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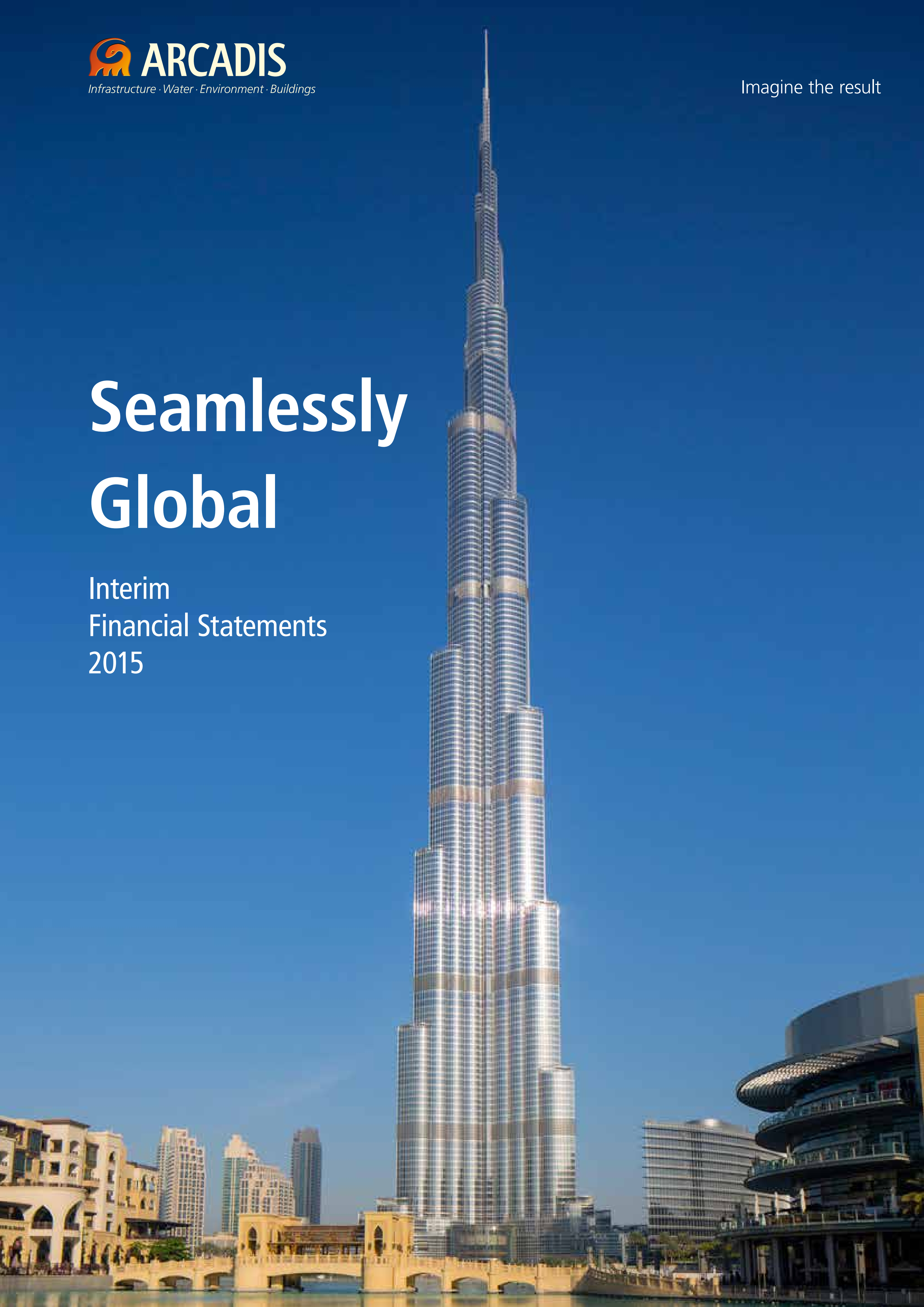
Interim Financial Statements 2015



ARCADIS NV

Consolidated interim financial statements First half year ended 30 June 2015

Introduction

This report contains the interim financial statements of ARCADIS NV ('the Company' or 'the Group'), and consists of the interim management report and consolidated interim financial statements, including risk assessment and the responsibility statement of the Executive Board. The interim financial statements have not been audited.

Contents overview

Startpage image: ***Burj Khalifa,*** a super-tall (828 meters) skyscraper located in the business district of Dubai that forms the centerpiece of the city's most prestigious urban development. It is the world's tallest man-made structure. Hyder Consulting, part of ARCADIS since 2014, performed the independent peer review of the structural system of the tower, and was its architect and engineer of record.

