 homes will begin in 2008.
- Haagse Veste I in Binckhorst, The Hague
In a consortium, Ballast Nedam has developed an extension to the provisional accommodation for the International Court of Justice in The Hague for the Government Buildings Agency. This 13 500 m² office building will be completed in one year, between the existing buildings of the Haagse Veste office complex.
- Fifty-Two Degrees, Nijmegen
With its striking angle, this office building of 88 meters high, with a surface area of 46 000 m², dominates the skyline of the Fifty-Two Degrees complex in Nijmegen. Ballast Nedam built this prestigious project under a design & build contract, together with Mecanoo Architecten. The building was officially opened in 2007 by Prime Minister Balkenende, and tenant NXP Semiconductors has moved in. The building symbolises the research centre that the city of Nijmegen can claim to have become.

Special Projects

Ballast Nedam Bouw Special Projects is specialised in construction of larger, complex building projects in the Netherlands. Examples of current and completed projects include:

- New Babylon, The Hague
The Babylon building in The Hague, dating from the 1970s, is being fully redeveloped. From the 11th floor, 330 luxury apartments will be created in two new towers. Half of these will be rented properties and half for owner-occupation. Ballast Nedam Infra Projects is building the underground car park at the Anna van Buerenplein.
- Laurenshof and Statendam, Rotterdam
In Rotterdam, 20 000 m² of residential property is being built in the Statendam project. Special Projects is also building a 17 000 m² office tower for the Rotterdam municipal authority at the inaccessible Laurenshof location, on the site of the former characteristic KPN building, and a 73-meter high-rise apartment block with a residential floor area of 20 000 m².
- De Kunstlinie, Almere
De Kunstlinie, Almere's theatre, was opened by Queen Beatrix in 2007. This building was designed by Kazuyo Sejima and Ryue Nishizawa of the Japanese firm of architects SANAA, on commission from the municipal authority. The final design was contracted, developed and built under an engineer & build contract. It consists of a single-storey 'slab' measuring 100 by 100 metres, stretching out from the bank as a jetty over the Weerwater lake. Three auditoria rise from this extended storey, a small one for the Arts Centre with 150 seats and two large ones for the theatre of 350 and 1 050 seats.
- Westraven, Utrecht
On commission from the Government Buildings Agency, the Westraven office complex was renovated (23 000 m²) and expanded (27 000 m²), in a consortium, and was delivered in 2007.



On the eastern perimeter of Eindhoven, the new Berckelbosch housing estate is under construction, with about 900 residential properties. Ballast Nedam is responsible for the development, construction and infrastructure for this project.



The Malburgen district in Arnhem is undergoing radical changes. More than 1 250 homes will be demolished to make way for new buildings, surrounded by greenery and water. Ballast Nedam built 45 owner-occupied and rented residential properties.

Realization

The building regions originally built housing and utilities for their local markets. They increasingly focus on planning and project development by acquiring land positions. Examples of current and completed projects include:

- Hasebroekstraat housing, The Hague
On commission from the Ceres project developer, part of the Vestia housing foundation, Building Region West made a start on construction of a complex with 272 low-rent homes in the Spoorwijk district of The Hague. The homes, designed by Kuiper Compagnons of Rotterdam, will have a highly energy-efficient installation concept, giving them an extremely low energy performance coefficient (EPC).
- ADO football stadium, The Hague
In the summer of 2007, Building Region West handed over the ADO football stadium, which provides places for 15 000 football fans. Ballast Nedam also developed the area around the stadium.
- Renovation of Hotel De Grand, Amsterdam
Building Region North West will renovate Hotel De Grand in Amsterdam, on commission from the Accor group. It is almost 20 years since Ballast Nedam converted the former town hall into a hotel.

Services

Ballast Nedam Services provides management of property maintenance and operation services, as well as facility services for buildings. Ballast Nedam has about 20 office buildings under management, and provides day-to-day management for about 20 000 homes. Examples of service projects include:

- Maintenance of 250 catering premises in the Netherlands
An agreement on property management and structural maintenance of 250 catering premises in the Netherlands has been contracted with the Belgian investor Cofinimmo.
- Property management for Alliance Apotheek
Ballast Nedam Services has been assigned by Alliance Apotheek B.V. to provide property management and primary accommodation care services for the 75 Alliance Apotheek pharmacies in the Netherlands.

Concessions

The aim of Ballast Nedam Concessions is to generate long-term, stable cash flow by investing in projects with an acceptable risk profile and good returns. The company also manages these investments, focusing on project financing in relation to long-term concession contracts (including PPPs). In due course, Ballast Nedam will hold a portfolio of investments in concession projects that it can trade or retain, at its own discretion.

Ballast Nedam Concessions concentrates primarily on the technical fields/products of both the divisions. Examples include:

- Zestienhoven Detention Centre PPP
In early 2008, it was announced that the concession-holder DC 16 (in which Ballast Nedam Concessions owns 50% of the shares) has been named as the preferred bidder for this project. The Rotterdam Detention Centre is the first judicial institution in the Netherlands to be contracted via PPP. This design, build, finance, maintain and operate (DBFMO) contract is worth about € 100 million. DC16 has offered all aspects of design, construction, financing, facility services, maintenance and management in an integrated 25-year contract. The durability costs of the new facility are lower, as all materials, system choices and services will be designed, financed, executed and operated together. The contract consists of a construction sum of € 60 million, a maintain and operate sum of € 40 million and project financing of € 70 million.
- PPP Huisvesting Informatie Beheer Groep and Groningen tax authority
In early 2008, it was announced that the Duo2 concession-holder (in which Ballast Nedam Concessions holds 30% of the shares) has been named as the preferred bidder for this project. The project covers accommodation for the new joint offices of Informatie Beheer Groep and the Groningen tax authority. This is a 20-year DBFMO contract, consisting of a construction sum of € 140 million, a maintain and operate sum of € 60 million and project financing of € 165 million.

- Kromhout Barracks, Utrecht

In 2007, Ballast Nedam Concessies, as the shareholder of the future concession holder, submitted a final bid for the design, construction and 25-year management and maintenance of the Kromhout Barracks in Utrecht. The client for this project is the Ministry of Defence. Which of the three remaining private consortia is chosen as the preferred bidder will be announced in April 2008.

The following two PPP projects which will be open for tenders in 2008, are the Schiphol Judicial Complex and the (Youth) Penitentiary in Zaanstad.

Ballast Nedam Concessies works closely with Ballast Nedam Bouw Special Projects, which takes responsibility for the technical scope for these property tenders. These projects are entirely consistent with Ballast Nedam's strategy of covering the entire horizontal value chain, which consists of the development, construction and management of the maintenance and operation of both real estate and infrastructure projects. The projects of the Infrastructure division are described on page 22.

Prefab

The division's two prefabricated concrete plants supply the entire housing and utilities construction sector. Both plants supply project-specific prefabricated concrete. Examples of projects include:

- The Wall, Utrecht

Hoco Beton won an order in 2007 for production and erection of the longest building in the Netherlands: the Wall in Utrecht. This building will be 610 meters long, with heights ranging from three to eight floors. Almost 30 000 m³ of prefabricated concrete will be used for this building.

- Maastoren, Rotterdam

Hoco Beton is also involved in the construction of the highest building in the Netherlands, the Maastoren. This building in Rotterdam, 165 meters high, will be built entirely of prefabricated concrete elements.

Prospects

The Building and Development division expects a lower operating result in 2008 on higher revenues, as the cost price increases in 2007 could not be charged on in full.



Kopershome: from a house to a home

Ballast Nedam Bouw West in Capelle aan den IJssel recently acquired a brand new showroom, known as the Kopershome. Here, new home buyers can select the sanitary fittings, tiles, interior doors and the door handles and locks for their new houses. Lifelike 3D images of new bathrooms are displayed directly on the LivingWall: the virtual image looks just as if you were stepping into your new bathroom!



New Council House in Goes

Ballast Nedam Bouw Zuid built the new Town Hall for Goes municipal authority, with a two-level underground car park. The use of different materials produced façade with contrasting features.

Other

ABL2

ABL2 is a joint venture of Ballast Nedam and TCN. This young company uses an innovative and unique form of process management with the aim of accelerating, improving and completing complex integrated estate developments.

ABL2 was formed two years ago and is on track to meet expectations. The company is involved in many different complex estate developments, ranging from redevelopment of an industrial estate in Delft to advice for the Department of Public Works on new business models to improve access and living conditions between Rotterdam and Antwerp. ABL2 works for both private and public clients, and for PPPs.



The sloping façade above the atrium creates a waterfall, emphasised by the use of different materials.

Ballast Nedam ICT

Ballast Nedam ICT is the specialised company that provides ICT services for the entire Ballast Nedam group. The company focuses primarily on innovation and efficiency.

Active throughout the building chain

With its standard ICT infrastructure, Ballast Nedam can share information across construction phases. To complement this, Ballast Nedam ICT began the implementation of Sharepoint in 2007. In this environment, the business units active in the different construction phases can easily share information and work together or with external parties by electronic means. The implementation process will still require close attention in 2008. In both the Building and Development and the Infrastructure divisions, we increasingly make use of advanced 3D models, linked to the factors of time and money. This, too, helps to create efficient information transfer, on activities ranging from design and construction to management and maintenance.

The fact that the chain is expanding further is also reflected in the selection and implementation of new IT systems to monitor project development and support the management and maintenance phase.

With the national introduction of Microsoft CRM (customer relationship management), customer relationships are now managed in the same way in almost all business units.

Excellent performance

In 2007, our employees were provided with modern ICT tools to increase their personal productivity. Office 2007 was rolled out throughout the company and personal digital assistants (PDAs) and mobile Internet connections are widely used. The new nationwide glass fibre network and the upgraded data storage infrastructure can facilitate both the growth of the business and internal communications more effectively. Virtually all our building sites are now connected to this national network.

With the start of the company-wide implementation of the tactical AGIS procurement system, we shall be able to make more competitive procurements, particularly in the construction phase. The procurement process and the associated procurement results will become more efficient as a result of more effective consolidation of procurement requirements and accurate, standardised contracting.

Through the implementation of the Basware programme, our entire invoice flow is now processed electronically, both in the permanent offices and at the building sites.

International

In the Rocky Mountains east of the province of British Columbia in Canada, Ballast Nedam is developing the Kicking Horse Mountain Resort (KHMR), a ski resort that will be an attractive holiday destination in the summer as well as the winter months.

Ballast Nedam is developing the property and managing the resort. Both progressed according to plan in 2007.

The continued maintenance activities in Saudi Arabia came up to our expectations.



N31 at Waldwei

The N31 had a reputation as one of the most dangerous roads in the Netherlands. The section between Hemriksein and Nijegaasterhoek now has twice as many lanes, making the connection between Leeuwarden and Drachten faster and, more importantly, safer. The work has been completed and the management and maintenance contract runs until 2022.

Corporate social responsibility

Ballast Nedam regards doing business as a social activity and we are aware that our activities form part of society. Together with many other organisations, we contribute towards social development. The company aims to create a challenging working environment and to improve the quality of the living environment. In other words, Ballast Nedam attaches importance to corporate social responsibility (CSR). As far as possible, our aim is to balance environmental aspects, the development of our employees, working with society and financial results with the expectations of the parties with an interest in the business. Ballast Nedam expresses this in its working methods in general, and in specific measures in particular.

In some areas, Ballast Nedam has pursued a clear policy aimed at sustainability for years. These include employment, safety and innovation. Nevertheless, the CSR policy for the organisation as a whole is still continually in development. Employees and business units apply CSR principles in practice in many different areas. A number of key priorities apply in this respect.

The importance that Ballast Nedam attaches to CSR is reflected partly in the policies on staff, energy and climate issues, chain responsibility & procurement, society & communication and innovation. The policy on employees should include development through education and training, health and safety. Through aware use of energy and sustainable materials, Ballast Nedam contributes towards a sustainable living environment. Ballast Nedam also aims to take chain responsibility, by working professionally with all partners in the construction industry and through procurement at the strategic level. Finally, Ballast Nedam respects the society in which the company operates. This is shown by a transparent attitude and communication methods that give high priority to integrity. We discuss the policy regarding these priority areas below, explaining this in each case on the basis of a number of examples.

Employees

As a company that is expanding and developing and increasingly offering advanced total solutions, we also need new knowledge and other skills. Ballast Nedam's labour market policy is therefore designed to recruit new knowledge and new creativity. In addition to construction and civil engineering knowledge, there is a growing need for knowledge of spatial planning and of management, financial and legal expertise.

At Ballast Nedam, employees are given scope for personal development, initiative and responsibility. The corporate climate is designed to encourage staff to contribute ideas and initiatives, even when, strictly speaking, this means looking beyond the boundaries of their own jobs. Within the central focus on innovation and results, there is scope for decentralised initiative and for creative and critical 'bottom-up' contributions. Internal surveys reveal high employee satisfaction, with above-average staff loyalty and involvement.

Ballast Nedam is a flat organisation with short lines of communication. Communication is informal and employee consultation is regulated via various decentralised works councils and advanced forms of staff representation and consultation.

Ballast Nedam has endorsed the international rules and agreements of the International Labour Organisation (ILO) and the Organisation for Economic Co-operation and Development (OECD) for example. These rules and agreements concern many provisions on issues including the position of employees. Ballast Nedam is nevertheless aware that in some countries, embedded social and cultural situations conflict with these agreements. This does not alter the fact that the company does everything possible to develop appropriate and practical rules of conduct.



Vleuterweide consists of six neighbourhoods with a wide range of different housing types and prices. A total of about 6 000 residential properties will be built here. Ballast Nedam Ontwikkelingsmaatschappij will develop about 1 100 of them, spread over five different neighbourhoods.

Development

Ballast Nedam works towards employee development on a structural basis, offering both internal and external training programmes and opportunities. The in-company training programme not only strengthens and develops the capacities of the staff, but also promotes co-operation and communication between the divisions. Employees from different units take part in the in-company training courses.

We aim to continually challenge and motivate new and existing employees. For this reason, we offer young employees, who are of vital importance to our business, more than ready-made jobs. They are given scope to discover their preferences, work on personal development and grow into the jobs and business units where they feel most at home. Talks between supervisors and employees allow scope to adjust or broaden the individual development requirements of the employee and the job content where possible.

Examples:

- The company invests in future recruits by offering a large number of training placements and apprenticeships. In 2007, the various Ballast Nedam units once again offered several hundred training placements and graduation assignments at various levels, from lower secondary education to higher vocational training, and from technical university disciplines to financial courses.
- One of the tools that supports career development is the IMP programme for new managers. They are given an opportunity to follow business management courses together with other new managers from the different Ballast Nedam divisions, and to exchange knowledge and experience on human resources management, finance and procurement. In this way, they are challenged to learn from each other and to critically consider existing processes.

Safety

A relatively high number of accidents occur in the construction industry in comparison with other sectors. Safety not only concerns the construction site, but also the environment. Ballast Nedam's policy is designed to prevent accidents and incidents in the performance of all activities, among all the company employees, employees of sub-contractors and of third parties. Ballast Nedam works towards this with the aid of a safety system complying with the requirements of the Contractors Safety Checklist VCA**. All operatives have also followed or are following a Basic Safety course. Operations supervisors also follow a Safety for Managers course. Before each project begins, all operatives also receive a project introduction covering safety, health and the environment. Ballast Nedam aims for continual improvement of safety in the company. Each quarter, incidents are analysed and where necessary, safety policy is adjusted.

Examples:

- Following a safety campaign in the Infrastructure division in 2006, the Spot-On Safety action plan was drawn up and implemented in 2007.
- Ballast Nedam has its own safety consultancy that supplies safety experts, safety courses and risk inventories, and conducts safety audits and accident investigations.

Health

Working conditions in the construction industry require special attention. After all, the work is performed in the open air, in a wide range of different environments and conditions. Ballast Nedam provides for good working conditions and takes an active approach to absenteeism. In 2007, aggregate sick leave at Ballast Nedam amounted to 5.7%. Ballast Nedam does not want to focus solely on reducing absences, but also on investing in measures that enable staff to stay healthy and fit. Since more and more people will have to work for longer, attention to welfare and healthy working methods became a structural element of personnel policy in 2007.



Ballast Nedam built two new halls for Aggreco in Moerdijk, and asphalted the site, covering about two hectares, for intensive use. This gives the company suitable space for maintenance and repair of aggregates.

Examples:

- All employees undergo regular health and fitness tests, resulting in personal recommendations on work and health.
- A company fitness programme was introduced at the end of 2007, as one of the many measures aimed at a healthier lifestyle and working style and prevention of complaints.

Energy and climate

Ballast Nedam aims to reduce its environmental footprint by more aware consumption of energy and by using sustainable materials.

Energy and climate in our products and services

Ballast Nedam is active in the field of clean energy through research and investment and by executing major clean energy projects. Ballast Nedam invests in product development and applications to find useful applications for waste substances.

Examples:

- Ballast Nedam conducts research and invests in the non-conventional fuels product group. We invest in knowledge of Compressed Natural Gas (CNG) and hydrogen, among other things. The first CNG fuel stations were delivered and installed in 2007.
- In 2007, Ballast Nedam completed a 108 megawatt wind farm in the North Sea and takes part in the vof Wind Construction International (WCI) company for the production and operation of wind energy in North Holland province. So far, three 2-megawatt windmills and a 0.85-megawatt windmill have been installed for this purpose.
- By exporting the soil recycling product to the UK, Ballast Nedam has become the market leader there in recycling of waste incineration sludge.

Energy and climate in our business operations

Ballast Nedam intends to give priority to climate care in all business operations. We achieve this through active control of air, water and soil pollution, noise pollution and energy consumption as far as possible. We aim to continually improve the standard of environmental care through the knowledge and experience gained. The construction industry also generates high levels of waste. Controlling waste flows has a clear positive impact on the environment.

Examples:

- The quarry in Bremanger (Norway) generates energy in the transportation of granite produced there, by making use of natural waste. The energy generated is sufficient to run the production installations and to supply power to the electricity grid.
- In order to transport large concrete elements, Ballast Nedam increasingly uses (its own) inland shipping equipment. This relieves the onshore infrastructure and is considerably less of a burden on the environment.
- Where possible, we recycle wastes released. For example, old asphalt is used to produce new asphalt. Rubble is shipped to a recycling company. Partly for environmental reasons (transportation), we prefer to set up onsite stone-crushing equipment at sites where large amounts of debris are released.

Sustainable materials

Supplies of construction materials and raw materials are finite and production causes damage to humans and the environment. Ballast Nedam aims to reduce the environmental burden by using sustainable materials. We invest in product development and applications in order to find useful applications for waste substances.



With CNG Net, Ballast Nedam is investing in a nationwide network of compressed natural gas (CNG) fuel stations. CNG is clean, quiet, safe and low-cost, and the Netherlands has an excellent distribution network. Compared with petrol and diesel, CNG-powered cars emit far less fine dust.



Ruysdaelstraat

On commission from Het Oosten housing association, 15 apartments in five different buildings on the Ruysdaelstraat in Amsterdam have been completely renovated. Behind the restored façade are now 10 modern rented apartments with a historic atmosphere.

Examples:

- Timber is an important raw material in the construction industry. Two years ago, Ballast Nedam signed a covenant with the Forest Stewardship Council (FSC) to use more timber produced through sustainable forestry methods.
- Ballast Nedam is a certified partner of C-Fix B.V. The C-Fix-product (carbon-fixated concrete incorporating residual high-carbon oil fractions from the refining process) offers unique and demonstrable environmental benefits, such as significant reductions in CO₂ emissions.

Chain responsibility and procurement

Projects developed in-house and design & construct orders call for an integrated approach: from development through completion to management. This means that partnerships with our suppliers and co-ordination of our working processes with those of the suppliers form an essential part of this process. It is therefore strategically important to find and retain suppliers that can add value to the core competencies of Ballast Nedam.

Chain responsibility

Ballast Nedam endorses the principles that the seven largest construction companies, (including our own) formulated as guidelines for relationships with specialised contractors, suppliers, installers and other partners in the construction industry. The purpose of these principles is to promote professional alliances and chain responsibility in the construction industry. The principles aim to create clarity for chain partners and also provide a guide for buyers and contract managers. The basic assumption here is that the economic principle is associated with core values such as CSR, integrity, transparency and sustainability.

Ballast Nedam expects public and private clients to deal with us in a socially responsible manner and to offer scope for sustainability and innovation. We treat suppliers as we would like to be treated by our own clients. Ballast Nedam expects both suppliers and partners to conduct themselves professionally, with integrity, transparency and social responsibility. If we work together on the basis of price and quality and if there is scope for innovation, long-term partnerships and optimum results will follow.

Example:

- Ballast Nedam prefers to work with suppliers and sub-contractors who share our view of CSR. The environment is an explicit part of our assessment system for suppliers. If possible, we seek possibilities for improvements together with our suppliers, with which we often have long-term relationships.

Procurement

Ballast Nedam aims to raise procurement from what is often the operating level to a strategic level. To that end, we must become aware of the added value that long-term alliances with suppliers can create, not only within projects but also at the aggregate level. Only in long-term relationships with suppliers can organisational and system-technical processes be co-ordinated and optimised, allowing more efficient partnership in the chain. Apart from co-ordination of processes and working methods, standardisation and integration of information and communication and ICT technologies play an important role here, or are preconditions for this.

We have already largely completed the important step of professionalising procurement. Frequently recurring activities with limited value are taken up more often via group-wide and regional framework contracts. This frees up time to perform our procurement role on a more professional basis. We use this time at the front end of the procurement process, i.e. for more intensive market surveys, better pre-qualification of suppliers, good assessments of supplier performance and higher contract quality. The procurement management programme and the more intensive introductory process for new procurement employees also help to create a more professional climate.



The spacious apartments were delivered with luxury bathrooms and fitted kitchens. Each apartment has a 10 m² balcony, or two balconies of 4.5 m² each.

Ballast Nedam takes part in various initiatives in the field of standardisation of data and information flows within the construction industry. Co-ordination with suppliers and of working methods is extremely important here. By working more closely with suppliers, we can make more efficient procurements. Ballast Nedam's business processes will be co-ordinated as closely as possible with those of suppliers. The first steps towards this have been taken for some of our master contracts. Examples include the optimisation of the invoicing process, with a clear complaints procedure, standard deliveries from the product range and order intake by telephone. The next step will be to connect suppliers forming a direct part of the primary process.

Society and communication

Ballast Nedam considers the society in which the company operates, the way in which it can be of service to that society and the way in which it can design internal and external communications for all parties as effectively as possible.

Integrity

Ballast Nedam complies strictly with the competition rules and sanctions are imposed for infringements of them. We also have an internal code of conduct that imposes requirements for ethical conduct by employees. The code contains rules on secondary activities and on acceptance of gifts or donations, for instance. It also records how employees should report infringements internally, and the disciplinary or possible labour law sanctions that this could lead to. The company encourages all employees to report all infringements or suspected infringements of laws, regulations, in-house rules or Ballast Nedam regulations and procedures immediately. The whistleblower scheme for this at Ballast Nedam provides a clear framework that gives those involved security regarding their position in the event of any unlawful conduct in the companies.

Partnerships with social organisations

Ballast Nedam's social responsibility also extends to private organisations that we support with funding and/or voluntary work by our staff. Ballast Nedam encourages employees to perform voluntary work and asks the management to set an example in this regard.

Communication with the environment:

- Adoption of an orphanage and school in Ghana (supported by local Ballast Nedam staff and with funding made possible by Ballast Nedam).
- Financing of the Building Facades photography project of the Netherlands Architecture Institute (NAI) in 2007.
- Staff perform voluntary work (cleaning, regular maintenance) at the Ronald McDonald House in Utrecht.

