P R E S S R E L E A S E

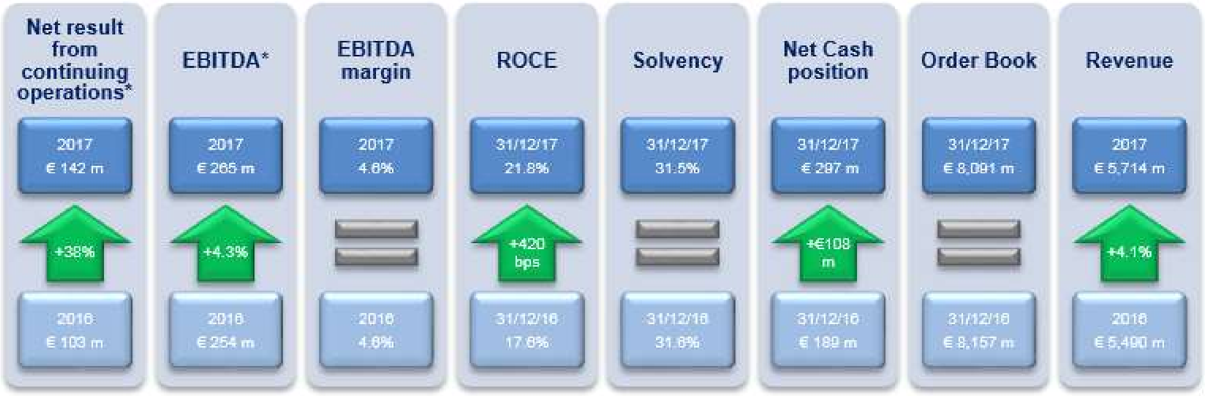
ANNUAL RESULTS 2017

VolkerWessels' net result from continuing operations € 142 million (+38%); final dividend of € 0.77 per share

Amersfoort, the Netherlands, 15 March 2018, 7:00 am CET, Koninklijke VolkerWessels N.V. ("VolkerWessels" or the "Company"), a listed market-leading, multi-branded construction company based in the Netherlands, reports an increased EBITDA of € 265 million (+4.3%) and an increased net result from continuing operations of € 142 million (+38%) for 2017. VolkerWessels proposes to pay a final dividend of € 0.77 per share on 16 May 2018, making the total dividend for 2017 € 1.05.

HIGHLIGHTS 2017 *(compared to 2016 or 31 December 2016)*

- Net result from continuing operations of € 142 million* (+38%)
- EBITDA up from € 254 million to € 265 million* (+4.3%)
- ROCE up 420 basis points to 21.8%
- Solvency ratio stable at 31.5%
- Net cash position improved by € 108 million to € 297 million
- Revenue up € 224 million to € 5,714 million (+4.1%)
- Order book remains historically high at € 8,091 million
- Proposed final dividend of € 0.77 per share (total dividend of € 1.05 per share)
- At this moment, we expect our 2018 results to increase versus 2017 and we reconfirm that we are on track to meet our medium-term objectives



* Net result from continuing operations/EBITDA 2017 excl. € 13 million third party result and share incentive charge of € 5 million

Jan de Ruiter, Chairman of the Management Board

"2017 proved to be a year of growth and - overall - positive developments. Our net result from continuing operations increased by € 39 million to € 142 million. We benefited from gradually improving market conditions in 2017. This led to an increase in both revenue and EBITDA in 2017, whereby our revenue increased by 4.1% and our EBITDA by 4.3% from € 254 million to € 265 million. Our EBITDA margin was stable at 4.6%. Our free cash flow increased from € 198 million to € 231 million and the return on capital employed increased by 420 bps to 21.8%.

We regret that we experienced a severe setback at the construction of the sea lock at IJmuiden ("project OpenIJ"). Nevertheless, despite the provision of € 67.5 million for this project, our infra division remained profitable in 2017, a clear sign of the underlying strength of the division.

Where the market for local infrastructure projects is improving, we notice a continued highly competitive market for large, multidisciplinary infra projects (> € 150 million). The combination of high unrecoverable tender costs for lost tenders and the unattractive DBFM contract form, warrant an even more selective approach vis-à-vis these projects.

We are proud that all our divisions once again contributed to our net result in 2017. Especially with the long period of low inflation and low interest rates coming to an end, profitable growth (margin over volume) remains our focus going forward.

As we expect the markets and geographies in which we operate to develop positively in 2018, we are confident that our results for 2018 will increase versus 2017 and reconfirm that we are on track to meet our medium-term objectives, as defined at the time of our IPO in May 2017".