Interim management report

ARCADIS delivers strong growth in H1 2015, good progress on leadership priorities, profitability impacted by Brazil and one-off US project cost overruns

First half-year highlights

- Gross and net revenue growth +41%; organic net revenue growth +2%; organic backlog up +1%
- Operating EBITA up +22%, positively impacted by Performance Excellence program but negatively impacted by one-off -€13.9 million US environmental project cost overruns, and Brazil
- Operating EBITA margin of 8.6% (H1 2014: 10.0%), excluding one-off project cost overruns 9.5%
- Integration of Hyder on track with synergies captured faster than with previous acquisitions and operating EBITA margin improving to 8.1% in Q2 from 5.3% in Q1 2015
- Net income from operations up +3% to €57.3 million
- Working capital improving to 20.2% of gross revenues vs. 22.3% in Q1 2015
- Free cash flow improved by €38 million to -€30 million (Q1 2015: -€68 million; H1 2014: -€12 million)

Full year outlook: We expect to benefit from strong revenue growth from acquisitions for the full year and from positive currency effects. In the second half of the year, we expect operating EBITA margin to improve to 10.5 – 11% supported by increased contribution from Performance Excellence program and by our actions to expand margins from the acquired companies. As a consequence, ARCADIS expects 2015 revenues to grow by about 30% and anticipates net income from operations to increase by approximately 20%.

July 29, 2015 – ARCADIS (EURONEXT: ARCAD), the leading global natural and built asset design & consultancy firm, today announced that in the first half year of 2015 ended June 30, the Company grew net revenues by +41%, mainly driven by acquisitions and favorable currency effects. Organic net revenue growth was +2%, reflecting the combination of an 8% growth created in rest of the world and an organic decline in North America of -2.5%, and -16% in Brazil where tough market conditions persisted. Overall, the operating EBITA increased by +22%, helped by our Performance Excellence program, in spite of one-offs and Brazil. The operating EBITA margin was 8.6%. Net income from operations grew +3%.

ARCADIS CEO Neil McArthur commented:
"We made good progress on our leadership priorities for 2015. However, our Q2 results have been impacted by continuing poor market conditions in Brazil and cost overruns on four environmental remediation projects in North America.

Brazil: Due to the recession, lower spending by mining clients and the national slowdown in procurement processes triggered by the integrity issues in the oil & gas industry, led to an organic decline in revenues of -17% in the second quarter. We expect the tough market situation to continue also in the second half of this year and anticipate a decline of -25% to -30% in our revenue in the second half of 2015 compared to 2014. Maintaining our operating EBITA margin above 10% is a key priority consequently we are adjusting our capacity by -25%. In the longer run, as these integrity issues subside, we are well positioned to benefit from our long standing presence and reputation.

North America: During the second quarter we recognized a €9 million cost overrun on a ten-year old lump-sum environmental project. Based on a subsequent review of the US environmental lump-sum project portfolio, cost overruns estimated at €4.9 million across three other projects were recorded. Having completed the review, we are confident these adjustments are one-off in nature.

Working capital: We were successful in reducing working capital, now 20.2% of gross revenues versus 22.3% end of Q1 2015. We expect further improvements as ARCADIS processes are rolled out in the acquired entities.

Leadership priorities: We are making good progress on our three leadership priorities:

1. **Acquisition synergies:** with Hyder, our targeted £15 million operating EBITA run rate synergies by Q4 2016 will be achieved through cost out actions only. Revenue synergies through contract wins are tracking faster than for previous major acquisitions, partially driven by increased use of Global Design Excellence Centers. Hyder's operating EBITA margin in Q2 increased to 8.1% from 5.3% in Q1. Synergy initiatives with Callison are also on track with an operating EBITA margin of 13%, reflecting good revenue growth globally except in China.

2. **Performance Excellence:** the first results from the program are visible contributing +0.6% to ARCADIS' operating EBITA margin, ahead of plan.
3. **North America turnaround:** on track, organic revenue decline slowed to -2.5% and operating EBITA margin improved to 11.5%, excluding environmental project cost overruns.

Looking forward: Growth will be strong this year driven by acquisitions and aided by currency effects. Organically, net revenue growth is expected to fall short of our strategic goal of 5% as increases in UK, Continental Europe, Asia and the Middle East are offset by declines in Brazil and North America. I am confident that our profitability will increase in the second half of this year as we see increasing benefits from our Performance Excellence program and the impact of actions taken to further enhance the margin contribution from acquired companies."