Communication with the environment

Ballast Nedam takes an active approach in communications, whether with employees, suppliers, shareholders, clients, government agencies, trade unions, non-governmental organisations or other organisations. Internally, the company has defined officials with primary contact responsibilities for each of these groups. The purpose of communication is to give and receive information, and to receive input from external views and insights. For Ballast Nedam, communication means entering into a constructive dialogue, including on 'difficult' subjects, in an open atmosphere, in which each party's interests are respected.



Ballast Nedam is part of the DC16 consortium, which was designated as the preferred bidder for the PPP project for construction of a detention centre in Rotterdam in early 2008. This 25-year DBFMO contract covers construction of a new detention centre for 576 detainees, workplaces and parking spaces.

Examples:

- In 2007, Ballast Nedam set up a vacancies site at www.debouwvoorjou.nl. The campaign with the slogan 'The best people for 2008' also generated a great deal of attention. We also launched a successful system of recruitment premiums in 2007. The purpose of the premiums is to encourage staff to keep an eye out for potential new colleagues in their professional networks.
- Ballast Nedam keeps its environment informed about progress with established projects through meetings, newsletters and, in some cases, via specially designed websites. This is also in our own interest, as it reduces the risk of work being brought to a standstill by a complaint. If complaints are received, however, Ballast Nedam also regards these as valuable signals that can help us to improve our working methods.

Innovation

The need for innovation in the construction industry is driven by a large number of changes. Client needs and requirements are changing, new trends are emerging in housing and changes are also taking place in society, such as globalisation, the rise of the information society and the increasing complexity of society and the environment in which construction takes place. The conventional organisation of construction often hampers innovation. Now that the traditional allocation of roles in the construction industry is shifting, there is increasing scope for innovation. Ballast Nedam responds to this with advanced total solutions in which we continually develop new products for the market that meet the needs of our clients. For Ballast Nedam, innovation is a key concept and one of our core values.

Thinking in terms of systems rather than in terms of partial solutions

The contracting role of clients offers our business increasing scope to address problems in an integrated manner, which we appreciate. We find that our clients increasingly prefer this integrated approach to optimising partial solutions. We therefore expect that, as clients think more and more in terms of systems, this will affect the entire construction process. Ballast Nedam already applies this integrated working method and our company is designed to facilitate this approach with growing effectiveness. An integrated and sustainable approach to partnership, based on an open corporate culture, is important in this regard.

Examples:

- The engineer & build system developed by Ballast Nedam Special Building Projects was expanded to include the maintenance and facility service phases and thus by a further integrated approach.
- In 2007, Ballast Nedam Infra Projects and IC+E used 3D and 4D models (4D = 3D + time) in a number of tenders. This gave the parties and disciplines concerned a better insight into the construction, the building phases, including traffic flows and use of space, and provided a fast and clear insight into volumes and dimensions. Various other business units have voiced plans to work with such models in 2008. The possibilities of 3D, 4D and 5D models (5D = 4D + costs) will be developed further in 2008 and the models of different business units will be combined. We expect this to lead to excellent results. The use of such models is consistent with the policy of co-ordinating and integrating processes over the life-cycle of projects and improving co-operation between business units. The models are also in line with the policy of increasingly offering total solutions, consisting of a combination of products, rather than adopting the role of conventional contractors. The models can be used as tools to record, integrate and visualise products for clients and other parties concerned.



The new ADO stadium on the Prins Clausplein in The Hague, at the junction of the A4 and A12 motorways, has space for 15 000 visitors. The stadium was built between January 2006 and May 2007.

Thinking in terms of products rather than projects

In our approach to clients, we must continually learn to think and work more on the basis of client needs, by tailoring our product range to these requirements. Our strategy is geared to this by strengthening the vertical value chain. The supply companies in the value chain are distinguished in the market by innovation in products and by cost price leadership. They have a range of products that are continually developed further and respond to the requirements of our internal and external clients by further complementing the product range. The Ballast Nedam employees in the supply companies are specialists in their fields and therefore continually develop new solutions for the problems identified and presented.

Examples:

- Omnia Plaatvloer was able to increase sales of prefabricated floors and reduce casting of concrete constructions during work by prefabricating beam supports and fabricating edging forms on the concrete slab floors.
- The innovative Building Site Registration System has strongly improved supervision of employees and visitors to building sites, and has reduced building site theft.
- Applying bar codes and chips to building site equipment makes it easier to track and maintain this equipment.
- Gebroeders van Leeuwen has further developed GEWI anchoring through an efficient input method that causes less sludge.
- Space at cemeteries is in short supply, while operating costs are rising. By installing crypts fitted with a patented decomposition system, the design and operation of cemeteries can be managed flexibly and adjusted to new developments and the available space. The crypts designed by Ballast Nedam can be installed in wet ground or even in groundwater. The cemetery does not then need to be raised. The height of a crypt ranges from one to five tiers. Crypts can be placed in adjoining positions without problems. In this way, cemeteries can be designed, expanded and adjusted to changing situations flexibly, in phases.
- In order to meet public demand for more sustainable production methods, including in the day-to-day living environments of private citizens and companies, Ballast Nedam contracted an agreement with external partners for sustainable development of housing and residential areas in the Netherlands. To this end, we sell and build energy-efficient homes that are industrially produced, but allow final customers a wide range of individual options through the application of high insulation values, heat pumps for heating tap water and rooms and cooling systems. One of the features of these homes is that they function without gas connections and installations are fed with electricity as a supplement to the yields of the heat pumps/air conditioning systems. The EPC lies between 0.60 and 0.64.
- Fine dust is a collective term for dust particles of less than 10µm, which are found in emissions from diesel engines, among other things. Bio-fuels and smoke filters can reduce these emissions, but are not yet applied on a large scale. In order to control air pollution, and fine dust in particular, Ballast Nedam has designed an innovative noise barrier that can improve air quality. This porous screen has a structure of plastic threads. It filters pollution from the air with the aid of water and titanium dioxide. The catalyst effect of titanium dioxide reduces the concentration of nitrous oxides as well as concentrations of polycyclic aromatic hydrocarbons (PAHs) and benzene. This screen can be applied to existing noise barriers and is easy to adjust at the location where it is installed.
- By connecting the Haitsma Beton's HKP box girders through cross pre-stressing, a 2 x 4-lane carriageway can be spanned without a central pillar. Waterways can also be spanned safely in this way, saving costs.
- So far, central and local government highway managers have given little or no consideration to innovative alternatives to or supplements for public lighting. Together with an external partner, Infra Specialiteiten has developed 'energy-neutral' road markings. These are based on fibre technology activated by the light from car headlights, and carry the light at least 200 metres ahead of the car. The channelled light is emitted from the light tiles, which are laid at 15-meter intervals, for example. This creates a row of points of light that is installed between the normal road markings in the lane, outside the reach of the headlights. The light tiles can be installed in the side or central lines as guidelines or to separate traffic. The side and central lines can also both be fitted with light tiles, or the light tiles can be fitted only on the outside line of a bend or only at action points.

- By deploying several automated grinding units, Rademakers Gieterij has taken an important step in modernising the flash process. Rademakers has a complete range of machines in which, in theory, all cast items that Rademakers produces can be smoothed. These machines improve the quality of the work through a more consistent grinding profile. They also improve working conditions, a selling point that cannot be dismissed lightly.
- If there is not enough room for a sand deposit, and there is a possibility of pumping sand from one excavation to another, a sand drainage unit is the answer. This can drain large volumes of sand in a relatively small space, and the sand can then be shipped immediately. A mixture of water and sand is pumped through a tube to the installation. Below the unit is a large water container topped by a double drainage filter on which the mixture is deposited. The mixture sinks via the lower filter into the water tank, to which three water pumps are connected. These pump the mixture to the second level, where cyclone separators perform the first drainage step. The wet sand then falls from the lower end of the cyclone separator onto the upper filter, where it is drained further. At the end of the filter, a conveyor belt takes the drained sand to the loading location. The sand is then dry enough to load onto a truck simply, using a shovel. Ballast Nedam Specialistisch Grondverzet makes use of this unit.



Award for the Smart Screen

Ballast Nedam employees Jan Theelen and Wouter Snippe saw their design for the environmental-friendly 'Smart Screen' presented with an award by Transport and Public Works Minister Camiel Eurlings. They won the prize in a contest launched by the Department of Public Works as part of the Air Quality Innovation Programme. The noise barrier helps improve air quality along highways. The screen, which absorbs fine dust, is undergoing laboratory testing and further development.

Risk management and risk profile

The Board of Management of Ballast Nedam is responsible for ensuring that internal risk management and control systems appropriate to the company are set up and that these are working properly. These systems are designed to manage significant risks and to help achieve operational and financial objectives as well as compliance with the applicable legislation and regulations. Risk management involves identifying, analysing, monitoring and managing the various risks to which the company is exposed in good time. Controlling risks is a core competence for Ballast Nedam.

The Board of Management has formulated the framework for the risk management policy of Ballast Nedam, within which a clear and consistent system of risk management can be put in place across the group. The key elements of this are as follows:

- The taking of justifiable risks is essential for a healthy business. Management at every level is responsible for accurately identifying, analysing, monitoring and managing these risks in such a way that they are kept at acceptable levels.
- Under the ultimate responsibility of the Board of Management, both division management and local management are responsible for the effective identification, analysis, monitoring and management of risks at their levels as well as for compliance with the relevant legislation, regulations and internal code of conduct.
- Management at every level satisfies itself that the next level of management down applies an adequate risk management system and supervises compliance with the relevant regulations and code of conduct.

Risk management and organisation

Ballast Nedam is organised decentrally in divisions which themselves consist of decentralised operating companies. To avoid companies taking on unwanted risks, there is a structure in which the divisional directors must give advance approval of contracts above a certain limit. Projects regarded as high-risk must be approved by the Board of Management before a contract can be concluded. This applies in any event to projects with a potential production value of more than € 25 million, foreign contracts, investments in land positions and in tangible assets and long-term liabilities. The divisions then report on these projects separately in their quarterly reports to the Board of Management.

Risks on projects that Ballast Nedam develops for its own account are managed using procedures and assessment criteria. Construction starts only where there is sufficient certainty as to advance sales or rental. As a rule this is at least 60% for residential projects, while the criterion for commercial real estate projects is 100%.

In addition to ensuring the quality of management, instruments for managing risks include the corporate governance policy, the code of conduct, the reporting and accounting guidelines and Ballast Nedam's management information system. Each business unit manager has clearly defined terms of reference regulating his powers. The management reports on and assesses the risks in each reporting period. Each year, every business unit manager accounts for the policy pursued in a written statement.



Ballast Nedam built a detention centre for Zeeland police force, on commission from the Ministry of Housing, Spatial Planning and the Environment and the Government Buildings Agency. The building is located on one of the exercise yards within the walls of the Torentijd Penitentiary in Middelburg.

Internal control

Financial and operational risks, and also the risks that relevant legislation and regulations are not observed, are managed as far as possible by means of risk analyses in combination with systematic reporting and responsible financing methods. The management and financial reporting system follows the business plan, phased over thirteen periods for that current year. The reporting consists of a daily liquidity report, a regular financial report and a detailed quarterly report. The Board of Management uses these reports – including risk profiles – in its regular operational discussions with the divisional boards. The divisional boards conduct similar discussions with the management of the operating companies, in which particular attention is paid to compliance with rules and regulations. This is supported by active adherence to the internal code of conduct.

Monitoring integrity by means of a code of conduct

Management at all levels makes absolutely clear to all employees that it requires strict compliance with laws and regulations. To this end, an internal code of conduct has been drawn up and all employees have been informed about this personally. The code of conduct covers areas including ethical standards, the rules concerning gifts and donations, the internal procedures for reporting infringements (a whistleblowers' scheme) and the sanctions which may follow infringements.

Compliance with the rules and regulations is systematically addressed in regular operational discussions and in all management training programmes. The code of conduct is in line with the principles set out by the Stichting Beoordeling Integriteit Bouwnijverheid, a dedicated body that performs independent supervision of Ballast Nedam's compliance with the rules.

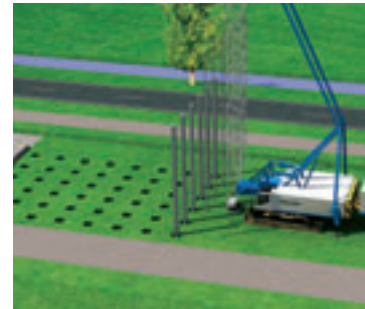
Statement of the Board of Management

Ballast Nedam's risk management and control systems are regularly analysed and evaluated. The Enterprise Risk Management Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) was introduced in 2006. This was followed up in 2007, and improved where necessary. The internal control framework has an explicit place within the risk management and control systems in the internal business planning and reporting systems for the operating companies and divisions. The risk profile and the internal risk management and control systems were also discussed regularly with the Supervisory Board. There were no indications in 2007 to suggest that the existing systems had not been properly designed. We are of course aware that the internal risk management and control systems cannot offer absolute certainty that our objectives will be achieved, nor that these systems will entirely prevent all inaccuracies of material importance, losses, fraud and infringement of laws and regulations. The Board of Management will of course take action immediately should any opportunities for improvement arise. We will therefore continue to assess, and where possible improve, the organisation and operation of the internal risk-management and control systems in the coming years.

Market risk

Ballast Nedam operates primarily in the Dutch market. The core activities are development, construction and management of the maintenance and operation of property and infrastructure projects. To a significant extent, the results are determined by the economic situation in the Netherlands and by government expenditure. The Infrastructure division depends more heavily on government expenditure than the Building and Development division. However, the income from Building and Development depends more on interest rates, ongoing tax deductibility of mortgage interest and delays due to the emissions issue and other planning procedures. In view of developments in the housing market, we expect continuing high demand for new housing. On the supply side, there are overcapacity risks. This applies in particular to the general tendering market and the standard prefabricated concrete products. Failure of the prices in these segments to recover properly in the coming years could negatively affect the results.

An advantage of the current strategy is that economic sensitivity is reduced, partly through investments in activities with long-term predictable cash flows, including management and maintenance and PPPs, and partly through activities within the company that perform in different stages of the construction cycle.



The N210 between Krimpen aan den IJssel and Bergambacht is being repaired. The foundations currently consist of wooden piles, which will be replaced by 34 600 concrete piles.

The 14-kilometer stretch of road will also be widened, improving access to Krimpenwaard and traffic safety. The road remains open while work is in progress. Various measures secure the safety of road users and road workers.

An advantage of the current strategy is that economic sensitivity is reduced, partly through investments in activities with long-term predictable cash flows, including management and maintenance and PPPs, and partly through activities within the company that perform in different stages of the construction cycle.

Financial and operational risks

The highest-risk elements of the primary process are pre-calculation, the tendering process, procurement and project preparation. Risks in the preliminary process can be limited by devoting ample attention to this entire process. Depending on the scale and complexity of the projects, second opinions may be requested on key sections. In 2007, it once again became clear that the preliminary process still leaves room for improvement. The business units share the lessons learned in this regard.

During the construction phase the risks are mainly technical. Ballast Nedam concentrates on continuous process improvement, quality assurance and systematic analysis of rectification costs. Normal insurance is taken out to cover risks during construction. Credit risk during the construction of the project is largely avoided by including instalment payments in the contract in line with the progress made.

Liquidity and treasury risks

The Dutch divisions of Ballast Nedam have their own financing facilities. No declaration of joint and several liability pursuant to Article 403 (1f) of Book 2 of the Netherlands Civil Code has been issued for these divisions. It is normal in the building industry for there to be negative working capital as companies receive prepayments on projects. This may create a liquidity risk if fewer prepayments are received because fewer projects are under construction. Ballast Nedam manages this risk by preparing regular cash flow forecasts and using the credit facilities that the company has available. Treasury is a centralised responsibility at Ballast Nedam and is therefore organised as such.

Ballast Nedam carries out projects outside the eurozone on a limited scale. The related exchange risks are hedged for each project. In Canada, Ballast Nedam is active in the development and operation of the Kicking Horse Mountain ski resort. The exchange risk on the long-term financing of this Canadian activity is not hedged.

The interest risk is determined by the long-term loans and the positive cash position. The main long-term loans have been contracted at fixed interest rates for longer periods. The interest risk, other than for the financing of a number of PPP contracts, is not hedged.



The new Strubben tribune at the TT racing circuit in Assen has 17 tiers, built up of prefabricated concrete elements. The tribune is higher, more luxurious and provides a unique view of the new northern loop. Construction time was tight, but the tribune was ready in time for the 77th Tourist Trophy.

Other risks

Final contractual settlement of the projects of the former Ballast Nedam International division is now almost complete. Provisions were made in earlier years for the settlement of these projects. Possible claims by Ballast Nedam on third parties in respect of these projects have not been recognised in the annual accounts, unless there is reasonable certainty that such claims will be met.

In Saudi Arabia, a procedure is ongoing in which the tax authorities are contesting the status of a tax-exempt contract dating back to 1999. Ballast Nedam wholly contests this tax claim and sees no need to make any additional provision. The procedure relates to a tax claim on a Ballast Nedam International subsidiary for which Ballast Nedam has not issued any guarantees.

In Canada, the tax authorities have re-opened a tax return by a Ballast Nedam subsidiary, dating back to 1996. Ballast Nedam wholly contests the resulting tax claim and sees no need to make any additional provision. This relates to a tax claim from a subsidiary of Ballast Nedam Asset Management for which Ballast Nedam has not issued any guarantees.

Ballast Plc (United Kingdom) was liquidated in 2006. Provisions have been formed for the remaining guarantees. In 2007, the British Office of Fair Trading charged Ballast Nedam N.V. in connection with an inquiry into suspected violations of British competition law by Ballast Plc in the period between 2000 and 2003. It is not certain whether and if so, to what extent a fine can be imposed. It is also not certain whether Ballast Nedam N.V. can be held liable or whether a valid claim can be made against Ballast Nedam N.V. For these reasons, no provision has been made.

In 2007, Ballast Nedam opened legal proceedings against a former director and a number of persons associated with this director in connection with fraud. Ballast Nedam received a counterclaim from the defendants. In view of the uncertain outcome of both claims, neither has been included in the financial statements.

Insurance

One of the control measures is risk financing by means of insurance. Insurance is a centralised responsibility at Ballast Nedam, and is therefore organised as such. This department ensures that the relevant risks are included in the centrally contracted insurance policies and that sufficient liability cover is contracted.



Rademakers Gieterij robot

At Rademakers Gieterij in Klazienaveen, robots perform part of the production process.

Cast products are now smoothed by machines, which operate with greater precision and improve the quality of the products. Employees no longer have to wear extra protective clothing and masks.

Financial results

Revenue

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
Infrastructure	675	676	541	522	522	603
Building and Development	601	622	658	524	524	546
	1 276	1 298	1 199	1 046	1 046	1 149
Other	(6)	12	7	118	118	470
Total	1 270	1 310	1 206	1 164	1 164	1 619

Revenue in 2007 amounted to € 1 270 million, 3% lower than in 2006 (€ 1 310 million). The revenue of the Infrastructure division amounted to € 675 million, virtually unchanged from 2006. The revenue of some units of the Infrastructure division increased. The offshore wind farm in the North Sea still made a substantial contribution to revenue in 2006. The revenue of the Building and Development division amounted to € 601 million, slightly below that of 2006. There were delays in assigning orders for a number of larger projects as a result of the sharp increase in construction prices in 2007.

EBIT

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
Infrastructure	18	16	14	11	11	8
Building and Development	33	36	35	21	20	18
	51	52	49	32	31	26
Other	(9)	(10)	(11)	3	(12)	(26)
Total	42	42	38	35	19	-

The operating result matched that of 2006, at € 42 million.

The Infrastructure division improved its result by € 2 million to € 18 million. This is satisfactory, partly because price levels in the public procurement market are still below par. The specialised companies, the prefabricated concrete companies and the raw material companies contributed mainly towards the improved results.

The results of the Building and Development division amounted to € 33 million, € 3 million lower than in 2006. Very positive results were achieved for a number of large real estate projects in 2005 and 2006.

The result for 'other' is virtually unchanged from 2005 and relates mainly to head office expenses.

Margin

	2007	2006	2005	2004	NL GAAP	
					2004	2003
Infrastructure	2.7%	2.4%	2.6%	2.0%	2.1%	1.3%
Building and Development	5.5%	5.8%	5.3%	4.0%	3.8%	3.3%
	4.0%	4.0%	4.1%	3.0%	3.0%	2.3%
Other	-	-	-	3.0%	-10.3%	-5.5%
Total	3.3%	3.2%	3.2%	3.0%	1.6%	0.0%

The overall margin rose to 3.3% on slightly lower revenues. The margin of the Infrastructure division increased from 2.4% to 2.7%, with unchanged revenues. With slightly lower revenue, the Building and Development division saw a fall in the margin from 5.8% to 5.5%, which remains a good margin.

These margins were achieved in significantly more difficult market conditions than in the past. The costs of materials and sub-contractors increased more sharply than anticipated.

Net result

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
EBIT	42	42	38	35	19	-
Net interest expense	(4)	(4)	(10)	(11)	(4)	(6)
Result before tax	38	38	28	24	15	(6)
Tax	(11)	6	(8)	(11)	(7)	52
Net result	27	44	20	13	8	46

The result before tax amounted to € 38 million, as in 2006. The interest item was unchanged as higher interest expense was offset by interest income, which also increased. The increase in interest expense resulted from the higher capital employed, as investments in land positions increased and because more working capital was required for the infrastructure projects. Interest income rose in 2007 as a result of higher interest revenues from PPP projects. The net interest income of the PPP projects amounted to € 1 million. The net result was € 27 million. Tax amounted to € 11 million, representing an effective tax burden of 29%. In 2006, the net result included a € 25 million tax benefit resulting from the capitalisation of the tax effect of deductible losses.

A tax benefit of € 6 million in 2006 was replaced by a tax charge of € 11 million in 2007. This concerned a tax charge of € 7 million within the Dutch fiscal group and a tax charge of € 4 million outside the fiscal group. As a result, the deferred tax receivable fell by € 7 million to € 38 million. Within the Dutch fiscal group, the deductible losses amounted to € 149 million (2006: € 177 million).

Order book

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
Infrastructure	541	572	557	340	340	484
Building and Development	916	525	503	568	568	455
	1 457	1 097	1 060	908	908	939
Other	(19)	(4)	4	63	63	107
Total	1 438	1 093	1 064	971	971	1 046

The order book rose by 32%, from € 1 093 million at year-end 2006 to € 1 438 million. As price increases at suppliers and sub-contractors could not yet be charged on to clients fully in 2007, there was some pressure on margins in the order book.

Equity and finance

Shareholders' equity rose € 14 million to € 172 million. This increase consisted of the net result of € 27 million less the dividend payout of € 13 million. Total assets increased by € 104 million to € 898 million. The increase in assets led to a reduction in the capital ratio from 20% at year-end 2006 to 19% at year-end 2007. Capital employed rose considerably, from € 177 million at year-end 2006 to € 256 million at year-end 2007. This was mainly due to investments in land positions and the higher working capital required for the infrastructure projects as a result of a new payment system introduced by large government clients.

Cash flow

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
Operating	(26)	17	(26)	13	14	16
Investing	(29)	(54)	39	2	3	7
Financing	47	(30)	(44)	7	7	(3)
Effect of exchange rate fluctuations on cash held	(2)	-	-	-	-	-
Total	(10)	(67)	(31)	22	24	20

The negative cash flow for 2007 was € 10 million, compared with a negative cash flow of € 67 million in 2006.