Overall performance of VolkerWessels

Summary overview of results

(€ million, unless stated otherwise)	FY 2017*	FY 2016
Revenue	5,714	5,490
Operating expenses	*-5,558	-5,335
Share in results of associates and JVs (after income tax and 3rd party result)	*27	10
Operating result	**183**	**165**
Net financial result	4	-26
Income tax	-45	-36
Net result from continuing operations	**142**	**103**
Net result from discontinued operations (after tax)	1	38
Net result for the financial period	**143**	**141**
Minority interests	3	2
Net result attributable to shareholders	**140**	**139**
Operating result	183	165
D&I of property, plant and equipment	69	73
A&I of intangible assets	13	16
EBITDA	**265**	**254**
EBITDA margin (%)	4.6%	4.6%
Order book *(per end of period)*	8,091	8,157
Interim dividend	22.4	-
Proposed final dividend	*61.6*	83.2
***Proposed* total dividend**	***84.0***	**83.2**
Total dividend as % of Net results attributable to shareholders (adjusted for share incentive plan)	60	60
Per share data attributable to shareholders		
Number of shares (in million)**	80	80
Earnings per share (€)	1.75	1.74
Earnings per share from continuing operations (€)	1.74	1.26
Earnings per share from discontinued operations (€)	0.01	0.48
Interim dividend	0.28	-
Proposed final dividend	*0.77*	1.04
***Proposed* total dividend**	***1.05***	**1.04**

* Under IFRS any benefit due to the Managing Directors or any of the relevant key managers will need to be reflected in the annual accounts of VolkerWessels as personnel expenses, irrespective of the fact whether the costs are borne by VolkerWessels or not. The cash flow effects related to the share incentive, including the tax effects, are borne in full by Reggeborgh Holding and consequently, the cash flow effects for VolkerWessels will be nil. Any net income effect resulting from these personnel expenses is offset in equity (see page 176 of Prospectus dated 28 April 2017). For the period between 12 May 2017 and 31 December 2017 the total amount is: € 5 million. In addition, in the line item Share in results of associates and JVs an amount of € 13 million third party result is excluded. Both amounts are adjusted in this summary in comparison to the financial statements.
** As a result of the share issuance in December 2016 the total number of outstanding shares increased to 80 million, for comparison reasons this number is used to calculate the earnings per share for FY 2016.

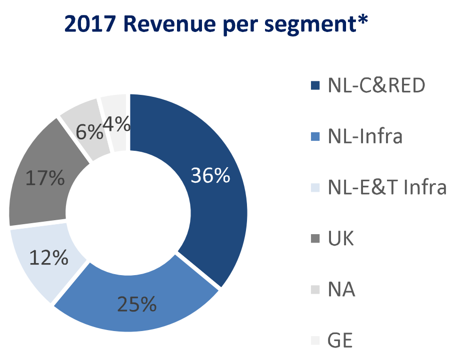
Summary overview of results per operating segments

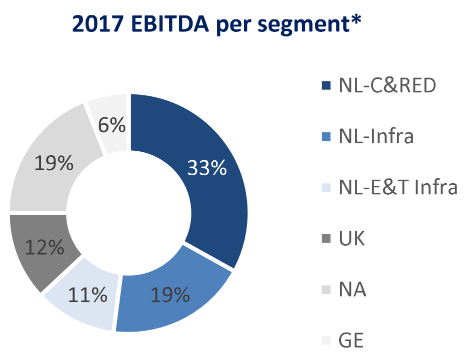
(€ million, unless stated otherwise)	Revenue 2017	Revenue 2016	Revenue Δ	EBITDA 2017	EBITDA 2016	EBITDA Δ	Order Book 31/12/2017	Order Book 31/12/2016	Order Book Δ
NL – C&RED	2,043	1,946	5%	*93	79	18%	2,831	2,737	3%
NL – Infrastructure	1,474	1,371	8%	52	73	-29%	1,568	1,562	0%
NL – E&T Infrastructure	674	649	4%	32	31	3%	1,005	1,151	-13%
United Kingdom	995	1,071	-7%	33	34	-3%	1,213	1,176	3%
Local currency (GBP m)	*872*	*877*	*-1%*	*29*	*27*	*7%*	*1,077*	*1,003*	*7%*
North America	351	317	11%	55	46	20%	828	886	-7%
Local currency (CAD m)	*515*	*465*	*11%*	*81*	*67*	*21%*	*1,249*	*1,253*	*0%*
Germany	244	207	18%	17	12	42%	684	667	3%
Other/eliminations	-67	-71		**-17	-21		-38	-22	
Total	**5,714**	**5,490**	**4%**	*****265**	**254**	**4%**	**8,091**	**8,157**	**-1%**

* Excluding € 13 million third party result
** Excluding € 5 million share incentive charge
*** Bridge to EBITDA in financial statements of € 273 million (adj. EBITDA of € 265 million -/- share incentive charge € 5 million +/+ third party result € 13 million)

Quarterly revenue and EBITDA

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





* Breakdown excludes Other/Eliminations, NL-E&T Infrastructure includes the activities in Belgium

Consolidated income statement

Revenue

Revenue in 2017 increased by 4.1%, or € 224 million, to € 5,714 million as compared to € 5,490 million in the prior year, principally driven by increased revenue in the Netherlands – Construction & Real Estate Development segment, as well as higher volumes in the Netherlands – Energy & Telecoms Infrastructure segment. Revenue in the Netherlands – Construction & Real Estate Development segment increased as a result of higher volumes due to improved market conditions especially in the real estate development market. The revenue increase in 2017 was partially offset by decreased revenue in the UK segment due to a negative GBP:EUR exchange rate impact. In local currency revenue was stable in the UK.