Key figures first half year

Amounts in € millions unless otherwise stated	First half year		
	2015	2014	Change
Gross revenues	1,691	1,198	+41%
Organic gross revenue growth	**+3%**		
Net revenues	1,316	932	+41%
Organic net revenue growth	**+2%**		
EBITA	89.0	83.3	+7%
Operating EBITA[1]	**113.3**	**92.7**	**+22%**
Operating EBITA margin	**8.6%**	**10.0%**	
Net income	38.3	45.6	-16%
Net income per share (in €)	0.47	0.63	-26%
Net income from operations[2]	**57.3**	**55.8**	**+3%**
Net income from operations per share (in €)[2]	**0.70**	**0.77**	**-9%**
Average number of outstanding shares (million)	82.0	72.7	+13%
Free Cash Flow[3]	**(29.8)**	**(11.9)**	

[1] Excluding acquisition, restructuring and integration-related costs
[2] Before amortization and non-operational items (net of income taxes)
[3] Cash flow from operating activities minus investments in (in)tangible assets

Reconciliation of operating EBITA margin from H1 2014 to H1 2015

	Effect	H2 2015 Outlook
Operating EBITA margin H1 2014	**10.0%**	
US project cost overruns	**-0.9%**	One-offs, no impact in H2
Brazil	**-0.4%**	Stabilized at >10%
Hyder/Callison	**-0.5%**	Synergies will improve margins
Performance Excellence	**+0.6%**	Impact increases, full year +0.8%
Other	**-0.2%**	
Operating EBITA margin H1 2015	**8.6%**	10.5% – 11%

Review of performance for the first half year

Of the +41% growth in the first half year of 2015, net revenue was positively impacted by +28% growth from acquisitions (Callison, Hyder, Franz), +13% from currency effects and +2% from organic growth. Organic growth was driven by increases in Continental Europe, UK, Middle East, Asia, offset by the decline in North America and a negative impact from Brazil, where revenues dropped by -16%.

The one-off US project cost overruns of €13.9 million also affected reported and operating EBITA and net income in the first half year. Reported EBITA increased +7% and included acquisition-related costs of €1.0 million and €23.3 million in restructuring and integration charges. Operating EBITA rose +22% to €113.3 million (H1 2014: €92.7 million). The operating EBITA margin was 8.6% (H1 2014: 10.0%), as project cost overruns, lower contribution from the Americas, and dilution from acquisitions offset the contribution from the Performance Excellence program. Operating EBITA margin excluding one-offs and Hyder/Callison was 10.0%, in line with H1 2014. Excluding one-offs only, it was 9.5%.

At 25.0% (H1 2014: 29.6%), the decline in the effective tax rate is due to the change in geographic profit mix. Financing charges were above last year at €10.3 million (H1 2014: €7.8 million) as debt was higher due to the debt incurred to finance last year's acquisitions. Income from associated companies was a loss of -€1.8 million (H1 2014: -€1.0 million) due to the underperformance of energy assets in Brazil.

Net income declined -16% to €38.3 million or €0.47 per share compared to €45.6 million or €0.63 per share in the first half of 2014. Net income from operations increased +3% to €57.3 million (H1 2014: €55.8 million) or €0.70 per share (H1 2014: €0.77).

Cash flow and balance sheet

During the second quarter, good progress was made in addressing the level of working capital, bringing it down to 20.2% of gross revenues (Q1 2015: 22.3%). This resulted in a positive free cash flow generation of €38 million in the quarter, bringing the year-to-date free cash flow to a level of -€30 million, compared to -€12 million in the year-ago period. Net debt was €623 million (H1 2014: €284 million), primarily due to the financing of last year's major acquisitions and currency impacts. The issuance of a €170 million bond *(Schuldschein)* in May helped extend the maturity profile of our debt at attractive rates.

Based on average net debt for December 2014 and June 2015, our leverage ratio was 2.4 (H1 2014: 1.1).

Developments by business line

Figures below are for the first half year of 2015 compared to the same period last year, unless otherwise mentioned.