The operating cash flow tell from a positive operating cash flow of € 17 million for 2006 to a negative operating cash flow of € 26 million in 2007. This primarily involved the negative operating cash flow of € 31 million in the Building and Development division, largely attributable to the increase in the stock of land positions.

The negative cash flow from investing activities amounted to € 29 million, consisting of € 37 million in investments, € 7 million in disposals and € 1 million in dividends received. The investments related to investments in materials. The disposals primarily concerned the PPP receivables. The net investments in tangible fixed assets of € 26 million exceeded depreciation of € 20 million.

The positive cash flow from financing activities of € 47 million consisted of € 61 million net take-up of long-term loans, a € 13 million dividend payout for 2006 and € 1 million for buy-back of shares.

Net financing position

x € 1 000 000	2007	2006	2005	2004	NL GAAP	
					2004	2003
Net cash	52	62	129	160	160	136
Current part of long-term loans	(18)	(3)	(7)	(5)	(5)	(5)
Long-term loans	(97)	(36)	(54)	(99)	(39)	(27)
Total	(63)	23	68	56	116	104

The net financing position fell by € 86 million to € 63 million. Long-term loans increased by € 61 million to € 97 million, partly through the take-up of a five-year € 50 million loan, take-up of a € 17 million loan to finance land positions and a reduction of € 10 million in the long-term PPP loans.

The current part of the long-term loans mainly concerned the PPP loans and increased by € 15 million to € 18 million. Net cash fell by € 10 million to € 52 million. Project prepayments fell from € 74 million at year-end 2006 to € 68 million at year-end 2007. Prepayments at the end of 2005 still amounted to € 150 million. The financing requirement was higher in the course of 2007 than at the end of the year.

Ballast Nedam contracted a long-term loan of € 50 million in April 2007. The loan matures in five years, on 1 April 2012 with a fixed interest at a fixed rate of 4.63%. As security for the loan, mortgages were taken out on a number of properties in use by Ballast Nedam. The terms of the loan do not include any financial covenants. In October 2007, we also contracted a long-term facility of € 22 million to finance a number of land positions in a separate company formed for that purpose. € 17 million of this was taken up in 2007. The interest on this loan is the Euribor rate plus 100 basis points. The relevant land positions were mortgaged as security for the loan.



Renovation

Ballast Nedam renovated 109 homes in Tilburg for the Tiwos housing foundation. The shell of the building was also renovated, using colours and materials that give the homes a fresh and friendly appearance.



Bichterweerd

Ballast Nedam has quarried gravel and sand along the Meuse river in Bichterweerd, Belgium since 1960. In 2008, the last gravel was quarried. The pool will become a drinking water reservoir and the remaining area along the Meuse a nature reserve..

Prospects

As the price increases of suppliers and sub-contractors could not be charged on to clients directly in full last year, there is some pressure on margins in the sharply higher order book. The Board of Management consequently expects the operating result to remain virtualley unchanged in 2008, on higher revenues. We do expect to be able to charge on these price increases in full again for orders won in 2008.

The Board of Management expects the operating result of the Infrastructure division to improve again in 2008. The expected improvement in the results of the regional businesses and the pre-fabricated concrete companies will more than offset the lower results expected from the raw material businesses as a result of the expiry of a quarrying concession in Belgium.

The Board of Management anticipates a lower operating result for the Building and Development division on higher revenues, as the cost price increases in 2007 could not be charged on in full.



The Bichterweerd quarry concession expires in 2008. In recent years, production rose to more than one million tons of sand, gravel and stone chippings per year.

Report of the Supervisory Board

Ballast Nedam in 2007

The Supervisory Board notes with satisfaction that Ballast Nedam achieved good results in 2007. The operating result of € 42 million matches that of 2006. This is an achievement, given the sharply higher prices of suppliers and sub-contractors in 2007. These price increases could not be passed on to our clients in full.

The two Ballast Nedam divisions, Building and Development and Infrastructure, both performed well in 2007. Because the Infrastructure division focused more on niche segments, the operating result increased. The Building and Development division once again achieved a high margin, and Ballast Nedam's order book also grew strongly.

Dividend

The underlying principle of Ballast Nedam's dividend policy is that 50% of the net profit is placed at the disposal of shareholders for distribution as dividend. The Supervisory Board approved the Board of Management's proposal to appropriate € 13 million of the net result of € 27 million to the other reserves. The remainder of the net result is at the disposal of the shareholders. A cash dividend of € 1.38 per share outstanding is proposed for 2007 (2006: € 1.34). The net result per share outstanding was € 2.75.

Changes in the Board of Management

On 13 August 2007, Messrs. Jacobs and Malizia were appointed to the Board of Management. As from that date, Mr. Bruijninckx (CFO since 2002) succeeded Mr. Kottman as Chairman of the Board. Mr. Kottman stepped down on reaching retirement age.

By the new composition, a new three-man Board of Management was formed, with a clear allocation of tasks that is logically consistent with the main structure of the company. Mr. Bruijninckx holds the positions of CEO and CFO. Mr. Jacobs is primarily responsible for the Building and Development division and Mr. Malizia for the Infrastructure division. Mr. Feenstra was appointed as the new Financial Director of Ballast Nedam N.V. on 13 August 2007. With that, he has taken over some of the financial management tasks from Mr. Bruijninckx at head office level.

Looking back on 2007, the Supervisory Board would like to express its appreciation of the Board of Management's skilful and effective leadership of the company, including in its new form.

Mr. Kottman held the position of CEO for eight years. The Supervisory Board would once again like to express its gratitude and appreciation to Mr. Kottman. He led the group very effectively through a drastic reorganisation, showing administrative skills, courage and persistence. It is to a large extent thanks to him that the group is now on a sound footing again.

Meetings of the Supervisory Board

The Board met on five occasions in 2007 in the presence of the Board of Management. All supervisory directors attended these meetings. At each meeting (partly on the basis of the regular reports), the Board discussed financial developments, the operational performance of the divisions and market trends. At the December meeting, the group's strategy, its operating and financial objectives and the associated risks were discussed. The Board also approved the business plan for the coming years at this meeting.

Separate memoranda from the Board of Management were also discussed at the meetings, as well as Board of Management decisions requiring the approval of the Supervisory Board. The Board approved the decision to buy back shares or depositary receipts for shares to cover the obligations under the current management option scheme, for example. In the field of corporate governance, a proposal to amend the Articles of Association (to implement relevant legal amendments) was approved. The dividend proposal for 2006 was also discussed, and the Annual Meeting of Shareholders was prepared and evaluated.

The annual and half-year figures were discussed at the meetings in March and July. The external auditors attended the discussions of these agenda items and presented findings on the financial results. The group's risk profile was regularly explained by the Board of Management. The Board also discussed the design, operation and any further refinements of the internal risk management and control system with the Board of Management. The external auditors were involved in these discussions.

In addition to the structural consultation with the Board of Management described above, the chairmen of the two Boards were also in frequent contact to discuss the course of business and matters arising. Supervisory directors made a number of working visits in 2007.

The Supervisory Board met on one occasion in the absence of the Board of Management, to discuss the performance of the Board of Management as a whole and that of the individual members. The remuneration of Board of Management members was also raised. The Board evaluated its own performance, both as a whole and with regard to the individual members. We also discussed the profile and membership of the Supervisory Board.

Committees

As the Supervisory Board consists of four members, it is not required to appoint separate committees, as described in principle III.5 of the Dutch Corporate Governance Code. During 2007, therefore, the Supervisory Board jointly performed the roles of an audit committee, remuneration committee and selection and appointments committee. The Board also discussed matters that are normally raised in separate committees.

The Supervisory Board evaluated its policy on committees in 2007 and discussed the desirability of appointing one or more of the above committees. The Board decided to continue to fulfil the roles of a remuneration committee and a selection and appointments committee as a whole. The Board did decide at its meeting on 13 December 2007 to appoint an audit committee, in order to further develop the assessment of risk management at Ballast Nedam. The fact that Mr. Bruijninx serves as both CEO and CFO on the Board of Management was another factor in this decision. The Audit Committee consists of the supervisory directors Mr. Boelen (Chairman) and Mr. Broeksma.

Membership of the Supervisory Board

The membership of the Supervisory Board remained unchanged in 2007. In line with the rotation schedule, Mr. Smits' first term ends on 8 September 2008. Mr. Smits is available for reappointment for a second term. The Central Works Council gave notice of its intention to exercise its strengthened rights of recommendation and to recommend the nomination of Mr. Smits. The Supervisory Board will nominate Mr. Smits for reappointment at the Annual General Meeting of Shareholders on 7 May 2008. The Supervisory Board complies with the independence criterion laid down in the Dutch Corporate Governance Code. The personal particulars of supervisory directors are presented on page 64 of this Annual Report.

Financial statements and release from liability

We hereby submit the annual report for the financial year 2007, which includes the consolidated and company financial statements of Ballast Nedam N.V. drawn up by the Board of Management and approved by the Supervisory Board. The financial statements were audited by KPMG Accountants N.V., Utrecht. The auditors' report appears on page 114 of this Annual Report. We recommend that you adopt the financial statements and ask that you release the members of the Board of Management and the Supervisory Board from liability in respect of their management and supervision, respectively, in 2007.

Conclusion

The Supervisory Board expresses its appreciation to all Ballast Nedam staff for their dedication, skill and knowledge, which contributed towards the company's good results in 2007.

Nieuwegein, 13 March 2008

Supervisory Board

A.N.A.M. Smits
H.C. Broeksma
R.M.M. Boelen
J.C. Huis in 't Veld



Westraven

The new Department of Public Works building in Nieuwegein was delivered in 2007. This project, executed by a consortium, involved renovation and new construction work to create a modern, environmentally-friendly and energy-efficient complex. The new buildings are wings to the existing tower block, which was given a completely new look through the striking facade of glass and canvas and the strikingly-lit open ceilings.

Remuneration report

The Supervisory Board hereby presents the remuneration report for 2007, in which it accounts for Ballast Nedam's remuneration policy. Due to its limited size, the Supervisory Board as a whole fulfils the tasks of the Remuneration Committee.

Remuneration policy for 2007

Principles of remuneration policy

The remuneration of the individual members of the Board of Management is determined by the Supervisory Board within the parameters of the policy approved by the General Meeting of Shareholders in 2005.

The remuneration policy for the Board of Management is aimed at motivating and retaining skilled board members who can lead a large Dutch construction group with international activities. The remuneration level of board members of other listed Dutch construction companies serves as a reference for the remuneration of the company's Board of Management, taking account of complexity, scale, risk profile and management model. The specific responsibilities of the individual members of the Board of Management are also taken into account in determining their remuneration level.

The remuneration level of the members of the Board of Management is contractually agreed when they take up their positions. Subsequent increases are limited in principle to percentage adjustments in compliance with the regulations for Ballast Nedam employees covered by the collective labour agreement for the construction industry.

Variable remuneration in the short term: bonus payments

Under the current remuneration system, a bonus may be paid in addition to the fixed salary, up to a maximum of 1/3 of the fixed salary. Any bonus payment is made after the end of the financial year to which it relates. A bonus is paid only when certain pre-determined targets have been achieved or exceeded. Two-thirds of the bonus is determined by reference to financial targets, net results and average capital employed based on the business plan approved by the Supervisory Board. One third of the bonus is determined by reference to non-financial criteria, as laid down and assessed by the Supervisory Board. These criteria relate to leadership attributes, quality of relationships with the various stakeholders of the company, and the quality of the management of specific important issues arising during the year in question.

For competitive reasons, the financial targets included in the business plan are not publicly disclosed in advance. At the General Meeting of Shareholders, the Supervisory Board reports as to the targets set for the prior financial year, the extent to which they were achieved and its views on the non-financial criteria.

Variable remuneration in the long term: options

Ballast Nedam has a management option scheme that was approved at the Extraordinary General Meeting of Shareholders on 26 October 2006. The purposes of the scheme are to allow managing directors to be granted options as an instrument for long-term loyalty and to ensure that the interests of individual directors mirror those of the shareholders. Options are therefore granted on condition that the directors themselves buy and hold depositary receipts for shares equivalent to a minimum of 5% of the options granted for three years after the date on which they are granted.

The options are unconditional. The Supervisory Board fixes the number of options for members of the Board of Management annually, on the basis of the following criteria:

- The director in question has a proven high personal significance for the company
- The Supervisory Board wishes to commit the director for the longer term, in the interests of the continuity of the business.
- The director in question met the bonus performance criteria in the preceding financial year.

Under this scheme, the members may be granted option rights each year up to an aggregate maximum of 2% of the total number of shares in issue. The members may exercise these rights only after three years, for up to six years from the date on which they are granted. The exercise price is equal to the average closing price of depositary receipts for shares of Ballast Nedam N.V. on NYSE Euronext Amsterdam in the five trading days prior to the award of the options, including the date on which they are awarded. Any options are awarded on the date on which Ballast Nedam publishes its annual figures.

Remuneration policy for 2008

The Supervisory Board takes the view that the current scale of the remuneration package and the criteria for this reflect the administrative and management priorities well. The Board supports a limited variable remuneration component linked to feasible targets, setting the required priorities. The option scheme commits the managing directors for the longer term. The Board intends to continue the current remuneration policy in 2008.

Remuneration of Board of Management members

Fixed annual salary

The fixed annual salaries of the members of the Board of Management as at 1 January 2008 were as follows:

- | | |
|----------------------------|-----------|
| • Mr. T.A.C.M. Bruijninckx | € 457 000 |
| • Mr. R.L.M. Jacobs | € 335 000 |
| • Mr. R. Malizia | € 335 000 |

Messrs. Jacobs and Malizia were appointed as members of the Board of Management, and Mr. Bruijninckx as Chairman on 13 August 2007. On 1 January 2007, Mr. Bruijninckx's salary as a Board of Management member was € 321 000.

Bonus

The Supervisory Board decided to grant the Board of Management members the following bonuses in 2008 for the 2007 financial year:

- | | |
|----------------------------|-----------|
| • Mr. T.A.C.M. Bruijninckx | € 152 000 |
| • Mr. R.L.M. Jacobs | € 43 000 |
| • Mr. R. Malizia | € 43 000 |

The Board of Management members met the quantitative targets they were set. This was examined and confirmed by the external auditors. As the Annual Report shows, the Board of Management also showed skilled management of exceptional and important issues for the company. Assessment in terms of the non-financial criteria also leads to the award of the maximum bonus for this section. The Board therefore decided to pay the maximum bonus to the Board of Management members. Mr. R.H.P.W. Kottman chaired the Board of Management until 13 August 2007. He was awarded a bonus of in 2008 of € 106 000, for 2007.

Options

In 2007, the following options were granted to Board of Management members for the 2006 financial year:

- Mr. T.A.C.M. Bruijninx 40 000 options
- Mr. R.L.M. Jacobs 30 000 options
- Mr. R. Malizia 30 000 options

The options mature in six years, from 16 March 2007, and can be exercised after three years from that date. The exercise price is € 35.85.

As noted in the 2006 Annual Report, the Board of Management members complied with the bonus performance criteria in 2006. The Supervisory Board has confidence in the members of the Board of Management and is keen to retain them at Ballast Nedam for a longer period. Granting options also mirrors the interests of the shareholders to some extent in the personal interests of the managers, as Board of Management members must buy and retain shares in Ballast Nedam, as described above.

Pensions

Board of Management members take part in the Ballast Nedam pension fund on the same terms as other employees.

Other

Board of Management members receive a fixed allowance and a car is made available.

Contract term and notice period

Mr. Bruijninx was appointed to the Board of Management on 13 February 2003 under a permanent contract. Messrs. Jacobs and Malizia were appointed to the Board for a four-year term on 13 August 2007. The notice period for Board of Management members is three months and for Ballast Nedam six months.

Severance pay

For Mr. Bruijninx, severance pay in the event of dismissal is one and a half times the fixed annual salary. Severance pay for Messrs. Jacobs and Malizia is once the fixed annual salary.

Remuneration of Supervisory Board members

Supervisory Board members receive a fixed fee that is not dependent on the results of the company. The General Meeting of Shareholders fixed the remuneration of the Supervisory Board in 2005. As of 1 January 2008, the annual fees for supervisory directors were as follows:

- Mr. A.N.A.M. Smits € 45 000
- Mr. H.C. Broeksma € 30 000
- Mr. R.M.M. Boelen € 30 000
- Mr. J.C. Huis in 't Veld € 30 000

Supervisory directors also receive an allowance for expenses incurred.

The Supervisory Board formed an Audit Committee on 13 December 2007. The Board intends to propose to the Annual General Meeting of Shareholders on 7 May 2008 that Audit Committee members be awarded an annual fee of € 5 000.



Construction of 27 new homes for the disabled

Ballast Nedam built 27 homes for the disabled in Breda, for the Singelveste housing foundation. The apartments are divided over two three-storey blocks, one of which is designed for supervised accommodation.

Supervisory Board

A.N.A.M. Smits

(Chairman)

Mr Smits, a Dutch national, was born in 1943. He was a member of the Board of Management of Macintosh N.V. and Wilma International N.V., and has held positions on the Boards of Management and Supervisory Boards of various other companies. Currently, he is a member of the Supervisory Boards of Vebego Holding B.V., Maas International B.V., De Raekt B.V. and Hollandia Holding B.V. He is also Chairman of the Supervisory Boards of CZ-Group and Faber-Halbertsma Group.

Mr Smits was appointed to the Supervisory Board of Ballast Nedam in 2004. His current term of office ends on 8 September 2008.

H.C. Broeksma

(Vice Chairman)

Mr Broeksma, a Dutch national, was born in 1945. He was a member of the Group Executive Board of Koninklijke Wessanen N.V. He is a member of the Supervisory Boards of Delta Lloyd Bank N.V., Blauwhoed Holding B.V. and Flentrop Orgelbouw B.V. He is also a member of the Democracy and Media Foundation (Treasurer) and a member of the Board of Governors of the Amsterdam Business School.

Mr Broeksma was appointed to the Supervisory Board of Ballast Nedam in 1994. His current term of office ends on 1 July 2009.

R.M.M. Boelen

Mr Boelen was born in 1944 and is a Dutch national. Until 1 September 2004 he was a senior partner at Deloitte Accountants. He is a member of the Supervisory Board of the following non-listed companies: Koninklijke Asscher Diamant Mij B.V., AHM Hotel Groep B.V., Regardz Hospitality Group B.V., Golden Tulip Hospitality B.V. (Chairman), Bavaria N.V., Brova B.V. and DarwinD Holding B.V. He is also Treasurer of the Nelsa Mandela Children's Fund Netherlands and Secretary of the Netherlands Peace Parks Fund.

Mr Boelen was appointed to the Supervisory Board of Ballast Nedam in 2005. His current term of office ends on 1 July 2009.

J.C. Huis in 't Veld

Mr Huis in 't Veld was born in 1947 and is a Dutch national. Since 2003, he has served as Chairman of the Board of Management of the Netherlands Association of Applied Scientific Research (TNO). His previous positions included Chairman of the Board of Management of the DHV Group engineering firm and he has worked for the Department of Public Works.

Mr Huis in 't Veld holds various other positions, including a supervisory directorship of E.ON Benelux B.V. and membership of the Advisory Board of Allseas B.V., the Department of Transport and Public Works Knowledge and Innovation Council and the Peaks Programme Commission in the Delta South Wing. He also chairs the Construction Academy of the TSM Business School and advises the Minister of Transport and Public Works and Rotterdam municipal authority on the second hinterland connection for the Maasvlakte.

Mr Huis in 't Veld was appointed to the Supervisory Board of Ballast Nedam as of 1 November 2006. His current term of office ends on 1 November 2010.



From left to right R.M.M. Boelen,
A.N.A.M. Smits, H.C. Broeksma,
J.C. Huis in 't Veld

Board of Management

T.A.C.M. Bruijninx

(Chairman)

Mr. Theo Bruijninx was born in 1961 and is a Dutch national. He serves as Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Mr. Bruijninx joined Ballast Nedam in 1990. He held various positions at Ballast Nedam Engineering, the Head Office, Ballast Nedam Projectontwikkeling and Ballast Nedam Woningbouw before returning to the Head Office. Mr. Bruijninx was appointed as a member of the Board of Management under a permanent contract on 13 February 2003. He was appointed Chairman of the Board of Management on 13 August 2007.

R.L.M. Jacobs

Mr. Ruud Jacobs was born in 1955 and is a Dutch national. He holds primary responsibility for the Building and Development division. Mr. Jacobs joined Ballast Nedam in 1995. He served as Manager of Ballast Nedam Woningbouw South Region, General Manager of Ballast Nedam Woningbouw and since 2000, as Managing Director of Ballast Nedam Building and Development.

Mr. Jacobs is a member of the Supervisory Boards of secondment agency KP&T and cooperative society SaWeCo. He is also a member of the Board of Governors of Bouwend Nederland and a member of the Garantie Instituut Woningbouw.

Mr. Jacobs was appointed to the Board of Management for a four-year term on 13 August 2007. His current term of office ends on 13 August 2011.

R. Malizia

Mr. Romeo Malizia was born in 1957 and is a Dutch national. He holds primary responsibility for the Infrastructure division. Mr. Malizia joined Ballast Nedam in 1978. He served as Managing Director of Hollebeek & Vens, Ballast Nedam Grond en Wegen, North-West Region, Ballast Nedam Grond en Wegen Projecten, Ballast Nedam Grond en Wegen, Ballast Nedam Infra and since 2004, as Managing Director of Ballast Nedam Infra.

Mr. Malizia was appointed to the Board of Management for a four-year term on 13 August 2007. His current term of office ends on 13 August 2011.



From left to right R.L.M. Jacobs, T.A.C.M. Bruijninx, R. Malizia

Ballast Nedam's shares

Shares and stock exchange listing

The number of shares issued at year-end 2007 was 10 000 000 and the number of shares outstanding 9 900 000. The number of repurchased shares at 31 December 2007 was 100 000 (2006: 75 599). A total of 24 401 shares or depositary receipts for shares were bought back in 2007, in order to hedge obligations under the current management option scheme.

Ballast Nedam's Administration Office issues depositary receipts for shares and administers the underlying shares. The depositary receipts are fully exchangeable. At year-end 2007, depositary receipts had been granted for 91.2% of the capital in issue. Ballast Nedam depositary receipts for shares are listed on NYSE Euronext Amsterdam. Ballast Nedam has been included in Euronext's Amsterdam Small Cap Index (AScX) since 2006. ABN AMRO Bank, ING Bank and Kempen & Co act as liquidity providers for Ballast Nedam shares.

Price movements

On the first trading day of 2007, Ballast Nedam shares were quoted on Euronext at € 33.02. At year-end, the closing price was € 28.30. The highest price of € 40.93 was reached on 8 May 2007. The lowest price of € 26.83 was quoted on 11 December 2007. The AScX index fell by 8.9% in 2007.

Price movements were as follows (figures per share):

	2007	2006	2005	2004	2003
Highest price	€ 40.93	37.65	40.30	12.65	5.97
Lowest price	€ 26.83	28.15	12.48	4.65	2.26
Closing price at year-end	€ 28.30	33.02	33.25	12.44	4.80

Revenue volume

The liquidity of Ballast Nedam shares improved further in 2007. An average of 39,774 shares were traded per trading day in 2007, compared with 30 725 in 2006.

Dividend

The underlying principle of the dividend policy is that 50% of the net profit is placed at the disposal of shareholders for distribution as dividend. The Board of Management proposes, with the approval of the Supervisory Board, to distribute a cash dividend for 2007 of € 1.38 per share outstanding.

In 2007, a dividend of € 1.34 was paid out for 2006. In 2006, dividend payments were resumed and a dividend of € 1.02 was paid out for 2005.