Operating expenses

In line with the increase in revenue, operating expenses increased by 4.2%, or € 223 million, to € 5,558 million in 2017.

EBITDA and EBITDA margin

The EBITDA margin in 2017 was stable at 4.6%, EBITDA improved 4.3% to € 265 million. The setback at the construction of the sea lock at IJmuiden (project OpenIJ) resulted in a significant negative impact on the result and margin of our Infrastructure segment in the Netherlands and subsequently on the result and margin of our company as a whole.

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

Personnel

VolkerWessels' average number of employees increased by 394 to 16,179 in 2017.

Net financial result

The net financial result improved from € 26 million negative in 2016 to € 4 million positive in 2017. € 13 million (€ 9.5 million after tax) of the improvement relates to the conversion of the remaining shareholder loans into equity in December 2016, € 6 million relates to the improvement of exchange rate differences in 2017. The residual improvement relates to lower interest expenses on our financing liabilities (due to an improvement of our net cash position) and some one-off financial expenses in 2016 due to the refinancing in December 2016.

Net Result

The 2017 net result from continuing operations amounted to € 142 million, which represents a 38% increase as compared to the 2016 figure of € 103 million. Of the € 39 million improvement versus 2016, € 9.5 million is the net result of the change in our capital structure at the end of 2016 (resulting in lower interest charges) and € 29.5 million is the net result of improved operational performance.

The 2017 net result from discontinued operations amounted to € 1 million positive. The corresponding amount in 2016 of € 38 million positive mainly related to the offshore activities which were sold in July 2016.

Capex
In 2017, the gross capital expenditure relating to property, plant and equipment amounted to € 81 million, 1.4% of revenue (2016: € 70 million, 1.3% of revenue). In 2017, the net capital expenditure relating to property, plant and equipment amounted to € 64 million, 1.1% of revenue (2016: € 61 million, 1.1% of revenue).

Order book
The order book of VolkerWessels at 31 December 2017 amounted to € 8,091 million versus € 8,157 million at the end of 2016. The strong order book consists of a better pipeline of work in our Construction & Real Estate Development segment and our UK segment, balanced by a decrease in the Energy & Telecoms Infrastructure segment (due to the 2017 production volume delivered on a long term framework contract). Other segments show a stable development relative to 2016. We take a cautious approach to order book recognition; we only include signed contracts and - for framework contracts - work packages agreed with our clients. The order book at the end of 2017 is equivalent to 1.4 times annual revenue.

Condensed overview of balance sheet

(€ million, unless stated otherwise)	**31/12/2017**	**31/12/2016**
Total assets	3,605	3,574
Total group equity	1,135	1,128
Net cash	297	189
Capital employed	838	939
ROCE* *(%)*	21.8%	17.6%
Solvency ratio *(%)*	31.5%	31.6%

* Return on Capital Employed (ROCE) as EBIT / Capital employed (Group equity - Net cash)

Solvency and Net cash position
VolkerWessels has a solid capital structure in place, with a solvency ratio of 31.5% at 31 December 2017 (31.6% at 31 December 2016). Total equity, including the result for the year, was stable at € 1.1 billion at 31 December 2017. This is the net combined result of (i) the profitability of the company during 2017 and (ii) dividend payments of € 106 million in May and November 2017.

Our net cash position improved by € 108 million resulting in a net cash position of € 297 million at 31 December 2017.

On 13 December 2016, VolkerWessels entered into a € 600 million revolving credit facility (“RCF”) with a maturity of 5 years, provided by a syndicate of seven international banks. The RCF can be used by VolkerWessels for general corporate and working capital purposes including acquisitions, capital expenditures, dividend distributions and interest expenses. At 31 December 2017 € 0 million was drawn under the RCF.

Working Capital overview

(€ million)	**31/12/2017**	**31/12/2016***
Inventories (excl. Property development)	66	59
Balance of Construction contracts	-75	47
Trade and other receivables (excl. Receivables from associates and JVs)	832	778
Trade and other payables (excl. Amounts owed to associates and JVs)	-1,480	-1,487
Net taxes	-18	-6
Traditional Net Working Capital	**-675**	**-609**
Land	193	230
Property development	175	170
Property held for sale	69	112
Associates and JVs less provision	113	96
Non-current receivables from associates and JVs	51	46
Net receivables on participations	107	97
Strategic Net Working Capital	**708**	**751**
Net Working Capital	**33**	**142**

* as reported in the press release of the half year 2017 results, year end 2016 numbers are adjusted because of reclassification of the line items Construction Contracts to Inventories for € 55 million, relating to Kondor Wessels Holding, which was acquired in December 2016. The reclassification has no impact on Net Working Capital nor on our ambition to reduce our strategic working capital by € 100 million.

Traditional net working capital decreased by € 66 million compared with 31 December 2016 to € 675 million negative, mainly caused by a lower construction contracts position at 31 December 2017. Strategic net working capital improved by € 43 million compared with 31 December 2016 to € 708 million. This mainly relates to a lower land position and the sale of several properties in 2017. This is partly balanced by an increase in associates and joint ventures due to equity financing in DBFM projects. The land bank decreased by € 37 million compared with 31 December 2016 to € 193 million. € 47 million was sold (€ 35 million in the Netherlands and € 12 million in the US), € 41 million was acquired and € 40 million was transferred to construction contracts and other changes amounted to € 9 million.