	Infrastructure	Water	Environment	Buildings
Gross revenue growth[1]	46%	33%	9%	73%
Of which:				
- Organic	-5%	2%	-8%	21%
- Acquisitions	47%	15%	6%	34%
- Currency impact	5%	16%	16%	18%
- Project cost overruns	-	-	-5%	-
Net revenue growth[1]	45%	37%	7%	67%
Of which:				
- Organic	-5%	5%	-7%	13%
Backlog development[2]	4%	-1%	3%	0%

[1] Rounding and reclassifications may impact totals
[2] Organic development compared to year-end 2014

Infrastructure *(25% of gross revenues)*
Several large synergy wins including a new transport system for the city of Jeddah, a metro system for the city of Doha and Crossrail in London confirm the strengthened market position in the Middle East and the UK through the combination with Hyder. In North America growth remained steady at good levels, while Continental Europe further improved. In Latin America, market conditions worsened with reduced spending in public and private sectors.

Water *(14% of gross revenues)*
While overall growth is fueled by the addition of Hyder, organic growth was driven by North America, where municipal clients are responding well to our renewed client focused approach. The UK and Middle East also performed well. In Brazil, municipal water supply companies are suffering from budget constraints.

Environment *(24% of gross revenues)*
The decline in environmental activities in North America continued as competition from smaller market participants at lower prices is increasing, underlining the relevance of our newly launched FieldTech Solutions which allow us to address both the complex and simple remediation needs of our clients. The UK and Continental Europe remained essentially flat, economic conditions in Brazil caused a decline.

Buildings *(37% of gross revenues)*
In Buildings overall growth is driven by the addition of both Callison and Hyder. Good organic growth was achieved across all regions. North America and the Middle East are also doing well in architecture. Good growth was achieved in Asia despite the slowdown in China.

Developments by region

Figures below are for the first half year of 2015 compared to the same period last year, unless otherwise mentioned.

	North America	Emerging Markets	Continental Europe	United Kingdom
Gross revenue growth	31%	70%	12%	73%
Of which:				
- Organic	1%	-2%	8%	8%
Net revenue growth	26%	74%	10%	75%
Of which:				
- Organic	-2%	1%	6%	8%

Synergy effects from acquisitions

For our combined architectural business, Callison (acquired in October 2014) and RTKL, the cost and revenue synergies are in line with our expectations. Although the slowdown in China weighed on revenues, the operating EBITA margin of the combined business is 12%.

For Hyder (acquired in October 2014) the target £15 million EBITA synergy run rate by Q4 2016 will be achieved solely through cost out initiatives. Hyder grew net revenues by 18% in the first half of 2015 supported by synergy wins and growth in infrastructure and buildings. On revenue synergies a total of €53 million in revenue bookings has been realized. As a percentage of revenues, this exceeds the level that was achieved by EC Harris and Langdon & Seah in the same timeframe. The operating EBITA margin of Hyder improved to 8.1% in the second quarter, up from 5.3% in the first quarter of 2015.

Progress in Performance Excellence

In the US, UK and Continental Europe we are beginning to reap the benefits of our Performance Excellence program, contributing +0.6% to ARCADIS operating EBITA margin, ahead of plan. In the second quarter, we realized billability gains in these three regions of ~1% over Q2-2014 through our resource optimization efforts. In Australia Pacific we completed a review which should lead to further margin improvements in the second half of 2015. In each of the three targeted regions procurement capabilities were established. In workplace and collaboration global standards have been defined for our offices and we have initiated a global portfolio prioritization for office improvements. In North America, a program to reduce our footprint by 25-30 offices by the end of 2016 is now underway. In bids that are brought to market in Continental Europe, Middle East, UK and US as well as for Architecture, we are now using our Global Design Excellence Centers to create competitive advantage. We are investing in these centers and headcount increased by +9% in the first half year. For full year 2015 the contribution to margin improvement from Performance Excellence is expected to accelerate to +0.8%.

Backlog

Backlog versus the end of 2014 was up +6% due to favorable currency effects. Organic backlog development was up +1%. Net revenue backlog was at a level of €2.5 billion at the end of the second quarter representing 11 months of revenue in line with previous quarters. We saw limited growth in backlog in infrastructure and environment being offset by slight declines in water.

Outlook

ARCADIS expects 2015 revenues to grow by about 30% and net income from operations by approximately 20%, barring unforeseen circumstances.

Risk Assessment

In our Annual Report 2014, we have extensively described risk categories and risk factors that could adversely affect our business and financial performance. These risk factors are deemed to be included by reference in this report.

For the remainder of 2015, we have not assessed any additional risks and uncertainties, which might result in pressure on revenues and income.

Additional risks not known to us, or currently believed not to be material, may occur and could later turn out to have material impact on our business, financial objectives or capital resources.