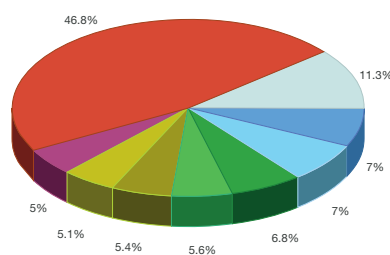
Other information per average share in issue of € 6 nominal value:

	2007	2006	2005	2004	2003
Shareholders' equity	€ 17.34	15.98	12.54	10.26	10.33
Dividend payout	€ 1.34	1.02	-	-	-
Net result before amortisation	€ 2.87	4.62	2.21	1.52	5.08
Net result	€ 2.75	4.44	2.05	1.36	4.67

Notice to shareholders

As at 31 December 2007, the following interests of 5% or more were reported with regard to shares or depositary receipts for shares pursuant to Section 5.3 of the Financial Supervision Act (formerly the Disclosure of Major Holdings and Capital Interests in Institutions Issuing Securities):

• Navitas B.V.	11.3%
• Capital Research & Management	7.0%
• Delta Deelnemingen Fonds N.V.	7.0%
• Delta Lloyd Groep N.V.	6.8%
• ING Groep N.V.	5.6%
• Henderson Global Investors Ltd	5.4%
• Driessen Beleggingen B.V.	5.1%
• Bibiana Beheer B.V.	5.0%



Laxey Partners Ltd. reported an interest of 5% on 15 February 2008.

Relationship with investors and shareholders

Ballast Nedam takes it for granted that it should maintain contacts and conduct talks with existing and potential shareholders. Outside the formal annual contacts with shareholders at the General Meeting of Shareholders, the Board of Management seeks a constructive dialogue with shareholders. The Board of Management regularly visits larger shareholders individually, partly in order to provide background information and to discuss the company's course.

Visits were paid to a large group of (potential) investors again in 2007. To that end, 15 road shows were organized in different cities in Europe, the US and Canada and a large number of individual presentations were made in the Netherlands. In total, personal contact was made with 142 institutional investors and shareholders.

The dates, locations, accompanying banks and presentations on the basis of which the meetings took place are posted on the company's website at www.ballast-nedam.nl.

General Meeting of Shareholders

The Annual General Meeting of Shareholders of Ballast Nedam will be held on 7 May 2008 at the Artis Conference Centre, Plantage Middenlaan 41a – 43, Amsterdam. The meeting commences at 1.30 p.m. Prior to the meeting, the Ballast Nedam Administration Office will convene a meeting of holders of depositary receipts for shares (at noon). The agendas for these meetings will be available on request from the company and will be posted on the Ballast Nedam website from 9 April 2008.

Financial agenda

23 April 2008	Registration date for General Meeting of Shareholders
7 April 2008	General Meeting of Shareholders
9 May 2008	Ex-dividend listing
12 May 2008	Record date for dividend entitlement (after close of trading)
16 May 2008	Dividend available for payment
11 July 2008	Publication of half-year figures for 2008

Information

Investor Relations:	Mr. R.J. Feenstra	Public Relations:	Ms. A.C. van Kessel
Telephone:	+31 30 2 85 41 05	Telephone:	+31 30 2 85 41 61
Fax:	+31 30 2 85 49 05	Fax:	+31 30 2 85 49 00
E-mail:	r.feenstra@ballast-nedam.nl	E-mail:	pr@ballast-nedam.nl



Car park at Anna van Buerenplein

The area around the Central Station in The Hague is undergoing a dramatic change. The Anna van Buerenplein will become a lively city square with an underground car park. The foundations of the car park, covering around 10 000 m², were cast in a single operation making this the biggest underwater concrete casting operation in the Netherlands.

Corporate governance

Introduction

The Supervisory Board and Board of Management of Ballast Nedam attach considerable importance to good corporate governance. Ballast Nedam has a decentralised steering model: the group is organised on a decentralised basis in divisions, each of which, in turn, consists of decentralised subsidiaries. In this model, the accompanying entrepreneurial skills and responsibilities lie as close to the market as possible. Corporate responsibility, good business management and good supervision of this by the group management are essential elements of the decentralised management model. The main points of Ballast Nedam's corporate governance structure are presented below.

Corporate Governance Code

Ballast Nedam complies fully with the principles of the Dutch Corporate Governance Code and, with the exception of a number of points, applies the best practice provisions of the Code.

The General Meeting of Shareholders of 10 May 2006 approved Ballast Nedam's corporate governance policy and structure. Since then, no substantial changes have occurred in the company's corporate governance structure and no substantial changes have occurred in compliance with the Code, requiring the approval of the General Meeting of Shareholders. The corporate governance structure and corporate governance policy are included in the agenda for each Annual General Meeting of Shareholders.

The main best practice provisions with which Ballast Nedam does not yet fully comply are as follows:

1. The maximum term of office of four years (best practice provision II.1.1) and the maximum severance pay of once the fixed annual salary (best practice provision II.2.7) are not followed in the case of Mr. Bruijninx, who was appointed under a permanent contract before the Code took effect (in early 2003), at which time severance pay of one and a half times the annual salary was agreed. Ballast Nedam respects these contract terms.
2. The declaration on the internal risk management and control systems (best practice provision II.1.4) is interpreted in the manner described in the section headed 'Risk management and risk profile'.

Compliance with the Corporate Governance Code is explained in detail on the company's website www.ballast-nedam.com.

Legal structure

Ballast Nedam N.V. is a public limited company under Dutch law, subject in full to the statutory two-tier rules. The issued share capital consists of 10 000 000 registered ordinary shares. Depository receipts for Ballast Nedam shares are listed on NYSE Euronext Amsterdam. The Ballast Nedam Administration Office issues depository receipts for shares and administers the underlying shares. As at 31 December 2007, depository receipts had been issued for 91.2% of the capital in issue. Ballast Nedam has no anti-trust constructions.

The company has a Supervisory Board and a Board of Management. The Board of Management requires Supervisory Board approval for certain important decisions. The Board of Management requires the approval of the General Meeting of Shareholders for important changes in the identity or character of the company or the business.

A resolution to amend the Articles of Association is carried at the General Meeting of Shareholders by an ordinary majority of the votes cast, if the resolution is proposed by the Board of Management with the approval of the Supervisory Board. In all other cases, resolutions to amend the Articles of Association are carried by a majority of votes representing at least 70% of the capital in issue.



The building site is crammed in between the railway station and various government buildings, including the National Archive and the Royal Library.

In 2009, about 950 cars will be able to park under the Anna van Bueren city square, on three levels.



The foundation pit for the car park at the Anna van Buerenplein was drained with a sand drainage unit developed by Ballast Nedam. The unit separates sand and water, after which the sand is immediately removed in trucks. The unit can be remotely controlled and can operate entirely independently off-site.

Supervisory Board

The Supervisory Board supervises the Board of Management and the general performance of the company and its business, and supports the Board of Management with advice. In performing its tasks, the Supervisory Board focuses on the interests of the company and the associated business, taking into consideration the relevant interests of the company. The Supervisory Board currently has four members. All supervisory directors are independent within the meaning of the Code.

Supervisory directors are appointed by the General Meeting of Shareholders, on the nomination of the Supervisory Board. The General Meeting of Shareholders may reject nominations by an ordinary majority of the votes cast, providing that at least one third of the capital in issue is represented at the meeting. The General Meeting of Shareholders and the Central Works Council can recommend persons for nomination as supervisory directors to the Supervisory Board. The Supervisory Board will nominate persons recommended by the Central Works Council for one third of its membership, unless the Supervisory Board objects on the grounds that the recommended person is not expected to be suitable to perform the tasks of a supervisory director or that the composition of the Supervisory Board would not be appropriate following an appointment in accordance with the recommendation. The General Meeting of Shareholders may adopt a vote of no confidence in the Supervisory Board by an ordinary majority of the votes cast, representing at least one third of the capital in issue.

The General Meeting of Shareholders fixes the remuneration of the supervisory directors. The current remuneration of the Supervisory Board was fixed at the Annual General Meeting of Shareholders in 2005.

In view of its size, with four members, the Supervisory Board jointly performs the functions of a remuneration committee and selection and appointments committee. The Supervisory Board has had an Audit Committee since 13 December 2007. Within its field of responsibilities, this committee prepares Supervisory Board decision-making and advises the Supervisory Board. The responsibilities and working methods of the Audit Committee are laid down in Regulations that are posted on the Ballast Nedam website.

No transactions took place in 2007 of material significance for the company or the person concerned and involving a conflict of interest between supervisory directors, managing directors or natural or legal persons holding at least 10% of the Ballast Nedam shares.

The Supervisory Board Regulations contain further rules on the allocation of tasks and working methods of the Supervisory Board, and on its dealings with the Board of Management, the General Meeting of Shareholders, and the Central Works Council. These Regulations are posted on the Ballast Nedam website. Personal particulars of the Supervisory Board members are presented on page 64 of the Annual Report.

Board of Management

The Board of Management is responsible for the management of the company and for drawing up and achieving the company's objectives, strategy and policy and the consequent movements in profits. The Board of Management currently consists of three members.

The Supervisory Board appoints, suspends and dismisses members of the Board of Management. The Supervisory Board notifies the General Meeting of Shareholders of a proposed appointment. The Supervisory Board will dismiss a member of the Board of Management only after hearing the views of the General Meeting of Shareholders on the proposed dismissal.

The Supervisory Board fixes the remuneration of individual Board of Management members, within the limits of the remuneration policy adopted by the General Meeting of Shareholders. Ballast Nedam's current remuneration policy was fixed at the Annual General Meeting of Shareholders in 2005.

At the Annual General Meeting of Shareholders in 2007, the Board of Management was authorised until 9 November 2008, subject to the approval of the Supervisory Board, to:

- Buy back shares, or depositary receipts for shares in the company, to a maximum of 10% of the capital in issue.
- To issue shares and/or grant rights to acquire shares, to a maximum of 10% of the capital in issue plus an additional 10% of the capital in issue in the event of an issue in connection with an acquisition or merger.
- To restrict or exclude preferential rights to shares to be issued.

The Board of Management Regulations contain further rules on the allocation of tasks and working methods of the Board of Management, and on its dealings with the Supervisory Board, the General Meeting of Shareholders, the Central Works Council and the external auditors. These Regulations are posted on the Ballast Nedam website. Personal particulars of the Board of Management members are presented on page 65 of the Annual Report.

Management of the divisions and subsidiaries

The Board of Management supervises the management of the divisions and the divisional management, in turn, supervises the management of the subsidiaries. The management of the divisions and of each subsidiary have clearly defined terms of reference regulating their powers. Projects in excess of a certain value or with a particular risk profile require the approval of Board of Management before a contract can be signed. The same system applies at the divisional level for projects with a lower value and lower risk profile. This is explained in more detail in the section headed 'Risk management and risk profile' on page 46 of this Annual Report.

General Meeting of Shareholders

The Annual General Meeting of Shareholders shall be convened within six months of the end of the financial year. Other meetings of shareholders may be convened by the Board of Management or the Supervisory Board. Shareholders and/or holders of depositary receipts for shares who solely or jointly represent at least 10% of the capital in issue may also convene meetings.

The agenda for the Annual General Meeting of Shareholders includes discussion of the Annual Report, approval of the financial statements, the request to release the members of the Board of Management and the Supervisory Board from liability, the appointment of the external auditors and the appropriation of profit. Shareholders and/or holders of depositary receipts for shares solely or jointly representing at least 1% of the capital in issue or who represent a value of € 50 million according to the Official List, have the right to propose agenda items. Such requests will be accepted unless the interests of the company pose serious objections to this. Requests must be submitted at least 60 days prior to the date of the meeting of shareholders.



New Babylon

A consortium including Ballast Nedam began work on a technically and logistically complex project on the basis of an engineer & build contract in the summer of 2007.

The existing Babylon complex in the centre of The Hague is being fully renovated and expanded with residential and office towers, 100 and 140 meters high.

Each shareholder and holder of depositary receipts for shares has the right to attend and address the General Meeting of Shareholders, and to exercise voting rights at that meeting. In order to exercise such meeting rights, shareholders and holders of depositary receipts for shares must comply with the conditions stated in the notice convening the relevant meeting. In convening a meeting of shareholders, the Board of Management makes use of a registration date. Each share or depositary receipt for a share affords the right to cast one vote. All resolutions of the General Meeting of Shareholders shall be carried by an ordinary majority of the votes cast, unless a larger majority is required by law or the Articles of Association.

The results of votes cast for each agenda item at a General Meeting of Shareholders shall be posted on the company's website within 15 days of the meeting. Within three months of a General Meeting of Shareholders, the draft Minutes shall be posted on Ballast Nedam's website. Shareholders and holders of depositary receipts for shares may respond to the draft Minutes in the following three months. The Minutes will then be adopted by the Chairman and Secretary of the General Meeting of Shareholders.

Depositary receipts for shares

In exercising its voting rights for the shares, the Ballast Nedam Administration Office focuses primarily on the interests of the holders of depositary receipts for shares and takes account of the interests of the company and its associated business. The Board of the Administration Office consists of three independent members. The Board of the Administration Office appoints the Board members. The meeting of holders of depositary receipts may recommend persons for appointment.

A meeting of holders of depositary receipts is convened each year. At this meeting, the Board of the Administration Office issues a statement on its proposed voting conduct at the General Meeting of Shareholders.

The Board of the Ballast Nedam Administration office issues proxies in all circumstances and without limitation to the holders of depositary receipts who so request. There is also the possibility to issue binding voting instructions. Depositary receipts for shares are fully exchangeable and are not, therefore, used as an anti-takeover measure. The present system of issuing depositary receipts for shares is used solely as a means of preventing a (chance) minority of shareholders from controlling the decision-making process as a result of absenteeism at a General Meeting of Shareholders.

The report of the Board of the Ballast Nedam Administration Office, which covers the activities of the administration office in 2007 and provides personal particulars of the Board members, is presented on page 119 of the Annual Report.

Auditors

The external auditors are responsible for auditing the financial statements. The General Meeting of Shareholders has the right to appoint the external auditors. At the Annual General Meeting of Shareholders in 2007, the instructions to audit the financial statements for 2007 were issued to KPMG Accountants N.V. The external auditors attend the annual General Meeting of Shareholders in order to answer any questions on the auditors' opinion as to whether the financial statements present a true and fair view.

The external auditors attend the meetings of the Audit Committee and Supervisory Board meetings at which the annual and half-year figures are discussed. The external auditors report to the Supervisory Board and the Board of Management.

The Board of Management and the Audit Committee thoroughly assess the performance of the external auditors in their various capacities at least once every four years. The General Meeting of Shareholders is informed of the main conclusions of this assessment, for its own assessment of the proposal to appoint external auditors.



Consolidated balance sheet

x € 1 000 000	Note	31 December 2007	31 December 2006
Non-current assets			
Intangible assets	1	22	21
Property, plant and equipment	2	158	151
Financial assets	3	23	34
Investments in associates	4	1	2
Deferred tax assets	5	38	45
		242	253
Current assets			
Inventories	6	179	143
Work in progress	7	105	87
Receivables	8	285	216
Cash and cash equivalents	9	87	95
		656	541
Current liabilities			
Bank loans	9	(35)	(33)
Loans	11	(18)	(3)
Inventories	6	(15)	(12)
Work in progress	7	(130)	(135)
Trade payables		(211)	(189)
Income tax payable		(1)	(1)
Other liabilities	10	(156)	(154)
Provisions	14	(24)	(28)
		(590)	(555)
Working capital		66	(14)
		308	239
Non-current liabilities			
Loans	11	97	36
Deferred tax liabilities	12	4	4
Employee benefits	13	5	5
Provisions	14	30	36
		136	81
Total equity			
Minority interest	15	-	-
Equity attributable to equity holders of the parent		172	158
		172	158
		308	239

See Notes to the consolidated balance sheet and income statement on pp. 89 - 107.

Consolidated income statement

x € 1 000 000	Note	2007	2006
Revenue		1270	1 310
Raw materials and subcontractors		(923)	(972)
Employee benefits	16	(260)	(252)
Other operating expenses		(25)	(24)
		(1 208)	(1 248)
Share in results of associates	4	1	1
EBITDA		63	63
Depreciation and amortisation of property, plant and equipment and intangible assets		(21)	(21)
EBIT		42	42
Finance income		4	2
Finance expense	17	(8)	(6)
		(4)	(4)
Profit before tax		38	38
Income tax (expense)/benefit	18	(11)	6
Net result		27	44
Attributable to:			
Equity holders of the parent		27	44
Minority interest		-	-
Net result		27	44
Attributable to equity holders of the parent:			
Basic earnings per share (€)	19	2.75	4.44
Diluted earnings per share (€)	19	2.75	4.40

Consolidated statement of changes in equity

x € 1 000 000	Issued share capital	Share premium	Purchased own shares	Currency translation reserve	Legal reserves	Other reserves	Result	Share holders' equity	Minority interest	Total equity
31 December 2005	60	55	(1)	2	3	(15)	20	124	2	126
Foreign exchange differences				(2)				(2)		(2)
Results recognised directly in equity	-	-	-	(2)	-	-	-	(2)	-	(2)
Net result for the year							44	44		44
Total income recognised in equity	-	-	-	(2)	-	-	44	42	-	42
Appropriation of 2005 result						20	(20)	-		-
Dividend paid		(5)				(5)		(10)		(10)
Other	-	2	-	-	(1)	1	-	2	(2)	-
31 December 2006	60	52	(1)	-	2	1	44	158	-	158
Foreign exchange differences								-		-
Results recognised directly in equity	-	-	-	-	-	-	-	-	-	-
Net result for the year							27	27		27
Total income recognised in equity	-	-	-	-	-	-	27	27		27
Appropriation of 2006 result						44	(44)	-		-
Dividend paid						(13)		(13)		(13)
Share-based payments						-		-		-
Other	-	-	(1)	-	14	(13)	-	-	-	-
31 December 2007	60	52	(2)	-	16	19	27	172	-	172

The authorised capital consists of 20 000 000 ordinary shares and amounts to € 120 million. The issued share capital consists of 10 000 000 ordinary shares of € 6 nominal value each. Of the share premium account, an amount of € 25 million is distributable tax-free.

The total number of purchased own shares (treasury shares) is 100 000 as at year-end 2007 (2006: 75 599); these are included at purchase price. 24 401 of the company's own shares were repurchased in 2007 (2006: 29 761) and no repurchased shares were sold (2006: 107 600). The difference between the cost and market value at the moment of delivery is included in share premium.

Foreign exchange differences are a result of the translation of the investments in non-eurozone activities, including semi-permanent financing, together with the differences between results translated at the average exchange rate during the year and the exchange rate prevailing at the balance sheet date.

The legal reserves are made up of the legal reserve for associates and relate to the profits and/or reserves of associated companies, joint ventures and construction consortiums, the distribution of which is restricted by articles of association or the law. The movement is explained by an increase in the equity of proportionately consolidated joint ventures and construction consortiums where distribution is restricted by influence of the partners.

Share-based transactions relates to the addition to equity due to the employee benefits recognised in respect of options granted. In 2007, the change in equity amounted to € 250 000.

The movement in the minority interest in 2006 relates to the movement in value of Kicking Horse Mountain Resort in 2006.

The dividend paid in respect of 2006 was charged to Other reserves. Due to a shortfall in Other reserves, € 5 million of the dividend paid for 2005 was charged to Other reserves and € 5 million to Share premium.

The Board of Management proposes – with the approval of the Supervisory Board – to distribute a dividend of € 1.38 (2006: € 1.34) per ordinary share in issue. The dividend proposal has not yet been incorporated in shareholders' equity and has no impact on the company's tax position.

Share capital	2007	2006
Shares in issue as at 1 January	9 924 401	9 846 562
Shares issued	-	-
Shares repurchased and sold (net)	(24 401)	77 839
Shares in issue as at 31 December	9 900 000	9 924 401

The movement of 24 401 repurchased shares in 2007 was made up entirely of purchases. In 2006, the movement of 77 839 repurchased shares was made up of purchases totalling 29 761 shares and sales of 107 600 shares. The total number of repurchased shares as at year-end 2007 amounted to 100 000 (2006: 75 599). Ballast Nedam's policy is to prevent possible dilution resulting from the issue of option rights by repurchasing a corresponding number of the company's own shares.

Consolidated cash flow statement

x € 1 000 000	Note	2007	2006
Net cash, 1 January		62	129
Net result		27	44
Depreciation	2	20	19
Amortisation	1	1	2
Interest charges	17	8	6
Interest income	17	(4)	(2)
Share-based payments		-	-
Income tax expense	18	11	(6)
Share in results of associates	4	(1)	(1)
Result on disposal of property, plant and equipment		(1)	(1)
Movement in other investments	3.2	(3)	(2)
Movement in other receivables	3.3	2	(3)
Movement in work in progress	7	(23)	(78)
Movement in inventories	6	(33)	13
Movement in provisions and employee benefits	14	(10)	3
Interest paid	17	(8)	(6)
Interest received	17	1	2
Income taxes paid	18	(4)	(3)
Movement in other working capital		(9)	30
Net cash from operating activities		(26)	17
Intangible assets			
investments	1	(2)	(2)
disposals	1	-	-
Property, plant and equipment			
investments	2	(29)	(40)
disposals	2	3	12
Financial assets			
investments	3.1,4	(6)	(25)
disposals	3.1,4	4	-
dividend received	4	1	1
Acquisition of subsidiary		-	(1)
Cash from acquisition		-	1
Net cash from investing activities		(29)	(54)
Proceeds of long-term loans	11	71	7
Repayment of long-term loans	11	(10)	(25)
Movement in minority interest	15	-	(2)
Foreign exchange differences		-	(2)
Dividend paid		(13)	(10)
Purchase/sale of own shares		(1)	2
Net cash from financing activities		47	(30)
Exchange differences on cash		(2)	-
Net cash, 31 December		52	62

The net cash consists of the balance of cash and cash equivalents and bank loans that cannot be offset against one another. Of the total net cash, € 40 million (2006: € 42 million) is at the free disposal of the company.

Notes to the consolidated financial statements

Significant accounting policies

Ballast Nedam N.V. is established at Nieuwegein in the Netherlands. The consolidated financial statements of Ballast Nedam N.V. for the financial year 2007 comprise Ballast Nedam N.V. and its subsidiaries (jointly referred to as Ballast Nedam) and Ballast Nedam's interest in associates and entities over which there is joint control. With respect to the company income statement of Ballast Nedam N.V., use has been made of the exemption under Section 402 of Book 2 of the Netherlands Civil Code.

The Board of Management drew up the financial statements on 13 March 2008. The financial statements drawn up by the Board of Management and set out in this report are subject to adoption by the General Meeting of Shareholders. The General Meeting of Shareholders will be held on 7 May 2008.

Statement of compliance

The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards as adopted by the European Union (hereinafter: 'EU-IFRS') and also comply with Part 9, Book 2 of the Netherlands Civil Code.

Basis of preparation

The consolidated financial statements are presented in millions of euros. Amounts of less than € 0.5 million are represented by a dash. The financial statements have been drawn up on the basis of historical cost, except for those items for which EU-IFRS prescribes a different method for valuation or determination of the result. Non-current assets held for sale and groups of assets sold are valued at the lower of carrying amount and fair value less selling expenses.

When preparing the financial statements, management makes estimates and assumptions which affect the amounts and results presented in the financial statements. The actual results may differ from these estimates and assumptions. Management judgements regarding the application of EU-IFRS which have significant consequences for the financial statements and estimates involving an appreciable risk of material change in the following year are disclosed in the notes. The accounting policies set out below have been consistently applied for all entities and periods presented in these consolidated financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities in which Ballast Nedam directly or indirectly controls the financial and operating policy decisions with a view to profiting from the activities of the entities. These subsidiaries are consolidated in full and minority interests, where applicable, are separately disclosed. These entities are included in the consolidated financial statements from the date on which control commences until the date that such control ceases.