Net working capital decreased by € 109 million to € 33 million at 31 December 2017. The financing of the loss of the OpenIJ project and the increase of turn-key projects in our Construction & Real Estate Development segment, may impact our cash conversion in 2018 and our year end net cash position. However, we continue to target a reduction of our strategic working capital in line with our Medium-Term Objectives and the development of our traditional net working capital in line with revenue.

Other

Medium-Term Objectives*

VolkerWessels is well on track to meet its Medium-Term Objectives which were published during its IPO process early 2017.

Medium-Term Objectives	2017
Revenue growth: growth in each of VolkerWessels' respective markets, CAGR of 3% to 4%**	**CAGR: 4.1%** **CAGR: 5.6%****
EBITDA and EBITDA margin: growth of EBITDA in absolute terms; EBITDA margin between 4.5 - 5.5%	**EBITDA margin: 4.6%** **Absolute growth: € 11 million**
Working capital: Traditional Working Capital in line with revenue development; reduction of Strategic Working Capital € 100 million	**SWC: € 43 million decrease**
Capital expenditure: approx. 1.3% of annual revenue	**Capex: 1.4%**
Tax: Utilise the € 40 million deferred tax asset	**€ 22 million utilised in 2017**
Capital allocation: ROCE > 18.0%	**ROCE: 21.8%**

*VolkerWessels has not defined, and does not intend to define, "medium-term", and these medium-term objectives should not be read as indicating that the Company represents or otherwise commits to achieve any of these metrics or objectives for any particular fiscal year or reporting period. These medium-term targets were defined at the time of the IPO, May 2017.

**Excluding a € 79 million increase in revenue from the Netherlands – Construction & Real Estate Development segment as a result of an increased participation interest in the North-South subway line project in Amsterdam due to the consolidation of VolkerWessels' previous partner's interest in the project in 2016.

Outlook

We expect that the economic conditions in the markets in which we operate to continue their positive trends in 2018.

We believe that these positive trends will also benefit our operations in 2018. In the Netherlands we see continued demand for new build homes, an improving market for local infrastructure projects and continued investment that supports our Energy & Telecoms Infrastructure businesses. In the UK, the National Infrastructure Plan supports our operations and we have witnessed strong growth in our UK order book. Brexit, however, remains an uncertain development and may negatively impact our operations in the UK.

In Germany we expect market conditions to remain favourable. Our operations remain focussed on residential product in Berlin, North Rhine-Westphalia, Frankfurt and the Munich region. We expect our North American operations to do well on the back of an improved economic outlook in Canada (based on improving oil prices) and the continued strong economy in the Seattle region.

The financing of the loss of the OpenIJ project and the increase of turn-key projects in our Construction & Real Estate Development segment, may impact our cash conversion in 2018 as well as our year end net cash position. However, we continue to target a reduction of our strategic net working capital in line with our medium-term objectives and the development of our traditional net working capital in line with revenue.

Nevertheless, at this moment we expect our 2018 results to increase versus 2017 and we reconfirm that we are on track to meet our medium-term objectives.

Dividend

VolkerWessels paid an interim dividend of € 22.4 million, or € 0.28 per share, in cash (subject to 15% withholding tax) in November 2017. The total interim dividend amount represents 60% of the semi-annual 2017 net income attributable to shareholders.

Subject to shareholders approval, VolkerWessels proposes to pay out a final dividend of € 61.6 million (€ 0.77 per share). If the proposed final dividend is approved, the total dividend (proposed final dividend plus interim dividend) for 2017 amounts € 84.0 million or € 1.05 per share, which is 60% of reported net income attributable to shareholders (excluding personnel expenses relating to the share incentive under IFRS). After approval, the final dividend will be paid on 16 May 2018.

Annual General Meeting of Shareholders

VolkerWessels will hold its Annual General Meeting of Shareholders on 3 May 2018. The notice, agenda, explanatory notes and other necessary documents will be published on the website of VolkerWessels on 19 March 2018.

Results per segment

Netherlands – Construction & Real Estate Development

(€ million, unless stated otherwise)	2017	2016
Revenue	2,043	1,946
EBITDA	93*	79
EBITDA margin *(%)*	4.6%	4.1%
Average number of employees (#)	3,716	3,627
Order book *(per end period)*	2,831	2,737

* EBITDA excluding € 13 million third party result

Revenue of our Netherlands – Construction & Real Estate Development segment (C&RED) increased by 5.0%, or € 97 million, to € 2,043 million in 2017, mainly as a result of improved market conditions especially in real estate development. Real estate development delivered a solid performance in 2017 despite the fact that the preparation costs of real estate development increased year on year by € 7 million compared to 2016. These initial costs are charged against EBITDA and are expected to be recouped during the delivery phase. In the south of the Netherlands C&RED incurred a restructuring charge of € 4 million in order to build a leaner and more efficient organisation. The number of new homes sold increased to 3,083 from 2,448 in the same period in 2016, an increase of 26%. EBITDA increased by € 14 million to € 93 million, up 18%, with the EBITDA margin improving by 50 basis points to 4.6%.