Associates

Associates are those entities in which Ballast Nedam exercises significant influence on the financial and operating policy decisions, but over which it does not have control.

The consolidated financial statements include Ballast Nedam's share of the recognised income and expenses of associates, using the equity method, from the date on which Ballast Nedam first exercised a significant influence until the date on which such influence ceases. If Ballast Nedam's share in the losses exceeds the value of the interest in an associate, the carrying amount of the investment is written down to nil in Ballast Nedam's balance sheet and no further losses are provided for, except insofar as Ballast Nedam has a legal or constructive obligation.

Joint ventures

Interests in joint ventures, where Ballast Nedam does not have a controlling interest but policy can be influenced by the company to the same degree as each of the other partners, including contracting consortiums, are proportionately consolidated from the date when joint control is first exercised until the date that such joint control ceases.

Elimination of transactions for consolidation purposes

Internal transactions and transactions with associates and entities over which joint control is exercised are in principle determined at arm's length and eliminated in the same way (proportionately) as other intercompany accounts.

Unrealised losses are eliminated in the same way, except where there are indications of impairment.

Foreign currency translation

Assets and liabilities of foreign activities denominated in functional currencies other than the euro are translated at the rates of exchange prevailing at the balance sheet date, with income statement items being translated at the rates approximating the rate of exchange on the transaction date (average rate for the year). Translation differences resulting from the conversion of investments in such foreign activities, including semi-permanent financing, and the differences between results translated at the average exchange rate during the year and the exchange rate prevailing on the balance sheet date, are taken directly to a separate reserve in shareholders' equity. Receivables and payables in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. Transactions in foreign currencies are translated at the exchange rate applying on the transaction date. The resulting exchange differences are recognised as part of EBIT.

Intangible assets

Goodwill

Goodwill arises as a result of the acquisition of subsidiaries, associates and joint ventures. With regard to acquisitions, the amount of goodwill is equal to the difference between the cost of the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Business combinations are accounted using the purchase method.

Goodwill is carried at cost less accumulated impairment. Goodwill is allocated to cash-generating units and is not amortised.

An annual assessment is made for indications of impairment. In the case of associates, the carrying amount of goodwill is included in the carrying amount of the investment in associates.

Negative goodwill arising on acquisition is taken directly to the income statement.

Other intangible assets

Software is stated at cost less accumulated amortisation and impairment. Concessions are stated at cost less accumulated amortisation and impairment.

Amortisation

Amortisation of intangible assets, other than goodwill and those with an indefinite life, is calculated on the basis of the expected useful life. Concessions in respect of land and raw materials are amortised in proportion to the extent of the raw materials estimated to have been extracted. Where significant, the residual value, amortisation methods and estimated useful lives are assessed annually.

Where significant, the residual value, depreciation methods and estimated useful lives are assessed annually.

The estimated useful lives are as follows:

Concessions	1 - 30 years
Software	3 years

Goodwill and intangible assets with an indefinite life are systematically assessed for impairment at each year end.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost of acquisition or manufacture less accumulated depreciation and impairment. If individual items of property, plant and equipment consist of elements with differing estimated useful lives, those elements are recognised as separate assets. Where they can reliably be estimated, the costs of dismantling and disposing of assets and the cost of restoration of sites where assets are located are recognised as a provision at net present value.

Leased assets

Lease agreements under which Ballast Nedam assumes virtually all the risks and rewards of ownership are classified as financial leases.

Subsequent costs

If it is probable that the future economic benefits will flow from the asset to Ballast Nedam and the cost of the asset can be reliably measured, Ballast Nedam includes the cost of replacement of part of an item of property, plant and equipment in the carrying amount of the asset concerned when those costs are incurred. All other costs are taken to the income statement as a charge when they are incurred.

Depreciation

Depreciation is generally calculated on a straight-line basis over the expected useful life of each item of property, plant and equipment (or part thereof). Land is not depreciated.

The expected useful lives are as follows:

Buildings	10 - 30 years
Plant and equipment	5 - 20 years
Other assets	2 - 10 years

Where significant, the residual value, depreciation methods and estimated useful lives are assessed annually.

Financial assets

PPP receivables

Receivables in respect of Public-Private Partnership (PPP) agreements relate to concession fees from public bodies (public authorities) receivable in connection with PPP projects. PPP receivables are recognised as financial assets. In conformity with IAS 32 and 39, PPP receivables are recognised at fair value on initial recognition and are subsequently recognised at amortised cost based on an effective interest rate. This method of recognising PPP receivables is in conformity with the financial assets model of IFRS 12 'Service Concession Arrangements'.

Other investments

If no significant influence is exercised over the operating and financial policy, recognition of other investments is at fair value, with gains and losses recognised directly in equity if the investment is classified as available for sale; if not, they are recognised in the income statement. Only in the exceptional case that the fair value cannot be reliably measured, valuation at cost is applied.

Assets held for sale

The carrying amounts of assets classified as held for sale (and all groups of assets sold) are updated immediately prior to such classification in accordance with the applicable principles. On initial recognition as assets held for sale, assets and groups of assets sold are stated at the lower of the carrying amount and fair value less selling expenses. A discontinued operation is part of the Group's activities which represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs on disposal or, if earlier, when the operation meets the criteria for classification as an asset held for sale. A group of assets sold which ceases to be classified as such can also meet these criteria.

Derivative financial instruments

Ballast Nedam makes limited use of derivative financial instruments in order to hedge currency and interest-rate risks arising from operating, financing and investing activities. In conformity with its treasury policy Ballast Nedam does not hold any derivatives for trading purposes, nor does it issue such derivatives. Derivatives not qualifying for hedge accounting are treated as trading instruments. Derivative financial instruments are carried at fair value. Gains and losses on revaluation to fair value are recognised directly in the income statement.

The fair value of forward exchange contracts is the quoted market price prevailing at the balance sheet date, representing the present value of the quoted forward rate.

Exchange differences on forward currency transactions are credited or charged to the result, offsetting exchange differences on the hedged items.

Inventories

Landholdings acquired and held for future property development purposes are stated at the lower of cost and net selling price.

In principle these holdings are not 'in production' and development costs are consequently not capitalised. Interest is not capitalised either, all such costs being expensed. Planning permissions and building permits are included in landholdings.

Land and buildings for sale are also included in inventories. These are land and buildings that have reached the practical completion stage but have not been yet sold to third parties. The stocks of land and buildings available for sale are carried at the lower of cost, including attributable indirect costs and any write-downs, and market value less selling costs. Expected losses are charged directly to income in the form of provisions.

Housing projects where the transfer of risks and rewards takes place upon signature of the sale/building contract and where there is still a substantial level of involvement beyond this point are included in inventories. This element of inventories is recognised in the same way as work in progress.

Finished goods are carried at the lower of cost and net market value. The cost of finished goods is based on the first-in, first-out principle (FIFO). Interest costs are not included. The cost of finished goods includes attributable indirect costs on the basis of normal production capacity. Raw materials are stated at the lower of cost and net selling price.

Work in progress

Work in progress on behalf of third parties is recognised at cost plus profit in proportion to the progress of the project less a provision for foreseeable losses and less invoiced instalments in proportion to the progress of the project. Interest is not included. The cost of work in progress includes attributable indirect costs on the basis of normal production capacity.

As soon as a reliable estimate can be made of the result on construction contracts on behalf of third parties, the contractual revenues and expenses are recognised in the income statement in proportion to the percentage of completion of the project. The percentage of completion is determined on the basis of production measurements. Expected losses on contracts are recognised immediately in the income statement.

Preparatory expenses and design and construction costs on large projects (i.e. tendering costs) are capitalised as work in progress if the following conditions are met:

- The costs can be individually identified; and
- The costs can be reliably measured; and
- It is likely that the contract will be won.

Tendering costs that do not comply with the above requirements are charged to the income statement in the period to which they relate. Tendering costs expensed in the period to which they relate are not subsequently capitalised if the project is won.

Receivables

Trade and other receivables are carried at amortised cost less impairment. Long-term receivables are carried at amortised cost with the exception of deferred tax assets, which are stated at the nominal amount.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and other demand deposits. Current account overdrafts repayable on demand and constituting an integral part of Ballast Nedam's funds management form part of cash and cash equivalents in the cash flow statement.

Impairment

Except for inventories and the deferred tax asset of Ballast Nedam, the carrying amount of assets is reviewed on each balance sheet date in order to determine whether there are any indications of impairment. Where there are such indications an estimate is made of the recoverable amount of the asset.

In the case of goodwill and assets with an indefinite useful life, the recoverable amount is estimated at each balance sheet date.

The recoverable amount is equal to the higher of fair value less costs to sell and value in use. In measuring the value in use, the present value of the estimated future cash flows is calculated using a pre-tax discount rate which reflects both the current market estimates of the time value of money and the specific risks inherent in the asset in question. In the case of an asset which only generates income that is highly dependent on that of other assets, the recoverable amount is measured for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the income statement.

Repurchase of own shares

For purchased own shares included in equity in the balance sheet, the amount paid, including directly attributable costs, is recognised in equity. Repurchased shares are classified as purchased own shares and included as a deduction from total equity. When purchased own shares are delivered, they are removed from the portfolio on a first-in, first-out (FIFO) basis. The difference between cost and market value is recognised in the share premium reserve.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Share-based remuneration

The share option plan enables the Board of Management to acquire depositary receipts for shares in Ballast Nedam. The options become exercisable if the person to whom they have been awarded remains in the service of the company for an uninterrupted period of three years after the date of award and may then be exercised at any time in the following three years. The option rights lapse on termination of employment. The Supervisory Board is responsible for awarding option rights, depending on quantitative and qualitative criteria. Each year, the Supervisory Board will decide on the award of options on the date of publication of the results for the year or on appointment of the individual concerned.

The fair value of the awarded options is included in employee benefits with simultaneous recognition of a corresponding amount added to equity (equity-settled). The fair value is measured on the date of award and amortised over the period during which the rights become vested. The fair value of the options is measured using an option valuation model taking account of the conditions under which the options are awarded.

Long-term loans

On initial recognition, long-term loans are measured at fair value less attributable transaction costs. Interest-bearing loans are subsequently carried at amortised cost, with any difference between the cost and the amount repayable recognised in the income statement over the term of the loans on the basis of the effective interest method.

Pensions

The pension scheme established by Ballast Nedam is primarily administered by Stichting Pensioenfonds Ballast Nedam. An amended pension scheme came into force on 1 January 2005. Under this defined contribution plan, the obligations in respect of the defined contributions are recognised as an expense in the income statement when they fall due.

Ballast Nedam does not have access to all the pension data on defined benefit pension plans administered by industry pension funds or pension insurers, which means that Ballast Nedam is not always able to calculate its share in the surplus or deficit of the pension plan for inclusion in the balance sheet. Consequently, these pension plans are recognised as defined contribution plans.

Ballast Nedam's net obligation in respect of defined benefit plans is calculated separately for each plan by making an estimate of the benefit entitlements accrued by employees in exchange for their services during the reporting period and in preceding periods. This benefit obligation is discounted to its present value, from which the fair value of the plan assets is deducted. The discount rate is the yield, at the balance sheet date, on bonds with a AAA credit rating and with a period to maturity which approximates the term of Ballast Nedam's obligations. The calculation is performed by a qualified actuary in accordance with the projected unit credit method. All actuarial gains and losses as at 1 January 2004 – the date of transition to EU-IFRS – have been recognised. Concerning actuarial gains and losses arising after 1 January 2004 in the calculation of Ballast Nedam's obligations under a pension plan, where the cumulative amount of any unrecognised actuarial gains and losses is more than 10% of the greater of the present value of the total defined benefit obligation and the fair value of the plan assets, that element is recognised in the income statement over the expected average remaining service period of the employees participating in the plan. Otherwise, actuarial gains and losses are not recognised.

Long-term employee benefits

Ballast Nedam's net obligation in respect of long-term employee benefits (long-service bonuses, long-term illness), with the exception of pension plans, is the sum of the future benefits that employees have earned in exchange for their services during the period under review and in preceding periods. The obligation is discounted.

Provisions

A provision is recognised in the balance sheet if Ballast Nedam has a legal or constructive obligation as a result of an event in the past and it is probable that an outflow of resources embodying economic benefits will be required in order to settle that obligation. If the effect thereof is material, the provisions are determined by calculating the present value of the estimated future cash flows using a pre-tax discount rate reflecting both the current market estimates of the time value of money and, where necessary, the specific risks inherent in the obligation.

Trade and other payables

Trade payables and other payable items are stated at amortised cost.

Revenue

Construction contracts on behalf of third parties

The contractual income and expenses in relation to work in progress are recognised in the income statement in proportion to the percentage of completion of the project. The percentage of completion is determined on the basis of production measurements. Expected losses on contracts are recognised immediately in the income statement.

Sale of goods and services rendered

Income from the sale of goods is recognised in the income statement as and when the significant risks and rewards of ownership have been transferred to the buyer. In the case of housing projects in which the transfer of risks and rewards takes place upon signature of sale/building contracts and where a substantial amount of involvement is still expected, sales and results are not recognised until these activities have been performed.

Income from services rendered is recognised in the income statement in proportion to the percentage of completion of the transaction on the balance sheet date. The percentage of completion is determined on the basis of assessments of the activities performed. No income is recognised if there are significant uncertainties concerning the collection of the amounts due or the related costs or any returns of goods, and also if there is any question of continuing management involvement in the goods.

PPP projects

During the construction phase of the asset, PPP projects are recognised as work in progress for third parties. The contractual income and expenses are recognised in the income statement in proportion to the percentage of completion of the project. The percentage of completion is determined on the basis of production measurements. During the operating phase, the income from PPP projects comprises the fair value of the delivery of contractually agreed services and the interest income related to the investment in the project. Income is recognised at the moment that the services to which it relates are delivered.

Expenses

Costs are allocated to the period to which they relate.

Lease instalments on operating leases

Lease instalments on operating leases are recognised in the income statement on a straight-line basis over the period of the lease.

Lease instalments on financial leases

The minimum lease instalments are recognised partly as financing costs and partly as repayment of the outstanding liability.

The financing costs are allocated to each period of the total lease period in such a way as to result in a constant periodic rate of interest over the remaining balance of the liability.

Net finance expense

The net financing costs comprise the interest income and expense on borrowings calculated using the effective interest method. The interest component of the finance lease instalments is recognised in the income statement using the effective interest method. Gains and losses on exchange and on hedging instruments are recognised in the income statement in EBIT.

Income tax expense

Tax is calculated on the result from ordinary operations, allowing for tax-exempt items and based on the applicable tax rates. Tax is recognised in the income statement except in relation to items recognised directly in equity.

Deferred tax is recognised on temporary differences between the reported carrying amounts and tax bases of assets and liabilities and is accounted for on the basis of the applicable tax rates for the periods when the temporary differences are expected to be reversed.

Deferred tax assets are only recognised if it is sufficiently certain that they will be realised. No deferred tax is recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities affecting neither the reported profit nor the profit for tax purposes, and differences in relation to subsidiaries and associates that will not be settled in the near future.

Cash flow statement

Cash flows from operating activities are presented on the basis of the indirect method. Cash flows in foreign currencies are converted at the exchange rate on the date of the cash flow or at the average rate. Non-cash items, such as exchange differences, acquisitions, financial lease obligations, changes in fair value, equity-settled share-based payments and so forth have been eliminated from this statement. Dividends paid to ordinary shareholders have been included in the cash flow from financing activities. Interest paid is included in the cash flow from operating activities. Current-account balances payable on demand forming part of the Group's cash management operations have been included in the balance of cash and overdrafts with banks as part of the consolidated cash flow statement.

Earnings per share

The basic earnings per share are calculated by dividing the net result attributable to holders of shares by the average number of shares in issue over the period in question. The diluted earnings per share are calculated by dividing the result by the average number of shares in issue, including the number of shares that would have been issued if the outstanding share options had been exercised (only where this would lead to dilution).

Segment information

Additional financial information is provided for each division and geographical segment. The amounts for transactions between segments are determined on an arm's length basis. The results, assets and liabilities of a segment comprise items that can be attributed to the segment either directly or on the basis of reasonableness. Unallocated items consist primarily of deferred taxes, income-generating assets and proceeds, interest-bearing loans, borrowings and costs as well as general assets and overheads. The category 'Other' includes the operating profit and the assets and liabilities of Ballast Nedam N.V. and of the international activities currently being scaled down, as well as the elimination of intercompany accounts. With respect to the presentation of information on the basis of geographical segments, the income of the segment is based on the geographical location of the customers. The assets of the segments are based on the geographical location of those assets.

New standards and interpretations not yet applied

A number of new standards, changes to existing standards and interpretations had not come into effect in 2007 and have therefore not been applied in the consolidated financial statements. The most important of these for Ballast Nedam are:

- IAS 23 Borrowing Costs (revised), which removes the option of recognising finance expenses relating to the construction or acquisition of an asset as an expense as and when incurred. Instead, finance expenses have to be capitalised. This standard will be applied by Ballast Nedam with effect from the 2009 financial year. This new interpretation is expected to have a material impact on Ballast Nedam's financial reporting.
- IFRS 8 'Operating Segments', which replaces IAS 14 Segment Reporting, requires the same segmentation to be used as that used by management for internal reporting purposes. The standard will be applied by Ballast Nedam with effect from the 2009 financial year. This new interpretation is not expected to have any material impact on Ballast Nedam's financial reporting.

Primary segmentation 2007

x € 1 000 000	Infrastructure	Building and Development	Other	Total
Revenue per segment	675	601	23	1 299
Inter-segment revenue	(8)	(9)	(12)	(29)
Revenue	667	592	11	1 270
Operating costs	(635)	(556)	(17)	(1 208)
Incidental results				
Share in results of associates	1	-	-	1
EBITDA	33	36	(6)	63
Impairment	-	-	-	-
Depreciation	(14)	(3)	(3)	(20)
EBITA	19	33	(9)	43
Amortisation	(1)	-	-	(1)
EBIT	18	33	(9)	42
Interest income and expense				(4)
Income tax expense				(11)
Net result				27
Margin	2.7%	5.5%	-	3.3%
Order book	541	916	(19)	1 438
Capital employed	127	69	60	256
Assets	426	441	31	898
Investments in non-current assets				
intangible	2	-	-	2
property, plant and equipment	24	5	-	29
financial	2	3	-	5
associates	1	-	-	1
Investments in associates	1	-	-	1
Liabilities	319	362	45	726
Cash flows				
operating	20	(31)	(15)	(26)
investing	(22)	(7)	-	(29)
financing	4	10	33	47
effect of exchange differences on cash	(1)	-	(1)	(2)
Net cash flow	1	(28)	17	(10)
Average number of employees				
employed on contract basis	209	144	16	369
permanently employed	1 889	1 490	90	3 469
	2 098	1 634	106	3 838

The number of employees employed abroad was 151 (2006: 149).

Primary segmentation 2006

x € 1 000 000	Infrastructure	Building and Development	Other	Total
Revenue per segment	676	622	49	1 347
Inter-segment revenue	(14)	(5)	(18)	(37)
Revenue	662	617	31	1 310
Operating costs	(633)	(578)	(32)	(1 243)
Incidental results	-	-	(5)	(5)
Share in results of associates	1	-	-	1
EBITDA	30	39	(6)	63
Impairment	-	-	-	-
Depreciation	(12)	(3)	(4)	(19)
EBITA	18	36	(10)	44
Amortisation	(2)	-	-	(2)
EBIT	16	36	(10)	42
Interest income and expense				(4)
Income tax expense				6
Net result				44
Margin	2.4%	5.8%	-	3.2%
Order book	572	525	(4)	1 093
Capital employed	109	7	61	177
Assets	384	390	20	794
Investments in non-current assets				
intangible	2	-	-	2
property, plant and equipment	34	3	3	40
financial	16	9	-	25
associates	-	-	-	-
Investments in associates	2	-	-	2
Liabilities	280	312	44	636
Cash flows				
operating	(15)	31	1	17
investing	(45)	(11)	2	(54)
financing	(12)	(15)	(3)	(30)
effect of exchange differences on cash	-	-	-	-
Net cash flow	(72)	5	-	(67)
Average number of employees				
employed on contract basis	132	109	12	253
permanently employed	1 845	1 485	118	3 448
	1 977	1 594	130	3 701

Secondary segmentation

x € 1 000 000	Revenue		Assets		Investments in non-current assets	
	2007	2006	2007	2006	2007	2006
Netherlands	1 157	1 206	796	715	34	65
United Kingdom	14	14	3	3	-	-
Other European countries	43	32	32	32	2	2
Middle East	1	12	3	11	-	-
Southeast Asia	-	-	1	6	-	-
Other	55	46	63	27	1	-
Total	1 270	1 310	898	794	37	67

91% of revenues (2006: 92%) were generated in the Netherlands.

Incidental results

There were no exceptional items of income and expense in 2007 (2006: € 5 million). In September 2006, the European Commission imposed a fine on Ballast Nedam amounting to € 5 million in respect of agreements reached in the period 1996-2001 between the major oil companies and a number of Dutch construction companies, including Ballast Nedam, concerning the purchase of bitumen. Bitumen is a raw material used in asphalt. Ballast Nedam has lodged an appeal against the decision by the Commission. Pending the outcome of this appeal, a provision was recognised in 2006 for the full amount of the fine.

Acquisition of subsidiaries

In December 2007, agreement was reached on the acquisition of DutCH4 B.V. by Ballast Nedam. In the period up to 31 December 2007, the contribution of the acquisition to the consolidated revenue and profit before tax was nil. If the acquisition had taken place on 1 January 2007, the effect on revenue and results would not have been substantially different.

The effect of the acquisition on the assets and liabilities of Ballast Nedam is as follows:

Effect of acquisitions

x € 1 000 000	Initially recognised amounts	Fair value adjustments	Carrying amounts
Effect on assets and liabilities (2007)			
Property, plant and equipment	1	-	1
Other assets	1	-	1
Other liabilities	(2)	-	(2)
Balance of identifiable assets and liabilities	-	-	-
Goodwill on acquisition	-	-	-
Purchase price	-	-	-
Cash acquired	-	-	-
Outflow of cash and cash equivalents	-	-	-

Notes to the consolidated balance sheet

1 Intangible assets

x € 1 000 000	Goodwill	Concessions	Other	Total
Cost				
31 December 2005	12	16	1	29
Investments	-	1	1	2
Acquisitions	-	-	-	-
31 December 2006	12	17	2	31
Investments	-	2	-	2
Acquisitions	-	-	-	-
31 December 2007	12	19	2	33
Amortisation and impairment				
31 December 2005	1	6	1	8
Amortisation	-	2	-	2
Impairment charge	-	-	-	-
31 December 2006	1	8	1	10
Amortisation	-	1	-	1
Impairment charge	-	-	-	-
31 December 2007	1	9	1	11
Carrying amounts				
Infrastructure	6	9	1	16
Building and Development	5	-	-	5
Other	-	-	-	-
31 December 2006	11	9	1	21
Infrastructure	6	10	1	17
Building and Development	5	-	-	5
Other	-	-	-	-
31 December 2007	11	10	1	22

Goodwill

An impairment test is carried out each year. The present value of estimated future cash flows is calculated using a discount rate after tax (9% – 11%). The business plan is used as a basis for projections for the period 2008–2010. The residual value is calculated for the infinite cash flow with no allowance for growth. Ballast Nedam has performed a sensitivity analysis using a discount rate increased by 1% and cash flows reduced by 5% in the projections. Neither produces significant impairment.

x € 1 000 000	31 December 2007	31 December 2006
Goodwill per cash-generating unit		
Bontrup Beheer B.V.	2	2
Verkaik B.V.	2	2
Spankern B.V.	3	3
Zomers bouwbedrijf B.V.	3	3
Other	1	1
Total	11	11

Concessions

Ballast Nedam owns concessions for high-grade primary raw materials in Belgium, Norway, Germany and the Netherlands. Our Norwegian associate Bremanger Quarry, in which we have a 30% interest, acquired the entire share capital of a new sandstone quarry, also with deep-water access. The owners of this concession then immediately acquired a 23% minority interest Bremanger Quarry. Amortisation takes place in proportion to extraction. The remaining weighted average amortisation period for concessions as at year-end is 22 years (2006: 21 years).

Purchase commitments

As at the balance sheet date, Ballast Nedam had no material outstanding purchase commitments relating to intangible assets.

2 Property, plant and equipment

x € 1 000 000	Land and buildings	Plant and equipment	Other	Total
Cost				
31 December 2005	101	174	44	319
Investments	5	26	3	34
Acquisitions	1	5	-	6
Disposals	(9)	(7)	(13)	(29)
Foreign exchange differences	(2)	-	(1)	(3)
31 December 2006	96	198	33	327
Investments	4	23	1	28
Acquisitions	-	-	1	1
Disposals	(1)	(9)	(4)	(14)
Foreign exchange differences	1	-	1	2
31 December 2007	100	212	32	344
Depreciation and impairment				
31 December 2005	28	116	31	175
Depreciation	3	14	2	19
Disposals	(1)	(3)	(13)	(17)
Foreign exchange differences	(1)	-	-	(1)
31 December 2006	29	127	20	176
Depreciation	3	14	3	20
Disposals	-	(7)	(4)	(11)
Foreign exchange differences	-	-	1	1
31 December 2007	32	134	20	186
Carrying amounts				
Infrastructure	32	57	4	93
Building and Development	12	8	1	21
Other	23	6	8	37
31 December 2006	67	71	13	151
Infrastructure	34	62	5	101
Building and Development	11	10	1	22
Other	23	6	6	35
31 December 2007	68	78	12	158

The investments in land and buildings and in plant and equipment, in both 2006 and 2007, relate mainly to investments by Infrastructure. The investments in other assets, in both 2006 and 2007, relate primarily to IT and communications equipment. The disposals of land and buildings in 2006 relate primarily to the sale of an office building in Arnhem and the sale of a former manufacturing site in Papendrecht. In 2007, there were no material disposals. The other acquisitions in 2007 relate primarily to the subsidiary DutCH4 B.V. acquired at the end of the year. The plant and equipment acquisitions in 2006 mainly concerned the assets of the subsidiary Gebr. Van Leeuwen Harmelen B.V. acquired in that year.

Purchase commitments

As at the balance sheet date, Ballast Nedam was committed to purchasing property, plant and equipment worth € 4 million (2006: nil).

3 Financial assets

x € 1 000 000	Note	31 December 2007	31 December 2006
PPP receivables	3.1	13	25
Other investments	3.2	7	4
Other receivables	3.3	3	5
Total		23	34

3.1 PPP receivables

x € 1 000 000	2007	2006
1 January	27	-
Receivables taken up	5	27
Repayments received	(2)	-
31 December	30	27
of which:		
Non-current	13	25
Current	17	2

The Public Private Partnership (PPP) receivables relate to the concession fees receivable from public bodies (public authorities) in connection with the rights to sections of the Dutch N31 and N11 motorways. The concessions have a duration of 14 and 3 years, respectively. The interest income on the PPP receivables and the interest expense on the PPP loans are presented as interest income and interest expense in the income statement. The current portion of the PPP receivables is included in receivables (note 8). The PPP receivables have been pledged as security for the related loans from NIBC and Bank Nederlandse Gemeenten, included in non-current and current liabilities. Ballast Nedam has performed a sensitivity analysis using a discount rate increased by one percentage point and cash flows reduced by 5% in the projections. Neither produces significant impairment.

3.2 Other fair value investments

x € 1 000 000	Country	Percentage owned	31 December 2007	31 December 2006
Name				
CV GEM Vleuterweide	Netherlands	13.4%	6	3
Other			1	1
Fair value			7	4

The fair value of the interest in the joint venture CV GEM Vleuterweide has been measured on the basis of expected cash flows. Ballast Nedam has performed a sensitivity analysis using a discount rate increased by one percentage point and cash flows reduced by 5% in the projections. Neither produces significant impairment.

3.3 Other receivables

Other receivables include receivables from third parties falling due more than one year after the balance sheet date. At year-end 2007 these amounted to € 3 million (2006: € 5 million). At balance sheet date, Ballast Nedam had made loans totalling less than € 1 million (2006: € 2 million) to a number of associated companies.

4 Investments in associates

x € 1 000 000	Country	31 December 2007	31 December 2006
Other	Netherlands	1	2
Total		1	2

Ballast Nedam has various smaller investments in a number of associates. No detailed disclosures are made, owing to the limited size of the individual companies.

5 Deferred tax assets

Deferred tax assets arise from the recognition of carry-forward tax losses.

x € 1 000 000	Tax value of losses carried forward
1 January 2006	36
Movement via the income statement	9
31 December 2006	45
Movement via the income statement	(7)
31 December 2007	38

The movement in the deferred tax assets in 2007, of € 7 million negative (2006: € 9 million positive), is accounted for by the utilisation of € 7 million of the available tax loss (2006: € 13 million). No new tax loss carry-forwards were recognised in 2007 (2006: € 25 million). In 2006, the tax loss carry-forwards were also written down by € 3 million in connection with the reduction in the tax rate to 25.5%. Almost all of the available tax losses of the Dutch tax unit had been recognised as at year-end 2007. There is a limitation on the utilisation of these tax losses in the Netherlands. The average remaining period during which they are available for use is less than 6 years (2006: more than 6 years). Utilisation of the tax losses depends on the existence of future taxable profits.

6 Inventories

x € 1 000 000	31 December 2007	31 December 2006
Land positions	131	96
Projects under construction, unsold	7	3
Projects completed, unsold	2	15
Housing construction projects	12	10
Finished goods	12	9
Raw materials and semi-manufactured goods	15	10
Inventories	179	143

The cumulative impairment losses for obsolete inventories, deducted from finished goods, amount to nil (2006: nil). A number of the inventory positions were revalued in 2007. The adjustment of a number of land positions to net selling price amounted to less than € 1 million (2006: € 11 million) and this impairment has been recognised in the income statement. The inventories included in current liabilities, amounting to € 15 million (2006: € 12 million), relate to housing projects on which the value of the work performed is lower than the amount of the instalments invoiced. The cost of finished goods and raw materials and semi-manufactured goods sold amounted to € 89 million (2006: € 97 million).

7 Work in progress

x € 1 000 000	31 December 2007	31 December 2006
Of which:		
Work in progress under current assets	105	87
Work in progress under current liabilities	(130)	(135)
	(25)	(48)
Project costs including recognised results	1 226	1 174
Instalments	(1 251)	(1 222)
	(25)	(48)
Instalments received	1 111	1 104
Instalments outstanding	139	114
Retained from instalments	1	4
Instalments	1 251	1 222

8 Receivables

x € 1 000 000	31 December 2007	31 December 2006
Instalments	160	130
Debtors	102	79
PPP receivables	17	2
Prepaid expenses	6	5
Total	285	216

As at 31 December 2007, instalments included an amount of € 1 million (2006: € 4 million) by way of retentions related to construction contracts in progress. Retentions are recognised at present value. The PPP receivables represent the current portion of the Public Private Partnership (PPP) receivables arising from concession fees receivable from public bodies (public authorities) in connection with PPP projects in the Netherlands.

Aging analysis of instalments and trade receivables

x € 1 000 000	31 December 2007	31 December 2006
0 - 30 days	194	143
31 - 60 days	32	43
61 - 90 days	9	9
91 - 365 days	28	14
older than 1 year	6	12
	269	221
Impairment on bad debtors	(7)	(12)
Total	262	209

The cumulative impairment for bad debts amounted to € 7 million (2006: € 12 million) and have been deducted from trade receivables. The movements in the provision were as follows:

Impairment on bad debtors

x € 1 000 000	
31 December 2005	14
Addition	-
Release	-
Utilisation	(2)
31 December 2006	12
Addition	5
Release	(2)
Utilisation	(8)
31 December 2007	7

The addition of € 5 million in 2007 for irrecoverable receivables related partly to receivables that are currently the subject of arbitration. The release of € 2 million related partly to receivables that were collected contrary to earlier expectations. The release in 2007 mainly concerned the receivables from a client that was made subject to a compulsory winding up order in 2002.

As at the balance sheet date, there were no known garnishments of receivables (2006: none).

9 Net cash

x € 1 000 000	31 December 2007	31 December 2006
Cash and cash equivalents	87	95
Bank loans	(35)	(33)
	52	62
Unrestricted cash balances	40	42
Proportionally consolidated	12	20
Total	52	62

Cash and cash equivalents (€ 87 million) consist of credit balances (2006: € 95 million).

In 2007, Ballast Nedam contracted credit facilities with three banks, to a maximum of € 60 million. Ballast Nedam made use of this facility in the course of the year under review. None of the facility was taken up at year-end 2007 (2006: € 10 million).

10 Other liabilities

x € 1 000 000	31 December 2007	31 December 2006
VAT, payroll tax and social security contributions	21	24
Pension contributions	1	1
Charges relating to work in progress	43	47
Derivatives	1	-
Other	90	82
Total	156	154

As at the balance sheet date, the current value of 11 derivatives contracted in 2007 was € 1 million negative.

Other liabilities, in the amount of € 90 million (2006: € 82 million), include liabilities for vacation pay, untaken vacations, accruals, debts to joint venture partners and various other liabilities which can not be allocated to the other items.

11 Loans

x € 1 000 000	31 December 2007	31 December 2006
Non-current		
BC Transportation Financing Authority	3	3
CBT Golden Peaks Development Corp.	4	4
NIBC / Bank Nederlandse Gemeenten (PPP)	11	17
Bank Nederlandse Gemeenten (PPP)	3	7
FGH Bank	19	1
Rabobank	50	-
Other	7	4
	97	36
Current		
NIBC / Bank Nederlandse Gemeenten (PPP)	13	-
Bank Nederlandse Gemeenten (PPP)	4	2
Other	1	1
	18	3

BC Transportation Financing Authority

This loan is for the construction and development of a main road to the Canadian ski resort, Kicking Horse Mountain Resort (KHMR). The loan is being repaid out of royalty payments based on a fixed amount per visitor. The unpaid amount for any year (interest and/or principal) is added to the remaining principal. The remaining amount of the loan can be repaid without penalty. KHMR is to continue paying the royalties until the residual debt has been repaid. If, at the end of the period, KHMR has made all royalty payments and a residual debt remains, this will be waived. A minimum interest rate of 7.2% + 0.5% is required to have been paid over the entire period.

CBT Golden Peaks Development Corporation

The original amount of the CBT loan of CAD 5 million must be repaid on 8 December 2009. The basic interest rate is 8% per annum payable quarterly. The additional variable interest rate is 7% per annum, amounts to a maximum of 30% of the cash flow from operations and is paid annually. Certain project assets of ski resort Kicking Horse Mountain Resort have been pledged as collateral. In 2007 the variable interest paid was nil (2006: nil).

Nederlandse Investeringsbank / Bank Nederlandse Gemeenten (PPP project)

This loan represents Ballast Nedam's 33% proportional part of the financing of Wáldwei.com B.V.'s DBFM contract. Wáldwei.com B.V. has arranged four long-term credit facilities (in excess of one year).

- A Term loan: The credit facility amounts to € 6.6 million. The interest-rate is Euribor plus 0.25% pa. The loan is expected to be repayable in March 2008.
- B Term loan: The credit facility is € 36 million. The interest-rate is three-month Euribor plus 0.85% pa. The loan is repayable in March 2008.
- C Term loan: The credit facility is € 24.3 million. The interest-rate is three-month Euribor plus 0.95% during the construction period and three-month Euribor plus 0.85% during the operational period. This facility is repayable during the period March 2008-December 2021.
- Revolving Credit Facility
The credit facility amounts to € 4.5 million. The interest-rate is three-month Euribor plus 0.95% until the end of the construction period (March 2008) and three-month Euribor plus 0.85% for the remaining period. Repayments take place quarterly.

The shares of Wáldwei.com B.V. and all other receivables and assets of Wáldwei.com B.V. have been pledged as collateral for these facilities.

Bank Nederlandse Gemeenten (PPP project)

This financing represents Ballast Nedam's 16.67% proportional share of project finance for the N11 consortium. Bank Nederlandse Gemeenten concluded a deed of assignment with the consortium on 1 October 2003 under which the consortium assigns to the Bank all claims (with associated rights) against the Province of South Holland concerning the instalment payments under the DBM agreement of 22 May 2001. Repayment is in accordance with the assigned instalments and runs until 1 February 2009.

FGH bank

In July 2007, a facility of € 22.5 million was contracted to finance a number of land positions that were transferred to a separate company. The relevant land positions were mortgaged as security, at an interest rate of the one-month Euribor rate plus 1%. The loan will be (partially) redeemed on the sale of the land positions. At year-end 2007, € 17.4 million of this facility had been taken up. FGH Bank also provided financing for various company buildings. At year-end 2007, more than € 1 million of this amount was still outstanding.

Rabobank

As of 1 April 2007 Ballast Nedam has reached agreement with Rabobank for the provision of a € 50 million loan, is used to re-finance the loans from Stichting Pensioenfonds Ballast Nedam and ING Real Estate Finance repaid on 29 December 2006, as well as for general business purposes. The loan has a maturity period of 5 years, a fixed interest rate of 4.63% and has no debt covenants. A number of real estate assets currently in use by Ballast Nedam, with a book value of € 31 million, have been pledged as security.

Other

Other loans include some smaller loans to finance a landholding and a recycling installation, among other things.

12 Deferred tax liabilities

Deferred tax liabilities have arisen due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the fiscal valuation of assets and liabilities. These temporary differences are attributable to the following items:

x € 1 000 000	2007	2006
Intangible assets	3	3
Other differences	1	1
Balance as at 1 January	4	4
Movement via the income statement	-	-
Balance as at 31 December	4	4

Movements in shareholders' equity did not lead to any tax benefits or charges.

13 Other long-term staff remuneration

x € 1 000 000	Total employee benefits				
	Long-term illness	Long-service bonuses	Pensions	2007	2006
Balance as at 1 January	1	2	3	6	7
Addition	-	1	-	1	-
Unwind of discount	-	-	-	-	-
Reversals	-	-	-	-	-
Contributions received	-	-	-	-	-
Effect of amendments to pension scheme	-	-	-	-	(1)
Utilised	-	(1)	-	(1)	-
Balance as at 31 December	1	2	3	6	6
Of which included in current liabilities	-	-	(1)	(1)	(1)
			2	5	5

x € 1 000 000	2006
Other long-term employee benefits	
Present value of pension obligations	9
Fair value of plan assets	(7)
	2
Unrecognised actuarial losses	-
Obligations under defined benefit pension scheme	2
Obligations under other long-term employee benefits	3
Obligations under defined contribution schemes	1
Total pensions and other long-term employee benefits	6

x € 1 000 000	2006
Movements in the net liability for defined benefit obligations recognised in the balance sheet	
Net liability for defined benefit obligations as at 1 January	3
Contributions received	-
Charge included in income statement	-
Net liability for defined benefit obligations as at 31 December	3
Effect of changes to pension scheme	(1)
Pension position as at 31 December	2

Pensions

Most pension liabilities have been transferred to Stichting Pensioenfonds Ballast Nedam. The pension rights of active participants in the Laudy pension scheme were transferred to this fund on 1 January 2006. As a result, Ballast Nedam still has only a very small number of defined benefit schemes.

Ballast Nedam has a number of defined benefit pension schemes, under which employees' rights are based on the number of years service and salary level. The obligations under these pension schemes are systematically covered by means of payments into pension funds or to insurance companies. Ballast Nedam does not have sufficient information on these pension schemes to treat the pension scheme as a defined benefit scheme. These pension schemes have therefore been treated as defined contribution schemes. Ballast Nedam is required to pay the pre-determined contribution under these schemes, but has no obligation to make good any eventual shortfall, other than through higher contributions in the future. Ballast Nedam cannot claim any possible surpluses on the pension funds either.

x € 1 000 000	2006
Expense recognised in the income statement in respect of defined benefit schemes	
Current service costs	-
Interest on the obligations	-
Expected return on plan assets	-
Amendment of pension scheme	(1)
	(1)
Effective return on plan assets	-

In determining the obligations for pensions, the following actuarial assumptions (in weighted averages) have been used:

	2006
Discount rate as at 31 December	4.5%
Expected return on plan assets as at 31 December	5.0%
Future wage increases	not applicable
Future pension increases	2.0%

The discount rate for long-term illness and long-service bonuses is 5% (2006: 5%).

14 Provisions

x € 1 000 000	Reorganisation	Warranties	Other	Total
31 December 2005	20	12	28	60
Addition	6	12	13	31
Unwind of discount	-	-	-	-
Reversals	(2)	(2)	(7)	(11)
Utilised	(6)	(3)	(7)	(16)
31 December 2006	18	19	27	64
Addition	-	3	6	9
Unwind of discount	-	-	-	-
Reversals	-	(4)	(5)	(9)
Utilised	(4)	(3)	(3)	(10)
31 December 2007	14	15	25	54
Current (< 1 year)				
31 December 2006	6	10	12	28
31 December 2007	6	7	11	24

The reorganisation provision includes € 11 million (2006: € 14 million) for the resolution of guarantees in connection with the former subsidiary, Ballast Plc. This resolution is taking longer than was expected at the end of 2005. The liquidation of Ballast Plc has been effected in 2006. The release from this provision consists of € 1 million applied for exchange differences and € 2 million (2006: € 2 million) paid for guarantee claims.

The reorganisation provision was also utilized for costs involved in the winding down of the international activities of the former Construction International division (€ 1 million).

The provision for warranties relates to work which has been delivered. Of the addition to the provision, € 2 million (2006: € 4 million) was charged to income and the remaining € 1 million (2006: € 8 million) was charged to work in progress and inventories related thereto. Provisions no longer needed, in the amount of € 4 million (2006: € 2 million), were released to income and € 3 million (2006: € 3 million) was utilised to deal with warranty claims received.

Other provisions include € 15 million (2006: € 15 million) for the consequences of infringement of competition regulations up to and including 2002. The appeal process started in 2006 and could take several years. The remaining amounts of the provisions and additions relate to claims against Ballast Nedam in connection with construction projects. The release of € 5 million (2006: € 7 million) relates to several provisions no longer needed for potential claims. This release comprised € 3 million for the settlement of claims and reclassifications as other debts, since this has become a fixed payment obligation.

The financing charges related to long-term provisions are shown in the Income Statement. Provisions are stated with compound interest only if a reasonable estimate can be made of the release date of the funds. The interest rate applied is 5%. In both 2007 and 2006, the addition of interest was less than € 1 million.

15 **Minority interests**

This item concerns the Kicking Horse Mountain Resort and amounts to less than € 1 million (2006: less than € 1 million).

Notes to the income statement

16 Employee benefits

x € 1 000 000	2007	2006
Employee benefits		
Wages and salaries	215	208
Social security costs	25	27
Pension charges	20	17
Total	260	252

x € 1 000 000	2007	2006
Pension charges		
Effect of amendments to pension scheme	-	(1)
Charges in respect of defined-contribution scheme	20	18
Total	20	17

17 Finance income and expense

x € 1 000 000	2007	2006
Via Income Statement		
<i>Finance income</i>		
Interest on bank deposits	1	2
Capitalised interest on PPP receivables	3	-
Total	4	2
<i>Finance expense</i>		
Interest charges	(8)	(6)

Results arising from fair value adjustments of derivatives (forward exchange contracts) are recognised as a part of the natural hedge on the currency results of the project.

18 Income tax

There was a tax benefit in 2007 amounting to € 11 million (2006: benefit of € 6 million), of which € 7 million (2006: benefit of € 9 million) relates to the Dutch fiscal unity. Ballast Nedam has carry-forward tax losses amounting to € 149 million (2006: € 177 million) in the Netherlands. The carry-forward losses of the Dutch fiscal unit were recognised almost entirely at year-end 2007. The average term over which carry-forward losses can be offset is less than six years (2006: more than six years). The utilisation of carry-forward losses depends on future taxable profits. A total of € 7 million (2006: € 13 million) of the deferred tax asset was realised in 2007. As a result of a reduction in the corporation tax rate in 2006 to 25.5%, the value of the deferred tax assets was reduced by € 3 million.

The liquidation of the former UK subsidiary Ballast Plc was completed in 2006 and the liquidation loss realised (€ 25 million). It is expected that approximately € 8 million of the deferred tax asset will be realised within one year.

Losses incurred outside the fiscal unity amounting to € 7 million (2006: € 14 million) mainly relate to foreign activities which have not been realised.

The tax effect in 2006 of € 1 million on the item 'Non-deductible costs' relates largely to the as yet unrecognised tax effect of the fine imposed by the European Commission in respect of purchasing of bitumen.

Direct movements in equity did not lead to taxation.

x € 1 000 000	2007	2006
Reconciliation of standard and effective tax rates		
Result before tax	38	38
Nominal tax rate (25.5% and 29.6%)	10	11
Reduction in tax rate	-	3
Additional tax-deductible losses	-	(25)
Unrecognized results outside the fiscal entity	2	4
Exempted results	(1)	-
Non-deductible costs	-	1
Effective tax	11	(6)
Analysis of effective tax burden		
<i>Current tax</i>		
Tax outside fiscal unity	4	3
	4	3
<i>Deferred tax</i>		
Use of tax losses carried forward	7	13
Capitalised unused tax losses	-	(25)
Movement in deferred tax provision	-	-
Reduction in tax rate	-	3
	7	(9)
Effective tax burden	11	(6)

19 Earnings per share

	2007	2006
Number of ordinary shares		
Shares issued as at 1 January	10 000 000	10 000 000
Issued this year	-	-
Repurchased own shares	(100 000)	(75 599)
Shares in issue as at 31 December	9 900 000	9 924 401
Maximum number of shares to be issued on options	-	-
Number of shares diluted	9 900 000	9 924 401
Average number of shares in issue	9 912 201	9 885 482
Average number of shares in issue (diluted)	9 912 201	9 985 482
Net result	27	44
Basic earnings per share (€)	2.75	4.44
Diluted earnings per share (€)	2.75	4.40

The new option scheme did not give rise to any potential share issues in 2007, as the average price of the shares was less than the exercise price of the options and did not, therefore, dilute the earnings per share.

Financial risks and risk management

General

Ballast Nedam makes use of financial instruments, including derivatives, in its normal business operations. These involve financial instruments shown in the balance sheet and currency futures to hedge future transactions and cash flows. Ballast Nedam does not trade these financial derivatives.

Treasury is a central responsibility at Ballast Nedam, and is organised as such. Policy is aimed at creating and maintaining the best possible financial conditions for Ballast Nedam's operating activities.

Cash management

Ballast Nedam's cash management activities are organised centrally. To this end, the bank accounts of the associates are held at a limited number of banks, in cash pool arrangements. In 2007, Ballast Nedam transferred surplus cash assets to the money market on a daily basis, by contracting call funds and deposits.

Market risks

Market risks are the risks that fluctuations in market prices, such as exchange and interest rates, will affect Ballast Nedam's results. Ballast Nedam's management of these risks is described below.