Market developments in 2017

The residential construction market is growing rapidly, driven by low interest rates and the economic upturn which is boosting consumer confidence. This market is growing in volume with prices increasing rapidly. Interest from private buyers and professional investors in properties is on the rise. Although the growth in the Randstad conurbation is still the strongest, we also see growth outside Randstad. The housing market is particularly strong in Amsterdam and Utrecht. The non-residential market (mainly offices) is especially concentrated on A locations near transportation hubs, with Amsterdam still the most popular city for office development.

2017 Highlights

Our focus on increasing efficiency and productivity is unabated. In May our second production line for MorgenWonen prefab single-family homes became operational, boosting output to 450 of this type of homes on an annual basis. At the same time, we expanded the range by adding a slightly smaller home catering social housing corporations and a model aimed at the elderly. At the end of 2017 we had produced a total of around 900 prefab houses. VolkerWessels was involved in many eye-catching projects in 2017. In Amsterdam VolkerWessels continued to work on the Amstelkwartier 4G apartment block, the VU Amsterdam university, the new ING headquarters building, the North-South metro line and the ongoing development of the NDSM wharf. In Eindhoven VolkerWessels started construction of the Brainport Industry Campus, a modern campus for high tech companies. VolkerWessels has also been intensively involved in development projects including urban redevelopment projects such as the Strijp-S cultural and creative centre in Eindhoven. Other important additions to our order book were the Valley residential building in Amsterdam, E-Shelter in Schiphol Rijk, the Wilhelminawerf in Utrecht, Belvedere in Den Bosch, Westfields in Oirschot and the NATO building complex in The Hague.

Netherlands – Infrastructure

(€ million, unless stated otherwise)	2017	2016
Revenue	1,474	1,371
EBITDA	52	73
EBITDA margin (%)	3.5%	5.3%
Average number of employees *(#)*	4,983	4,900
Order book *(per end of period)*	1,568	1,562

Revenue of our Netherlands – Infrastructure segment increased by 8% or € 103 million to € 1,474 million in 2017 mainly caused by an increased volume in the rail infrastructure business. EBITDA decreased by € 21 million to € 52 million, this includes the effect of non-recoverable costs relating to two unsuccessful tenders (Rijnland and Blankenburgtunnel) and the provision for the OpenIJ project in IJmuiden. Due to the approval of additional work and the completion of larger projects such as SAAone and the A9 Motorway at Badhoevedorp, resulting in additional result of € 35 million, the negative impact of the OpenIJ project was partly compensated in 2017.

Market developments in 2017

Market conditions improved slightly in the local and regional Infrastructure markets thanks to the economic recovery, increased investment in the public sector, railway capacity enhancements and investment in transport infrastructure. In addition to numerous small and medium-sized local and regional projects we continue to work on a number of high-profile Dutch projects. While international competition is increasing, especially on the larger projects, our market position for small and medium-sized-projects remains strong and unchanged. We continue to focus on margin over volume, constructive cooperation with our partners and clients and the quality of our order book.

2017 Highlights

In 2017 we successfully completed the SAAone project (widening of the Schiphol-Almere-Amsterdam motorway). The new motorway facilitates traffic flows and improved the access to the northern part of the Amsterdam metropolitan region. The project was awarded to the SAAone consortium, in which VolkerWessels was a partner, and comprised the design, construction, financing and 30-year maintenance of a 20-kilometer stretch of the A1 and A6 motorways between Diemen and Almere Havendreef. Another high-profile project that was completed in 2017 was the diversion of the A9 Motorway at Badhoevedorp.

We continue to focus on innovation and improving efficiency. BIM is becoming increasingly important in the projects that we undertake and we are running a pilot with Virtual Reality software incorporated in hard hats and/or glasses, enabling our staff to work more efficiently. Our plastic road concept is now fully developed and pilot projects are under discussion with a number of cities.

Important tenders won in 2017 include the renovation of the Waalbrug near the city of Nijmegen and the reconstruction of the Amstelveenlijn tram and light rail line. Other highlights in our order book are ‘Room for the River’ flood protection projects in the IJssel delta and the maintenance contracts of VolkerRail for four important railway hubs (Amsterdam, Rotterdam, Utrecht and Schiphol).

Netherlands – Energy & Telecoms Infrastructure*

(€ million, unless stated otherwise)	**2017**	**2016**
Revenue	674	649
EBITDA	32	31
EBITDA margin (%)	4.7%	4.8%
Average number of employees (#)	2,789	2,819
Order book *(per end of period)*	1,005	1,151

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

Mainly due to favourable market conditions in the onshore energy market, revenue of our Netherlands – Energy & Telecoms Infrastructure segment increased by 4%, or € 25 million, to € 674 million. EBITDA increased with € 1 million to € 32 million in 2017. As a result, EBITDA margin for the segment was 4.7% in 2017 compared to 4.8% in 2016. EBITDA margin decreased slightly due to a higher proportion of lower margin contracts. The order book decreased due to the 2017 production volume delivered on a long-term contract that was included in our order book in December 2015. Our Belgian operation contributed well to the EBITDA of this segment.