Exchange risk

Forward exchange contracts with top class banks are contracted to hedge the transaction risk on cash flows generated by ordinary business activities. The results of these contracts are taken to the income statement. At year-end 2007, Ballast Nedam contracted 11 forward exchange contracts, the current value of which was recognised in the balance sheet. At year-end 2006, Ballast Nedam had no significant forward exchange contracts outstanding. Ballast Nedam determines the current value of derivatives on the basis of listed market prices when these are available. If they are not available, the current value is determined by discounting the difference between the current market price of the derivative and the contracted price at a risk-free interest rate.

x 1 000 000	31 December 2007		31 December 2006	
	USD	CAD	USD	CAD
Exchange risk				
Receivables	5	-	4	2
Loans	-	(11)	-	(12)
Bank loans	-	-	-	-
Creditors	(1)	(2)	-	(2)
Other debts	(4)	(2)	(2)	(5)
Exchange risk of balance sheet items	-	(15)	2	(17)
Expected sales	-	15	-	15
Expected purchases	(12)	(14)	-	(14)
Future exchange risks	(12)	1	-	1
Hedging with exchange contracts	12	-	-	-
Net exchange risk	-	(14)	2	(16)

A 10% increase in the exchange rate of the euro against the USD and CAD would have affected the shareholders' equity and income statement as follows. It is assumed here that all other variables, including interest rates, remain unchanged.

x € 1 000 000	Shareholders' equity	Result
31 December 2006		
USD	-	-
CAD	-	1
31 December 2007		
USD	-	-
CAD	-	1

EUR / foreign exchange	2007		2006	
	Average rate	Rate as at 31/12	Average rate	Rate as at 31/12
Exchange rates				
USD	1.371	1.474	1.258	1.319
CAD	1.469	1.442	1.424	1.526

Interest risk

The interest risk is limited to potential movements in the market value of the loans taken up and issued, and of positive cash balances. During the year under review, the positive cash positions fluctuated, but no effect of these on the results is shown in the sensitivity analysis. Loans are maintained until the maturity date. Ballast Nedam does not use derivatives to manage interest rate fluctuations.

Interest-bearing financial instruments

x € 1 000 000	31 December 2007	31 December 2006
Fixed interest		
PPP receivables	30	27
Rabobank loan	(50)	-
	(20)	27
Variable interest		
Bank loans	(35)	(33)
Loans	(65)	(39)
	(100)	(72)
Effect of variable-rate instruments on income statement with:		
increase in interest rate by 100 basis points	(1)	(1)
fall in interest rate by 100 basis points	1	1

Credit risk

Ballast Nedam actively pursues a policy designed to minimise credit risks. Credit risks consist of the risk that other parties will not be able to meet contractual obligations relating to a financial instrument. Creditworthiness assessments are performed for all other clients requiring credit. At year-end 2007, there was no concentration of credit risks among debtors for substantial amounts.

x € 1 000 000	31 December 2007	31 December 2006
PPP receivables	13	25
Other current value investments	7	4
Other receivables	3	5
Receivables	285	216
Cash and cash equivalents	87	95
	395	345
Infrastructure	221	185
Building and Development	181	157
Other	(7)	3
	395	345

Liquidity risk

The liquidity risk is the risk that Ballast Nedam will be unable to meet its financial obligations by the due dates. Ballast Nedam manages this risk by preparing regular cash flow forecasts and through the fact that it has contracted credit facilities.

Liquidity risk obligations as at 31 December 2006

x € 1 000 000	Book value	Contractual cash flows		
		< 1 year	1 – 5 years	> 5 years
Loans	39	(48)	(14)	(7)
Bank loans	33	(36)	(29)	(5)
Creditors	189	(189)	(189)	-
Taxes	1	(1)	(1)	-
Other debts, excluding forward exchange contracts	154	(154)	(154)	-
Derivatives (forward exchange contracts)	-	-	-	-
	416	(428)	(387)	(9)

Liquidity risk obligations as at 31 December 2007

x € 1 000 000	Book value	Contractual cash flows	< 1 year	1 – 5 years	> 5 years
Loans	115	(140)	(25)	(99)	(16)
Bank loans	35	(39)	(27)	(8)	(4)
Creditors	211	(211)	(211)	-	-
Taxation	1	(1)	(1)	-	-
Other liabilities, excluding forward exchange contracts	155	(155)	(155)	-	-
Derivatives (forward exchange contracts)	1	(1)	(1)	-	-
	518	(547)	(420)	(107)	(20)

Current value

As at 31 December 2007, Ballast Nedam had a number of derivatives that are shown at current value. The book value of cash, receivables, current loans and other current liabilities approximates the current value, due to the short life of these instruments.

The current value of long-term debt is equal to the amortised cost, as these loans carry variable-rate interest liabilities. The current value of the Rabobank loan is equal to the book value, since no significant interest rate movements occurred in the past year and Ballast Nedam's risk profile has not changed significantly.

Capital management

Ballast Nedam's policy is aimed at maximising the value of the business. This is achieved primarily by selecting and implementing promising projects. Ballast Nedam has not set itself any targets for the composition of the capital structure. Ballast Nedam has not contracted any financial covenants. Ballast Nedam's policy is to avoid potential dilution through option rights granted by buying back a proportional number of its own shares.

Off-balance sheet liabilities

x € 1 000 000	31 December 2007	31 December 2006
Guarantees		
Guarantees	215	205
Surety bonds	-	39
	215	244

Declarations of intent and guarantees issued by third parties in connection with the execution of projects and for prepayments received are recognised in 'Guarantees'. Surety bonds concern guarantees for projects in the US and cover the full contract sum. These expired in 2007.

x € 1 000 000	31 December 2007			31 December 2006		
	< 1 year	1 - 5 years	> 5 years	< 1 year	1 - 5 years	> 5 years
Lease commitments						
Other business assets	9	22	1	4	19	2
Rental commitments						
Offices	7	27	15	5	21	13
Procurement obligations						
Land procurement	15	17	-	5	6	1
Other	3	2	-			

Ballast Nedam has provisional obligations concerning the acquisition of land for a sum of € 190 million (2006: € 259 million). It is not yet certain that Ballast Nedam will make these acquisitions.

Operational lease costs in 2007 amounted to € 13 million (2006: € 12 million).

Liabilities

Subsidiaries hold joint and several liability for projects executed by partnership firms. Some subsidiaries hold joint and several co-liability for obligations to a number of banks. On the basis of credit and guaranteed facilities, there is an obligation to refrain from issuing any collateral. Subsidiaries forming part of the Ballast Nedam fiscal entity for Dutch corporation and value added tax purposes hold joint and several liability for this.

Other

The contractual settlement of the projects of the former Ballast Nedam International division is almost complete. Provisions were formed in earlier years for claims against Ballast Nedam. Ballast Nedam's receivables from third parties for these projects are not recognised unless there is a reasonable degree of certainty that they will be settled.

Legal proceedings are in progress in Saudi Arabia, in which the tax authorities are contesting the status a tax-exempt contract dating from 1999. Ballast Nedam contests this fiscal claim in full and sees no need to form an additional provision for this. It concerns a tax claim against a subsidiary of Ballast Nedam International, for which Ballast Nedam International did not issue any guarantees.

In Canada, the tax authorities have reopened a tax return from a subsidiary of Ballast Nedam dating from 1996. Ballast Nedam contests the resulting tax claim and sees no need to form a provision. This concerns a tax claim against a subsidiary of Ballast Nedam Asset Management, for which Ballast Nedam issued no guarantees.

Ballast Plc was liquidated in 2006 and provisions have been formed for outstanding guarantee commitments. The British Office of Fair Trading served notice on Ballast Nedam N.V. in connection with an inquiry into alleged infringements of British competition law by Ballast Plc. in the 2000 to 2003 period. It is not certain whether, and if so, to what extent penalties can be imposed, nor is it certain whether Ballast Nedam N.V. can be held liable or whether a valid claim can be filed against Ballast Nedam N.V. For these reasons, no provision was formed.

In 2007, Ballast Nedam opened civil proceedings against a former managing director and a number of persons associated with this managing director, in connection with fraud. Ballast Nedam has received a counter-claim from the defendants. In view of the uncertain outcome of both claims, neither is recognised in the financial statements.

Transactions with associated parties

A relationship between associated parties exists between Ballast Nedam and its key management (Board of Management/Supervisory Board), its subsidiaries, associates, Stichting Pensioenfonds Ballast Nedam and their managers are senior officials. The main task of the Ballast Nedam Pension Fund is to implement the pension scheme for the Ballast Nedam employees. Ballast Nedam buys and sells goods and services to various associated parties in which Ballast Nedam holds an interest of 50% or less. These transactions are conducted on commercial terms similar to those for transactions with third parties.

Interests in joint ventures

Joint ventures, consisting primarily of construction or development consortia, are consolidated on a proportional basis. For a list of the main joint ventures, we refer to the organisational chart on pages 122 and 123. Ballast Nedam has recognised the following interests in joint ventures in the consolidated balance sheet.

x € 1 000 000	31 December 2007	31 December 2006
Non-current assets	31	38
Current assets	109	103
Long-term liabilities	(20)	(27)
Current liabilities	(104)	(111)
Net assets and liabilities	16	3

The proportionally consolidated revenue and the cost of sales amounted to about 10% (2006: 15%) of total revenue and cost of sales. The total liabilities to third parties of companies for which Ballast Nedam holds joint and several liability, such as partnerships, excluding bank guarantees issued by those companies, amounted to € 348 million at year-end 2007 (2006: € 421 million), of which Ballast Nedam's share of € 118 million (2006: € 138 million) is recognised in the consolidated balance sheet.

Board of Management and Supervisory Board

x € 1 000	2007				2006		
	Gross salary	Bonus	Pension	Option scheme	Gross salary	Bonus	Pension
Board of Management							
T.A.C.M. Bruijninx	370	152	60	100	323	107	57
R.L.M. Jacobs ¹⁾	118	43	16	36			
R. Malizia ¹⁾	118	43	16	36			
R.H.P.W. Kottman ²⁾	394	106	313	-	418	139	90
	1 000	344	405	172	741	246	147
Supervisory Board							
A.N.A.M. Smits	45				45		
H.C. Broeksma	30				30		
R.M.M. Boelen	30				30		
J.C. Huis in 't Veld	30				5		
	135	-	-	-	110	-	-
Total	1 135	344	405	172	851	246	147

¹⁾ From 13 August 2007

²⁾ Until 1 October 2007

The bonuses of the directors relate to the relevant years and are proportionate to their term of office in the Board of Management. T.A.C.M. Bruijninx's employer's social insurance contribution amounted to € 13 000 (2006: € 12 000), that of both R.L.M. Jacobs and R. Malizia to € 4 000 and that of R.H.P.W. Kottman to € 8 400 (2006: € 10 000). Directors were granted a fixed expense allowance of € 5 300 per year and a car allowance. Supervisory directors were granted a fixed expense allowance of € 2 300 per year. No loans were issued to managing directors or supervisory directors.

Staff options

	year granted	2007
T.A.C.M. Bruijninx		40 000
R.L.M. Jacobs		30 000
R. Malizia		30 000
	number	100 000
	exercise price in €	35.85
	exercise period from	16/03/2010
	to	16/03/2013

The Supervisory Board granted options to the Board of Management members on 16 March 2007. The options were awarded in compliance with the option scheme adopted at the Extraordinary General Meeting of Shareholders on 26 October 2006. The purpose of the scheme is to allow options to be granted to Board as Management members as a long-term loyalty incentive and to allow the interest of individual directors to coincide with those of the shareholders. For this reason, as a condition for retaining options, directors are themselves required to buy depositary receipts for shares amounting to at least five per cent of the options granted, and to hold these for three years after the options are granted. Options can be exercised only if the option-holder is employed by Ballast Nedam during the exercise period.

The current value of the options granted in 2007 is set at € 945 000, of which € 250 000 was recognised in the income statement for 2007. Premature departure of one or more Board of Management members was not taken into account. As call options for Ballast Nedam shares are not traded on the stock exchange, the current value was determined with the aid of an option valuation model. The valuation of the call options was based on the price quoted for Ballast Nedam shares on 16 March 2007, of € 36.10, an exercise price of € 35.85, a term of six years, a dividend of € 1.34 per year and a 1-year volatility of 29%, as well as a risk-free interest rate of 4%.

Depository receipts for shares

	1 January 2007	Movement	31 December 2007
T.A.C.M. Bruijninx	532	4 528	5 060
R.L.M. Jacobs	520	2 480	3 000
R. Malizia	2	2 800	2 802
R.H.P.W. Kottman	286	-	286
Number	1 340	9 808	11 148

Accounting estimates and judgements

In preparing the financial statements, management of Ballast Nedam has made estimates and judgements which affect the amounts recognised for assets, liabilities, revenue, costs and the related notes on conditional and off-balance sheet commitments as at 31 December 2007.

Project results

The valuation of work in progress is based on forecasts of the final project results. The ultimate outcome may differ from these forecasts.

Recognition of income tax

At the close of the financial year, Ballast Nedam makes an assessment of the income tax position of all fiscal entities. This involves making estimates of the actual short-term tax charges and income as well as of the temporary differences between the fiscal valuation and carrying amounts of assets and liabilities for financial reporting purposes. A decision is taken on the balance sheet date as to whether unused tax losses and deferred tax assets due to temporary differences may be recognised. Ballast Nedam recognises deferred tax assets if taxable profits are anticipated within the foreseeable future. If the actual anticipated taxable profits differ from the estimates, and depending on the tax strategies which Ballast Nedam may introduce, capitalised unused deferred tax assets which have been recognised may not be realised, thus affecting the financial position and results of Ballast Nedam.

Provisions

Provisions relating to actual obligations are based on estimates and judgements as to whether the criteria for treatment as a provision have been met, including an estimate of the size of the actual obligation. Actual obligations are disclosed if it is likely that an obligation will arise and its size can be reasonably estimated. In the case of the provision made for restructuring in respect of the liquidation of Ballast Plc, the estimate is based on the anticipated cost of settling potential claims under guaran-tees issued. If the actual outcome differs from the assumptions as to anticipated costs, the estimated provisions will be revised, and this could have an effect on the financial position and results of Ballast Nedam.

Post-balance sheet events

No noteworthy events that could affect the 2007 financial statements occurred after the balance sheet date.

Consolidated capital employed, assets and liabilities, financing position

x € 1 000 000	2007	2006
Capital employed		
Non-current assets	242	253
Working capital	66	(14)
Less: cash and cash equivalents	(87)	(95)
Add: bank loans	35	33
	256	177
Assets		
Non-current assets	242	253
Current assets	656	541
	898	794
Liabilities		
Current liabilities	590	555
Non-current liabilities	136	81
	726	636
Net financing position		
Net cash	52	62
Current portion of long-term loans	(18)	(3)
Long-term loans	(97)	(36)
	(63)	23

Company balance sheet before appropriation of profit

x € 1 000 000	31 December 2007	31 December 2006
Financial assets		
Group companies	51	75
Other receivables	144	151
Deferred tax assets	38	45
	233	271
Current assets		
Receivables	4	2
Inter-company receivables	10	3
Cash and cash equivalents	1	2
	15	7
Current liabilities		
Trade creditors	(1)	(1)
Other liabilities	(3)	(1)
Inter-company debts	(46)	(59)
	(50)	(61)
Working capital	(35)	(54)
	198	217
Non-current liabilities	-	30
Provisions	26	29
Shareholders' equity		
Issued share capital	60	60
Share premium	52	52
Purchased own shares	(2)	(1)
Currency translation reserve	-	-
Legal reserves	16	2
Other reserves	19	1
Undistributed result	27	44
Shareholders' equity	172	158
	198	217

Company income statement

x € 1 000 000	2007	2006
Result from subsidiaries after taxation	36	40
Other income and expenses after taxation	(9)	4
Net result	27	44

The net result from subsidiaries after taxation represents Ballast Nedam's share of the result after taxation of its subsidiaries.

Notes to the company balance sheet and income statement

The company financial statements of Ballast Nedam N.V. form part of the consolidated financial statements 2007 of Ballast Nedam N.V and have been prepared in accordance with the option provided in Section 362 subsection 8 of Book 2 of the Netherlands Civil Code. The same accounting policies have been used in preparing these company financial statements as were used for the consolidated financial statements. The valuation of assets and liabilities, the translation of foreign currencies and the determination of the net result are in accordance with the financial reporting policies as set out on pages 79 to 85 of the consolidated financial statements. Group companies are stated in the company financial statements at net equity value.

In order to simplify the legal structure, Ballast Nedam Nederland B.V. was wound up on 22 October 2007 through a legal merger with Ballast Nedam N.V. All assets and liabilities were transferred to Ballast Nedam N.V.

Group companies

x € 1 000 000	Investments in subsidiaries
31 December 2005	62
Result	40
Disposals	-
Dividend received	(25)
Foreign exchange differences	(2)
31 December 2006	75
Result	36
Disposals	(24)
Dividend received	(36)
Foreign exchange differences	-
31 December 2007	51
Carrying amount as at 31 December 2006	75
Carrying amount as at 31 December 2007	51

In 2007, Ballast Nedam N.V. merged with the intermediate holding company Ballast Nedam Nederland B.V. As a result of the merger, the associates of the former Ballast Nedam Nederland B.V., i.e. Ballast Nedam Bouw en Ontwikkeling B.V., Ballast Nedam Infra B.V. and Ballast Nedam Asset Management B. V., became associates of Ballast Nedam N.V. These changes are recognised in 'Disposals'. The interests in subsidiaries are direct interests, of which the main ones are shown in the organisation chart on pages 122 and 123. Some subsidiaries have negative shareholders' equity totalling € 153 million (2006: € 132 million), for which financing is provided via inter-company loans.

Other receivables

x € 1 000 000	31 December 2007	31 December 2006
Ballast Nedam International B.V.	144	144
Other	-	7
Total	144	151

Other receivables relate to long-term receivables from group companies.

Deferred tax assets

x € 1 000 000	Fiscal value of losses carried forward
1 January 2006	36
Movement via the income statement	9
31 December 2006	45
Movement via the income statement	(7)
31 December 2007	38

The movement in the deferred tax assets of € 7 million negative in 2007 (2006: € 9 million positive) results from the utilisation of € 7 million (2006: € 13 million) of the carry-forward losses. No additional deductible losses were recognised in 2007 (2006: € 25 million). During 2006, a € 3 million impairment of the receivable was recognised in connection with the reduction in tax rates to 25.5%.

The carry-forward losses of the Dutch fiscal unity were recognised almost in full at year-end 2007. The tax losses have limited carry forward in the Netherlands. The average remaining carry forward period is less than six years (2006: more than six years).

Non-current inter-company debts

x € 1 000 000	31 December 2007	31 December 2006
Ballast Nedam Nederland B.V.	-	29
Other	-	1
	-	30

Ballast Nedam N.V. and Ballast Nedam Nederland B.V. merged in 2007. As a result, the long-term debt (2006: € 29 million) was cleared.

Ballast Nedam N.V. does not have its own credit facilities.

Provisions

x € 1 000 000	Reorganisation	Other	Total
31 December 2005	13	12	25
Addition	5	5	10
Unwind of discount	-	-	-
Reversals	(1)	-	(1)
Utilisation	(3)	(2)	(5)
31 December 2006	14	15	29
Addition	-	-	-
Unwind of discount	-	-	-
Reversals	-	-	-
Utilisation	(3)	-	(3)
31 December 2007	11	15	26
Short-term (< 1 jaar)			
31 December 2006	4	2	6
31 December 2007	4	2	6

The provision for reorganisation includes € 11 million (2006: € 14 million) for the settlement of guarantees in respect of the former Ballast Plc. The liquidation of Ballast Plc was completed in 2006. The reduction in this provision is accounted for by the release of € 1 million for exchange differences and the utilisation of € 2 million (2006: € 2 million) for payment of guarantee claims.

The Other provisions include € 15 million (2006: € 15 million) for the consequences of infringement of the competition regulations up to and including 2002. Due to the start of appeal procedures in 2006, settlement will take several years.

Shareholders' equity

x € 1 000 000	Issued share capital	Share premium	Purchased own shares	Currency translation reserve	Legal reserves	Other reserves	Result	Share- holders' equity
31 December 2005	60	55	(1)	2	3	(15)	20	124
Foreign exchange difference				(2)				(2)
Results recognised directly in equity	-	-	-	(2)	-	-	-	(2)
Net result for the year							44	44
Total income recognised in equity	-	-	-	(2)	-	-	44	42
Appropriation of 2005 result						20	(20)	-
Dividend paid		(5)				(5)		(10)
Other	-	2	-	-	(1)	1	-	2
31 December 2006	60	52	(1)	-	2	1	44	158
Foreign exchange difference				-				-
Results recognised directly in equity	-	-	-	-	-	-	-	-
Net result for the year							27	27
Total income recognised in equity	-	-	-	-	-	-	27	27
Appropriation of 2006 result						44	(44)	-
Dividend paid						(13)		(13)
Option scheme						-		-
Other	-	-	(1)	-	14	(13)	-	-
31 December 2007	60	52	(2)	-	16	19	27	172

The authorised capital consists of 20 000 000 ordinary shares and amounts to € 120 million. The issued share capital consists of 10 000 000 ordinary shares of € 6 nominal value each. Of the share premium account, an amount of € 25 million is fiscally freely distributable.

The total number of Purchased own shares (Treasury shares) as at year-end 2007 is 100 000 (2006: 75 599); these are included at purchase price. 24 401 of the company's own shares were repurchased in 2007 (2006: 29 761) and no repurchased shares were sold (2006: 107 600). The difference between the cost and market value at the moment of delivery is recognised in Share premium.

Foreign exchange differences arise on the translation of the investments in foreign activities, including semi-permanent financing, and on the differences between results translated at the average exchange rate during the year and the exchange rate prevailing at the balance sheet date.

The statutory reserves consist of the statutory reserves of the associates and relate to profits and/or reserves of these associates, joint ventures and construction consortia subject to legal restrictions on distribution, or restrictions imposed by the Articles of Association. An increase in shareholders' equity of joint ventures and construction consortia subject to limitations on distribution through the influence of partners accounts for the movement in 2007.

Share-based transactions relate to the allocation to shareholders' equity as a result of the personnel costs incurred for the options granted. In 2007, the movement in shareholders' equity amounted to € 250 000.

The dividend distributed in 2006 was charged to the Other Reserves. Of the dividend distributed in 2005, € 5 million was charged to Other Reserves and € 5 million to the share premium reserves, as there were insufficient funds to cover the amount in Other Reserves.

The Board of Management proposes, with the approval of the Supervisory Board, to distribute a dividend of € 1.38 per ordinary share in issue (2006: € 1.34). The dividend proposal has not yet been incorporated in shareholders' equity and has no consequences for the company's tax position.

Commitments and contingent liabilities

Guarantees	31 December 2007	31 December 2006
x € 1 000 000		
Guarantees	215	205
Surety bonds	-	39
	215	244

Ballast Nedam N.V. has filed, with the office of the Commercial Register of the Chamber of Commerce, a declaration, in favour of ICT B.V. (previously Ballast Nedam Services B.V.), of joint and several liability as referred to in Section 403 subsection 1(f) of Book 2 of the Netherlands Civil Code.

In connection with credit and guarantee facilities, Ballast Nedam N.V. has given undertakings not to furnish any security in the form of charges on fixed assets.

Ballast Nedam N.V. has issued guarantees for a number of subsidiaries' contracts, totalling more than € 1 billion (2006: more than € 1 billion). This often involves the entire contract sum for long-term projects.