Market developments in 2017

Demand in the energy infrastructure market in the Netherlands was positively impacted by additional demand for infrastructure to support the transition to sustainable energy sources, such as wind and solar farms and the associated transport infrastructure. Demand in this sector also improved as a result of developments to limit hydrocarbon emissions and the use of gas (no more gas in homes by 2050). The ongoing digital transformation is an important trend in the telecoms market with concepts such as IoT, Smart City, Big data, Blockchain 5G and robotization.

Highlights of 2017

A number of high-profile horizontal directional drilling (HDD) projects were undertaken in 2017. These included the landfall for the pipeline to transport oil from a new field in the North Sea to the Statoil refinery in Mongstad, Norway as well as cabling work for East Anglia 1 (Scottish Power Renewables, part of Iberdrola) off the coast of the United Kingdom. VolkerWessels is working closely with VolkerWessels UK on this project, which involves undertaking around 160 HDD drillings to connect the offshore wind farm to the onshore network.

At the beginning of 2017 VolkerWessels Telecom entered into a strategic partnership with Joulz to build the new telecom network ‘STN2020’ for Stedin. It also started work on the construction of an optical fibre network for CIF in the Salland Noord area. Gasunie and MapXact, a subsidiary of VolkerWessels Telecom, formed a partnership to further develop ground radar technology to visualise the position of underground cables and pipelines in near real time.

VolkerWessels United Kingdom

(€ million, unless otherwise stated)	**2017**	**2016**
Revenue	995	1,071
Revenue in GBP m	*872*	*877*
EBITDA	33	34
EBITDA in GBP m	*29*	*27*
EBITDA margin *(%)*	3.3%	3.2%
Average number of employees *(#)*	2,713	2,590
Order book *(per end of period)*	1,213	1,176
Order book (per end of period) GBP m	*1,077*	*1,003*

In local currency, revenue in 2017 of £ 872 million is in line with 2016 (£ 877 million). EBITDA increased by £ 2 million to £ 29 million with the EBITDA margin improving by 10 basis points to 3.3%. However, taking into account the negative impact of the GBP:EUR exchange rate development revenue declined in euro terms by 7.1%, or € 76 million, to € 995 million in 2017 and EBITDA fell by 2.9%, or € 1 million, to € 33 million. In GBP terms, the UK order book increased by 7% to £ 1,077 million.

Market developments in 2017

The National Infrastructure and Construction Pipeline published by the British government in December 2017 sets out over £ 600 billion worth of projected public and private investment in the next 10 years, including over £ 240 billion by 2020/21. The British government sees infrastructure as the foundation on which the economy is built, and this updated pipeline will generate significant growth across the UK within the social infrastructure, energy, water, transport and civil infrastructure. This provides significant opportunities for VolkerWessels UK which is well positioned in these sectors. On average, in excess of 80% of the annual revenue of VolkerWessels UK comes from the infrastructure market.

Following the UK vote in 2016 to leave the European Union, VolkerWessels UK experienced a degree of market uncertainty. Nevertheless, despite the weaker pound sterling, the impact of Brexit on our companies in 2017 appears to have been limited.

2017 Highlights

VolkerWessels UK strengthened its market position in the period under review by securing, extending and renewing a number of long-term contracts. These contracts provide visibility and stability in the order book for our companies, and include the Chilterns Tunnels and Colne Valley Viaduct package C1 for High Speed 2 (as part of a joint venture), Oldbury Viaduct for Highways England and the East Anglia ONE wind farm infrastructure for Scottish Power Renewables (implemented together with VolkerWessels Dutch subsidiary Visser & Smit Hanab). VolkerFitzpatrick was appointed by Hutchison Ports to undertake the latest phase of expansion at the Port of Felixstowe, and has also secured the Luton Airport Mass Passenger Transit (MPT) project. The Felixstowe project involves the design and construction of approximately 13 hectares of paved container yard directly behind berth 9.

VolkerWessels North America

(€ million, unless otherwise stated)	**2017**	**2016**
Revenue	351	317
Revenue in CAD m	*515*	*465*
EBITDA	55	46
EBITDA in CAD m	*81*	*67*
EBITDA margin *(%)*	15.7%	14.5%
Average number of employees (#)	1,348	1,223
Order book *(per end of period)*	828	886
Order book (per end of period) CAD m	*1,249*	*1,253*

Revenue from our North America segment increased by 11%, or € 34 million, to € 351 million in 2017 as a result of favourable weather conditions in Alberta until mid-December which led to a higher activity level compared to last year. VolkerWessels managed to sustain strong margins in its North America segment, with an EBITDA margin of 15.7% in 2017 and 14.5% in 2016. The book profit on the disposals of our land positions in Seattle contributed to the EBITDA increase.

Market developments in 2017

Our business in Canada is based on the economy in Alberta and British Columbia. The economy is primarily resource-based and structured around the development of oil and gas reserves in Alberta and forestry and mining in British Columbia. The expectations for VolkerWessels in Canada remain strong for the coming years based on continued strong demand for work in infrastructure services for provincial, municipal and private developments.

In the Seattle area VolkerWessels is well-positioned to benefit from increased investment in infrastructure, particularly through its exposure to roadwork (including new construction, rehabilitation and intersections), civil work (bridges, retaining walls, etc.) as well as underground utilities and development construction. The recently passed tax reform bill will have a positive impact on the already flourishing economy in the Seattle area.

2017 Highlights

Construction activities continue to improve following the recent recession in the Canadian province of Alberta. We have added some larger projects to our order book, such as the Anderson Road widening and 162 Avenue extension for the City of Calgary, the Clairmont Trunk Sewer & Lift Station in Grande Prairie for Aquaterra Utilities, and the Saprae Creek Water, Sewer & Road Construction in Fort McMurray for the Regional Municipality of Wood Buffalo.

Our long-term road maintenance contracts in Alberta continue to provide a solid basis for our order book in North America. VolkerWessels started with the maintenance contract for the North-East stretch of the Anthony Henday ring road around the provincial capital of Edmonton on 1 October 2016 and successfully completed the first full-year of operations in 2017. In the US, where VolkerWessels operates MidMountain Contractors in the state of Washington, market conditions have improved as the US economy accelerates. In the Seattle region in particular, this is partly thanks to the presence of various multinationals, such as Boeing, Microsoft and Amazon, with a high level of economic activity.

VolkerWessels Germany

(€ million, unless otherwise stated)	**2017**	**2016**
Revenue	244	207
EBITDA	17	12
EBITDA margin (%)	7.0%	5.8%
Average number of employees (#)	335	334
Order book *(per period end)*	684	667

Revenue at our Germany segment increased by 18%, or € 37 million, to € 244 million and EBITDA increased by 42%, or € 5 million, to € 17 million in 2017, mainly as a result of higher volumes due to improved market conditions and the sale of several property development projects in 2017. The EBITDA margin for the segment was 7.0% in 2017 and 5.8% in 2016. The order book increased in 2017 slightly to € 684 million. In 2017 we constructed and delivered a total of 1,191 homes (2016: 683). The number of homes sold from VolkerWessels' own development in Germany in 2017 was 89 (2016: 120).

Market developments in 2017

VolkerWessels expects the market in Germany to remain favourable in the coming years. If interest rates remain at the current low levels, investor demand is expected to remain high. In addition to the booming economy and low interest rate environment in Germany it is expected that a number of companies will move from London to Frankfurt because of Brexit. This will also have a positive effect on the demand for offices and housing.

Construction capacity constraints are expected to be the biggest challenge for the overall German construction market. VolkerWessels Germany has significant in-house construction capacity which gives it an advantage over competitors and will enable margins to at least be kept stable. Another notable trend in Germany is that land available for construction is decreasing as making changes to zoning plans becomes increasingly difficult.

2017 Highlights

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

In 2017 VolkerWessels continued construction work on the Hallesches quarter in Berlin. This project involves the construction of a total of six residential and commercial buildings. During the year the housing projects "Yours" and "Metronome" were completed. At the end of 2018 the new quarter will be complemented with an administrative building comprising a day-care centre and around 70 offices.

In Berlin VolkerWessels is working on the following projects: VivaCity Adlershof (16,000 m^2 with apartments, a children's day-care center, supermarket, bakery, care facility), Tannhäuserstraße (10,300 m^2 with 143 apartments), Grandaire Voltairestraße (270 apartments), Lehrter straße (1,000 residential units), Schützenstraße (150 residential units), Fliegerhorst Staaken (500 residential units) and Fürstenwalder Allee (200 residential units).

\# # #

For more information:

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

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

Analyst meeting

VolkerWessels will comment on its annual results during an analyst meeting on 15 March 2018 at 10.30 CET. You can download the presentation for 2017 on: www.volkerwessels.com => Investor Relations => Financial Information. The meeting can be followed live via: https://hosting.dutchview.nl/volkerwessels/jaarcijfers2017/logon .

The financial summary in the appendix is drawn from the audited financial statements of Koninklijke VolkerWessels for 2017 (the 'financial statements'). An unqualified auditor's opinion was issued on these financial statements on 14 March 2018. The financial statements must be read in conjunction with the financial statements from which they are derived, and also in conjunction with the unqualified auditor's opinion. The financial statements will be available on the company's website (www.volkerwessels.com) in digital format by 19 March 2018.