Together with the subsidiaries which form the fiscal unity, Ballast Nedam N.V. bears joint and several liability for corporation tax and value added tax liabilities in the Netherlands.

Other risks

The British Office of Fair Trading served notice on Ballast Nedam N.V. in connection with an inquiry into alleged infringements of British competition law by Ballast Plc. in the 2000 to 2003 period. It is not certain whether, and if so, to what extent penalties can be imposed, nor is it certain whether Ballast Nedam N.V. can be held liable or whether a valid claim can be filed against Ballast Nedam N.V. For these reasons, no provision was formed.

In 2007, Ballast Nedam opened civil proceedings against a former managing director and a number of persons associated with this managing director, in connection with fraud. Ballast Nedam has received a counter-claim from the defendants. In view of the uncertain outcome of both claims, neither is recognised in the financial statements.

Employees

At year-end 2007, Ballast Nedam N.V. had 42 employees (2006: 43).

Managing directors and supervisory directors

For notes on the remuneration of supervisory directors and members of the Board of Management, see the section on transactions with associates in the Notes to the Balance Sheet and the Income Statement.

Nieuwegein, 13 March 2008

Board of Management

T.A.C.M. Bruijninx

R.L.M. Jacobs

R. Malizia

Supervisory Board,

A.N.A.M. Smits

H.C. Broeksma

R.M.M. Boelen

J.C. Huis in 't Veld

Other information

Auditor's Report

To the General Meeting of Shareholders of Ballast Nedam N.V.

Report on the financial statements

We have audited the accompanying financial statements 2007 of Ballast Nedam N.V., Nieuwegein as set out on pages 74 to 113 of this report. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 2007, and a summary of significant accounting policies and other explanatory notes. The Company financial statements comprise the Company balance sheet as at 31 December 2007, the Company statement of income for the year 2007 and the notes.

Management's responsibility

The management of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Board of Management in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Ballast Nedam N.V. as at 31 December 2007 and of its result and its cash flows for the year 2007 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Ballast Nedam N.V. as at 31 December 2007 and of its result for the year 2007 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Board of Management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 13 March 2008

KPMG ACCOUNTANTS N.V.
J.C.M. van Rooijen RA

Definitions

Cost of revenue

Raw materials and subcontractors plus employee benefits and other operating expenses.

EBITDA

Earnings Before Interest, Taxation, Depreciation and Amortisation.

EBITA

Earnings Before Interest, Taxation and Amortisation.

EBIT

Earnings Before Interest and Taxation; operating result.

PPP receivables

Receivables from public-private partnerships (PPP).

Financial assets

PPP receivables plus other investments and other receivables (long-term).

Net cash

Cash and cash equivalents plus deposits less bank loans and short-term loans.

Capital employed

Non-current assets plus working capital excluding net cash.

Net financing position

Net cash plus the short-term element of long-term loans and the long-term loans.

IFRS: International Financial Reporting Standards

As from 1 January 2005 all listed companies in the European Union are required to prepare their consolidated financial statements in accordance with these new standards.

Ten-year summary

x € 1 000 000	2007	2006	2005	2004
Revenue and result				
Revenue	1 270	1 310	1 206	1 164
The Netherlands	1 157	1 206	1 105	1 042
international	113	104	101	122
Order book	1 438	1 093	1 064	971
EBIT	42	42	38	35
Net result	27	44	20	13
Net investments	30	55	(35)	-
Capital employed	256	177	74	78
Shareholders' equity	172	158	124	101
Net financing position	(63)	23	68	56
EBIT / revenue	3%	3%	3%	3%
Shareholders' equity / assets	19%	20%	15%	12%
Average number of employees	3 838	3 701	3 721	4 022
Market capitalisation at year end	280	328	327	123

NL GAAP							
2004	2003	2002	2001	2000	1999	1998	
							Revenue and result
1 164	1 619	2 307	2 326	2 098	1 998	2 068	Revenue
1 042	1 132	1 242	1 267	1 083	1 062	863	The Netherlands
122	487	1 065	1 059	1 015	936	1 205	international
971	1 046	1 833	2 489	2 660	1 681	1 463	Order book
19	-	(122)	(23)	48	22	62	EBIT
8	46	(143)	(50)	22	9	48	Net result
(3)	(7)	(151)	119	109	40	65	Net investments
(11)	(2)	(16)	205	378	360	383	Capital employed
109	102	56	215	276	267	285	Shareholders' equity
116	104	72	12	(106)	(96)	(102)	Net financing position
2%	0%	-5%	-1%	2%	1%	3%	EBIT / revenue
20%	18%	9%	22%	28%	31%	35%	Shareholders' equity / assets
4 022	4 957	6 549	7 264	7 607	7 674	8 545	Average number of employees
123	47	48	158	216	216	275	Market capitalisation at year end

Profit appropriation and dividend proposal

Provisions of the articles of association concerning profit appropriation

The most relevant provisions in the articles of association regarding profit appropriation are contained in Article 23, which reads as follows:

1. The Company may make distributions to the shareholders and to other persons entitled to the profits eligible for distribution only up to a sum not exceeding the amount of the distributable reserves.
2. Distribution of profits will be done after the adoption of the Annual Accounts of which appears that it is allowed.
3. From the profits made evidenced by the adopted Annual Accounts, a part to be determined by the Board of Management, subject to approval of the Supervisory Board, will be reserved.
The remaining part will be distributed as dividend attached to shares.
4. In calculating the profit appropriation, the shares held by the Company in its own capital shall not count, unless a usufruct has been created in these shares, or depositary receipts therefor have been issued with the cooperation of the Company.
5. Insofar as profit is available in the Company, the Board of Management may with the approval of the Supervisory Board resolve upon payment of an interim dividend on account of the dividend to be expected, provided always that the provisions laid down in paragraph 1 of this article have been satisfied, such to be shown by an interim capital statement as referred to in article 105 paragraph 4 of Book 2 of the Civil Code.
6. The resolutions to distribute (interim) dividends may entail that (interim) dividends will be wholly or partly distributed in cash or in shares in the Company.
7. Upon a motion by the Board of Management with the approval of the Supervisory Board, the General Meeting may resolve to make a distribution against the distributable reserves.
The provision laid down in paragraph 6 shall apply *mutatis mutandis* in this respect.
8. The (interim) dividend shall be made payable on a day to be determined by the Board of Management, no later than 14 days after the determination of the (interim) dividend.
9. (Interim) dividends which have not been collected within five years after they became payable shall be forfeit to the Company.

Dividend proposal

Ballast Nedam's dividend policy is based on the principle that 50% of the net result should be distributed as dividend. With the approval of the Supervisory Board, the Board of Management proposes to appropriate a sum of € 13 million of the net result of € 27 million for addition to the other reserves. The remainder of the net result is at the disposal of the shareholders. The Board of Management proposes to distribute a cash dividend for 2007 of € 1.38 per share outstanding (2006: € 1.34). The net result per share outstanding was € 2.75.

Report of the Ballast Nedam Administration Office

General

In compliance with the provisions of Article 15 of the Terms of Administration of the Ballast Nedam Administration Office (Stichting Administratiekantoor van aandelen Ballast Nedam, hereafter: the Administration Office) and best practice provision IV.2.6 of the Dutch Corporate Governance Code ('the Code'), we report as follows to the holders of depositary receipts.

During 2007, the Administration Office performed the customary activities for the administration of the shares referred to above. The work associated with the administration of the shares was performed by the trust office of the administration office, N.V. Algemeen Nederlands Trustkantoor ANT (P.O. Box 11063, 1001 GB Amsterdam). The administration office is located at the address of the company.

The total costs of the activities of the Administration Office in 2007 were € 51 113 (including the fees paid to the members of the Board). In accordance with the Terms of Administration of the Administration Office, these costs were borne by Ballast Nedam N.V.

Number of depositary receipts for shares

The nominal value of registered shares held in administration amounted to € 54 746 604 as at 31 December 2007. In return for these shares, 9 124 434 bearer depositary receipts have been issued with the same nominal value.

The number of registered shares in the capital of Ballast Nedam N.V. held in administration increased in 2007 from 9 119 385 to 9 124 434. The increase resulted from the exchange of depositary receipts for shares issued by the Stichting Werknemersparticipatie Ballast Nedam for depositary receipts for shares that can be traded on the stock exchange.

Board

The members of the Board of the Administration Office during the year were:

W.P.M. van der Schoot (Chairman)

S.B. Braaksma

W. van Voorden.

Other functions of the current members of the Board are reported in a separate annex. Each member of the Board is paid a fee of € 7 000 per year.

Board meetings

In addition to administering the shares, the Board conducted talks with the company's Board of Management, in which it received information on the company's performance. Three Board meetings were held in 2007, two of which were attended by the company's Board of Management at the invitation of the Board. A Meeting of Holders of Depositary Receipts for Shares is held each year, prior to the General Meeting of Shareholders.

The first Board meeting, which was also attended by the company's Board of Management, was held on 20 March 2007. During this meeting, the general performance of Ballast Nedam N.V. was discussed, as were the company's annual figures for 2006, following their publication on 16 March 2007. The balance sheet and income statement for the 2006 financial year were adopted and the report of the Administration Office for 2006 was approved. The membership of the Board of the Administration Office was also discussed.

The second Board meeting took place on 9 May 2007, in preparation for the General Meeting of Shareholders and the Meeting of Holders of Depositary Receipts for Shares on the same date. The third Board meeting was held on 16 October 2007 and was also attended by the company's Board of Management. The company's half-year figures for 2007 were discussed at this meeting.

Meeting of Holders of Depositary Receipts

A Meeting of Holders of Depositary Receipts was held on 9 May 2007, prior to the General Meeting of Shareholders. The substantive agenda items were as follows:

- I. Announcement of the reappointment of Mr. van der Schoot
- II. Announcement of the proposed votes of the Board of the Administration Office at the Annual General Meeting of Shareholders of Ballast Nedam N.V.

Mr. van der Schoot resigned by rotation on 2 April 2007. This was announced at the Meeting of Holders of Depositary Receipts on 10 May 2006. Mr. van der Schoot was available for reappointment, and the Meeting of Holders of Depositary Receipts did not recommend any persons for nomination. The Board therefore reappointed Mr. van der Schoot for a term of four years. No questions were raised at the meeting regarding this reappointment.

After the Board had explained its proposed voting behaviour at the Annual General Meeting of Shareholders of Ballast Nedam N.V., the Meeting of Holders of Depositary Receipts had no further questions on this agenda item.

Participation of the Board in the General Meeting of Shareholders

At the General Meeting of Shareholders on 9 May 2007, the Board took part in discussions on the matters raised. During the Meeting, the Board posed a number of critical questions. On behalf of the Administration Office, the Board cast its vote on the relevant agenda items and, in accordance with its statutory objectives, based its voting behaviour primarily on the interests of holders of depositary receipts for shares, bearing in mind the interests of the company and its affiliated entities. After careful consideration, the Board decided to support all proposals at both Meetings.

At the General Meeting of Shareholders on 9 May 2007, the Board of the Administration Office granted proxies for 1 992 819 depositary receipts for shares (20.08% of the issued share capital). The Board represented about 71.83% of the issued share capital at this meeting.

Nieuwegein, March 2008

The Board

W.P.M. van der Schoot
S.B. Braaksma
W. van Voorden

Board Members of the Ballast Nedam Administration Office

W.P.M. van der Schoot

(Chairman)

Mr. van der Schoot was born in 1946. He held various positions at Twijnstra Gudde N.V., ABN AMRO Bank N.V., Robeco Groep N.V. and Boer & Croon Strategy and Management Group in Amsterdam (as Chairman from 2003 to 2008).

Mr. van der Schoot was appointed President of Nyenrode Business University on 1 April 2008. He was first appointed to the Board of the Administration Office on 2 April 2001. His current term of office expires on 2 April 2011.

S.B. Braaksma

Mr. Braaksma was born in 1937. He held various management positions at Heidemij in Arnhem and various Board positions in the health care sector (including Chairman of the Board of Management of the Isala Clinics in Zwolle and member of the Care Insurance Supervisory Board). He is currently Chairman of the Supervisory Board of the Prismant Foundation, the Dokter Wittenberg Foundation in Deventer and the Ronald McDonalddhuis Foundation in Zwolle. He is also a member of the Supervisory Board of the Triada Housing Foundation in Epe. Mr. Braaksma was first appointed to the Board of the Administration Office on 18 April 2000. His current term of office expires on 8 April 2010.

W. van Voorden

Mr. van Voorden was born in 1942. He has served as a Professor of Social Economics in Tilburg and Rotterdam, and as Chairman of the Care Insurance Supervisory Board. Mr. van Voorden currently holds a number of supervisory directorships. He is Chairman of the Supervisory Board of Batenburg Beheer N.V., Vice Chairman of the Supervisory Board of De Telegraaf Media Groep N.V., Chairman of the Supervisory Board of Panteia in Zoetermeer and also holds a number of other advisory and management positions. Mr. van Voorden Braaksma was first appointed to the Board of the Administration Office on 10 May 2007. His current term of office expires on 10 May 2010.

Organisation chart 1 January 2008

This chart provides an overview of the most important group companies and associates. A list of associates as referred to in Sections 379 and 414 of Book 2 of the Netherlands Civil Code, has been filed with the office of the Commercial Register of the Chamber of Commerce in Utrecht.

Ballast Nedam N.V.

INFRASTRUCTURE

Ballast Nedam Infra B.V.

Development and realization

Ballast Nedam Infra B.V. Projecten

Ballast Nedam International Projects B.V.

- Ballast Nedam Infra Suriname B.V.
- Ballast Nedam Africa B.V.
- Ballast Nedam Ghana B.V.
- Ballast Nedam Curaçao B.V.
- Ballast Nedam UK Ltd.
- Ballast Nedam – Per Arsleff joint venture v.o.f. (50%)
- Ballast Nedam – PA Europe joint venture v.o.f. (50%)

Ballast Nedam Infra Noord West B.V.

Ballast Nedam Infra Noord Oost B.V.

Ballast Nedam Infra Midden B.V.

Ballast Nedam Infra Zuid West B.V.

Ballast Nedam Infra Zuid Oost B.V.

Management

Ballast Nedam Infra Beheer B.V.

Ballast Nedam Infra B.V.

Engineering

Infra Consult + Engineering B.V.

Specialist companies

Ballast Nedam Infra Business Development B.V.

Ballast Nedam Funderingstechnieken B.V.

Ballast Nedam Specialistisch Grondverzet B.V.

Ballast Nedam Milieutechniek B.V.

Dibec B.V.

Ballast Nedam Infra Specialiteiten B.V.

Ingenieursbureau voor Systemen en Octrooien Spanstaal B.V.

Ballast Nedam Asfalt B.V.

Gebr. Van Leeuwen Harmelen B.V.

- MT Piling B.V. (50%)

- Samwoo-Anchortec B.V. (50%)

Recycling Maatschappij "Feniks" B.V.

- Ballast Phoenix Ltd. (92,5%) (Verenigd Koninkrijk)

Ballast Nedam International Product Management B.V.

- Ballast Nedam International Product Management B.V. has 100% subsidiaries in the following countries: France, Belgium, Luxembourg, Germany, the United Kingdom and Ireland.

Ballast Nedam Infra Participatie B.V.

- Nederlandse Frees Maatschappij B.V. (17%)

- Graniet Import Benelux B.V. (9%)

- Traffic Service Van Strien B.V. (21%)

- Wind Invest B.V. (50%)

Prefab

Haitsma Beton B.V.

Waco Lingen Beton B.V.

TBS Soest B.V.

Rademakers Gieterij B.V.

Raw materials

Ballast Nedam Grondstoffen B.V.

Ballast Van Oord Grondstoffen v.o.f. (50%)

B.V. Grind- en Zandhandel v/h T. Verkaik

Großkünel Rurkies GmbH (Germany)

N.V. Immobiliën en Grindexploitatiemaatschappij Bichterweerd (Belgium)

- N.V. Algri (Belgium)

- Société d'Exploitation des Carrieres d'Yvoir S.A. (Belgium)

Beheersmaatschappij Fr. Bontrup B.V. (30%)

- Bremanger Quarry S.A. (77%) (Norway)

- Graniet Import Benelux B.V. (65%)

BUILDING AND DEVELOPMENT

Ballast Nedam Bouw en Ontwikkeling B.V.

Development

Ballast Nedam Ontwikkelingsmaatschappij B.V.
Hollestelle Vastgoedontwikkeling B.V.

- Ballast Nedam Vleuterweide B.V.
- Ballast Nedam Euroborg B.V.
- Nieuw Vennep Zuid III B.V.
- Ballast Nedam Arena B.V.
- Getz B.V. (17%)
- V.o.f. De Geuzenbaan (50%)
- Ontwikkelingsmij. Centrumgebied Amsterdam Zuidoost B.V. (33%)
- V.o.f. Ontwikkelingscombinatie Laakhaven West (33%)
- Gebiedsontwikkeling Oud Beijerland Oost C.V. (49%)
- Ontwikkelingscombinatie Spoorzone Delft C.V. (49,5%)
- Amstelland Vastgoed B.V. (50%)
- De Vijfde Stad v.o.f. (50%)
- Coberco Kwartier Beheer B.V. (50%)

Realization and development

Ballast Nedam Bouw B.V. Speciale Projecten

Ballast Nedam Bouw B.V. Regio Noord
Ballast Nedam Bouw B.V. Regio Noordwest
Ballast Nedam Bouw B.V. Regio West
Ballast Nedam Bouw B.V. Regio Midden
Ballast Nedam Bouw B.V. Regio Zuid
Ballast Nedam Bouw B.V. Regio Oost
B.V. Aannemingsbedrijf F.W. Onrust
Laudy Bouw en Ontwikkeling B.V.
Zomers Bouwbedrijf B.V.

- Bouwcombinatie IJsseloord 2 v.o.f. (50%)
- Onderhoudscombinatie Ahoy (50%)
- Bouwcombinatie Zoetermeer Oosterheem v.o.f. (25%)
- V.o.f. Lambertus Zijlplein (50%)
- Bouwcombinatie Euroborg v.o.f. (25 %)
- Bouwcombinatie Prinsenhof v.o.f. (50%)
- Bouwcombinatie Lounge 1 v.o.f. (50 %)
- Bouwcombinatie De Appelaar v.o.f. (50%)
- Bouwcombinatie Medical Park Sittard v.o.f. (25%)

Ballast Nedam Bouw en Ontwikkeling B.V.

- FiftyTwoDegrees beheer B.V. (51%)
- Bouwcombinatie Westraven v.o.f. (50%)
- Bouwcombinatie New Babylon v.o.f. (50%)
- Bouwcombinatie De Confiance v.o.f. (50%)
- Dijkzone v.o.f. (33%)
- V.o.f. Stramanweg (50%)
- Bouwcombinatie Avans Breda v.o.f. (50%)
- Bouwcombinatie Jeroen Bosch v.o.f. (33%)
- Bouwcombinatie Medisch Centrum Rijnmond Zuid v.o.f. (50%)
- Bouwcombinatie Intermezzo v.o.f. (33%)

Management

Ballast Nedam Services B.V.

Prefab

Hoco Beton B.V.
Omnia Plaatvloer B.V.

INTERNAL JOINT VENTURES (Infrastructure & Building and Development)

Ballast Nedam Concessies B.V.

- CNG Net B.V. (75%)

Ballast Nedam Bouwmaterieel B.V.

OTHER

Ballast Nedam Asset Management B.V.

- Ballast Nedam Canada Ltd. (Canada)
- Golden Peaks Resort Inc. (Canada)
- Kicking Horse Mountain Resort Trust (90%)

Ballast Nedam International B.V.

- Ballast Nedam Groep N.V.
- Ballast Saudi Arabië B.V.
- J.V. Hochtief – Ballast Nedam - Pan Asia (Taiwan) (30%)
- Ballast Nedam Groep N.V. (Malaysia) Sdn. Bhd. (Maleisië)

Ballast Nedam ICT B.V.

Abl2 B.V. (50%)

Management 1 March 2008

Ballast Nedam

- Board of Management
T.A.C.M. Bruijninx, R.L.M. Jacobs, R. Malizia
- Corporate secretary
H.G. Noppers
- Legal affairs
T.A.C.M. Bruijninx
- Finance en investor relations
R.J. Feenstra
- Communication
A.C. van Kessel
- ICT
R.J. Kathmann
- Risk control and assurance
A.C.M. van Haastrecht
- Purchasing services
G.J.E. Koreman
- Personnel and organization
T.A.C.M. Bruijninx

Ballast Nedam Infra

- Ballast Nedam Infra Business Development
R. Malizia, P. van Zwieten
- Ballast Nedam Infra Projecten
S.J. de Jong
- Ballast Nedam Infra Noord West
R. van Schravendijk, A. de Geus, R. de Keijser
- Ballast Nedam Infra Noord Oost
J.T. Folkerts
- Ballast Nedam Infra Midden
H. Veenstra
- Ballast Nedam Infra Zuid West
H. Mos
- Ballast Nedam Infra Zuid Oost
H. Kuipers
- Ballast Nedam Infra Beheer
A.J. Stoop
- Ballast Nedam Infra Beheer
J.J. van Huijstee
- Infra Consult + Engineering
W. 't Hart
- Ballast Nedam Funderingstechnieken
J. Smeets
- Ballast Nedam Specialistisch Grondverzet
K. Roelfsema
- Gebr van Leeuwen Harmelen
M.T. van Leeuwen
- Ballast Nedam Milieutechniek
W.E.R. Huntjens
- Dibec
P.G.M. Ballast
- Recycling Maatschappij Feniks
A.C.G. van Beurden
- Ballast Nedam Asfalt
R. van Wijk
- Ballast Nedam Infra Participatie
P.S. van der Bijl
- Ballast Nedam Infra Specialiteiten
H. Veerman
- Ballast Nedam International Product Management
R. van Alphen
- Ingenieursbureau voor Systemen en Octrooien Spanstaal
W.J.J. Smit, J.A.M. Spaan
- Haitsma Beton
K. Visser
- Waco Lingen Beton
J.K. Verhoeve
- TBS Soest
W. Ent
- Rademakers Gieterij
P.J. Woldendorp
- Ballast Nedam Grondstoffen
H.P. van der Meer
- Bichterweerd, Algri, Yvoir en Amay (België)
H.P. van der Meer
- Zand- en Grindhandel Verkaik
H.M. Bronder

Ballast Nedam Bouw en Ontwikkeling

- Ballast Nedam Ontwikkelingsmaatschappij
- Hollestelle Vastgoed Ontwikkeling

- Ballast Nedam Bouw Speciale Projecten

- Ballast Nedam Bouw Noord
- Ballast Nedam Bouw Noordwest
- Ballast Nedam Bouw West
- Ballast Nedam Bouw Midden
- Ballast Nedam Bouw Zuid
- Ballast Nedam Bouw Oost
- Laudy Bouw en Ontwikkeling
- Zomers Bouwbedrijf
- Aannemingsbedrijf F.W. Onrust

- Ballast Nedam Services

- Hoco Beton
- Omnia Plaatvloer

Other

- Ballast Nedam Concessies
- Kicking Horse Mountain Resort
- Ballast Nedam Asset Management
- Abl2 (50%)

- Ballast Nedam Bouwmaterieel

R.L.M. Jacobs, R. Middelkoop, F.L. van Oorschot

R. Honig
J. Roewen

J.A.G. van Oostrum

H.L. Tragter
P.J. Cupido
P. van Dijk
K. van Rijn
R. Cornelisse
E. Velthuis
J.F.A.M. Corten
C.M.B. van Driel
R.J. Vonk

J.W. Bolt

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H. Sieben

H.C. van der Wildt
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Financial marker



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