Important information:

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

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

Financial calendar

Event	Date
Publish annual report 2017	19 March 2018
Annual General Meeting of shareholders	3 May 2018
Ex-dividend date (final dividend 2017)	7 May 2018
Record date (final dividend 2017)	8 May 2018
Payment date (final dividend 2017)	16 May 2018
Publish first quarter 2018 trading update (before trading)	17 May 2018
Publish semi-annual results 2018 (before trading)	30 August 2018
Publish nine months 2018 trading update and interim dividend 2018 announcement (before trading)	15 November 2018

VolkerWessels

APPENDIX (based on IFRS)

Consolidated income statement

(€ million)		2017		2016
Continuing operations				
Revenue		**5,714**		**5,490**
Costs of raw materials and consumables	-1,230		-1,266	
Costs of outsourced work and other external costs	-2,777		-2,576	
Personnel expenses	*-1,173		-1,118	
Depreciation and impairment of property, plant and equipment	-69		-73	
Amortisation and impairment of intangible assets	-13		-16	
Other operating costs	-301		-286	
Operating expenses		**-5,563**		**-5,335**
Share in results of associates and joint ventures (after income tax)		****40**		**10**
Operating result		**191**		**165**
Financial income	21		26	
Financial expenses	-17		-52	
Net financial result		**4**		**-26**
Result before tax		**195**		**139**
Income tax		-45		-36
Net result from continuing operations		**150**		**103**
Net result from discontinued operations (after income tax)		1		38
Net result for the financial year		**151**		**141**
Attributable to:				
Owners of the Company		135		139
Minority interests		16		2
Net result for the financial year		**151**		**141**

* Incl. share incentive charge of € 5 million
** Incl. third party result of € 13 million

Consolidated statement of financial position

(€ million)	31/12/2017		31/12/2016	
Land and buildings	237		253	
Machinery and equipment	198		184	
Other fixed operating assets	44		43	
Property, plant and equipment under construction	4		8	
Property, plant and equipment		**483**		**488**
Goodwill	407		406	
Other intangible assets	29		26	
Intangible assets		**436**		**432**
Investments in associates and joint ventures	126		133	
Non-current receivables	85		100	
Other non-current assets	29		5	
Deferred tax assets	52		54	
Other non-current assets		**292**		**292**
Total non-current assets		**1,211**		**1,212**
Land held for real estate development	193		230	
Property for sale	69		112	
Inventories	241		*229	
Construction contracts	410		*468	
Trade and other receivables	967		894	
Income tax receivable	8		7	
Assets held for sale	12		10	
Cash and cash equivalents	494		412	
Total current assets		**2,394**		**2,362**
Total assets		**3,605**		**3,574**

* Year end 2016 is adjusted because of reclassification of the line items Construction contracts to Inventories for € 55 million, relating to Kondor Wessels Holding, which was acquired in December 2016.

Consolidated statement of financial position

(€ million)	31/12/2017		31/12/2016	
Equity				
Equity attributable to owners of the company	1,124		1,116	
Minority interests	11		12	
Total group equity		**1,135**		**1,128**
Loans and other financing obligations	71		94	
Derivatives	-		-	
Employee benefits	44		59	
Provisions for associates and JVs	11		32	
Other provisions	89		101	
Deferred tax liabilities	41		24	
Total non-current liabilities		**256**		**310**
Loans and other financing obligations	126		124	
Derivatives	-		5	
Construction contracts	485		421	
Trade and other payables	1,508		1,506	
Employee benefits	19		11	
Provisions for associates and JVs	2		5	
Other provisions	40		43	
Income tax payable	26		13	
Liabilities held for sale	8		8	
Total current liabilities		**2,214**		**2,136**
Total equity and liabilities		**3,605**		**3,574**

Consolidated statement of cash flows

(€ million)	2017	2016
Cash and cash equivalents at beginning of the period	**386**	**357**
Net cash flow continuing operating activities	274	286
Net cash flow from discontinued operating activities	-7	4
Net cash flow from operating activities (total)	**267**	**290**
Net cash flow from continuing investment activities	-48	-212
Net cash flow from discontinued investment activities	-	133
Net cash flow from investing activities (total)	**-48**	**-79**
Net cash flow from continuing financing activities	-110	-152
Net cash flow from discontinued financing activities	-	-21
Net cash flow from financing activities (total)	**-110**	**-173**
Increase in net cash position	**109**	**38**
Effects of exchange rate differences on cash, cash equivalents and current account banks	-11	-9
Cash and cash equivalents at the end of the period	**484**	**386**

Consolidated statement of changes in equity

(€ million)	Total Equity	Minority interests	Total equity
Balance as at 1 January 2017	**1,116**	**12**	**1,128**
Result for the financial year	135	16	151
Other comprehensive income for the financial year	-25	-	-25
Total comprehensive income for the financial year	**110**	**16**	**126**
Dividend	-106	-14	-120
Share based payments by the majority shareholder	5	-	5
Acquisition of minority interests that do not lead to a change of control	-1	-1	-2
Other movements	-	-2	-2
Balance as at 31 December 2017	**1,124**	**11**	**1,135**

Accounting principles and scope of results

Unless otherwise indicated, financial information contained in this press release has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and related interpretations of the International Accounting Standards Board.

Certain figures in this press release, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

Definitions of non IFRS items:

EBITDA:	Earnings Before Interest Tax Depreciation and Amortisation
EBITDA margin:	EBITDA / Revenue
ROCE:	Return on Capital Employed (ROCE) as EBIT /Capital employed (Group equity - net cash)
Solvency:	Total group equity / total assets

VolkerWessels

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

About VolkerWessels

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

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

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