Responsibility Statement

This interim financial report contains the figures of ARCADIS NV for the first half year of 2015, and consists of the first half year management report, segment reporting, consolidated interim financial statements, notes to the consolidated interim financial statements, and the responsibility statement of the Executive Board. The financial information in this report is unaudited.

The Executive Board of ARCADIS NV hereby declares that at the best of their knowledge, the interim financial statements, which have been prepared in accordance with IAS 34, 'Interim Financial Reporting' and additional Dutch disclosure requirements for interim financial reports, give a true and fair view of the assets, liabilities, financial position and profit of ARCADIS NV and its consolidated companies, and the first half year management report gives a fair view of the information pursuant to section 5:25d subsection 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, the Netherlands, 28 July 2015

Neil C. McArthur, Chairman of the Executive Board
Renier Vree, Chief Financial Officer
Stephanie Hottenhuis, Member of the Executive Board
Stephan Ritter, Member of the Executive Board
Zack Smith, Member of the Executive Board

Consolidated statement of comprehensive income
for the first half year ended 30 June

Amounts in EUR 1,000

	Note	First half year 2015	First half year 2014
Gross revenues		**1,690,813**	1,197,679
Materials, services of third parties and subcontractors		**(374,969)**	(266,037)
Net revenues		**1,315,844**	931,642
Personnel costs		**(1,005,193)**	(698,520)
Other operational costs		**(200,235)**	(135,895)
Depreciation and amortization		**(22,145)**	(14,545)
Amortization other intangible assets		**(23,538)**	(7,630)
Other income		**771**	651
Total operational costs		**(1,250,340)**	(855,939)
Operating income		**65,504**	75,703
Finance income		**3,758**	2,837
Finance expenses		**(15,474)**	(10,721)
Fair value change of derivatives		**1,434**	123
Net finance expense	12	**(10,282)**	(7,761)
Result from investments accounted for using the equity method	13	**(1,766)**	(1,008)
Profit before income tax		**53,456**	66,934
Income taxes		**(13,807)**	(20,111)
Profit for the period		**39,649**	46,823
Other comprehensive income, net of income taxes			
Items that may be subsequently reclassified to profit and loss:			
Exchange rate differences for foreign operations		**76,489**	13,110
Effective portion of changes in fair value of cash flow hedges		**708**	(84)
Items that will not be reclassified to profit and loss:			
Changes related to post-employment benefit obligations		**-**	-
Other comprehensive income, net of income taxes		**77,197**	13,026
Total comprehensive income for the period		**116,846**	59,849
Net income from operations[1)]			
Profit for the period attributable to equity holders of the Company (net income)		**38,323**	45,615
Amortization other intangible assets (net of income taxes)		**17,679**	6,075
Non-recurring[2)]		**699**	3,760
Lovinklaan employee share purchase plan[3)]		**555**	373
Net income from operations		**57,256**	55,823
Profit attributable to:			
Equity holders of the Company (net income)		**38,323**	45,615
Non-controlling interests		**1,326**	1,208
Profit for the period		**39,649**	46,823
Total comprehensive income attributable to:			
Equity holders of the Company		**115,594**	58,690
Non-controlling interests		**1,252**	1,159
Total comprehensive income for the period		**116,846**	59,849
Net income from operations per share (in euros)			
Basic earnings per share	8	**0.70**	0.77
Diluted earnings per share	8	**0.67**	0.73
Earnings per share (in euros)			
Basic earnings per share	8	**0.47**	0.63
Diluted earnings per share	8	**0.45**	0.60

1) Unaudited non-GAAP performance measure, to provide transparency on the underlying performance of our business
2) Non-recurring items relate to acquisition-related costs
3) The Lovinklaan employee share plan is controlled by the Lovinklaan Foundation and the Company has no influence on this scheme. Accordingly, the Company considers the related share-based expenses as non-recurring expenses

Consolidated balance sheet
before allocation of profit

Amounts in EUR 1,000

Assets	Note	30 June 2015	31 December 2014
Non-current assets			
Intangible assets and goodwill		1,175,099	1,113,722
Property, plant & equipment		89,500	84,114
Investments accounted for using the equity method		32,657	32,679
Other investments		1,425	1,377
Deferred tax assets		46,308	50,375
Other non-current assets		38,405	29,199
Total non-current assets		1,383,394	1,311,466
Current assets			
Inventories		324	292
Derivatives		4,134	5,583
(Un)billed receivables		1,156,354	1,025,759
Corporate income tax receivable		22,913	26,231
Other current assets		93,552	60,391
Cash and cash equivalents		226,825	178,311
Total current assets		1,504,102	1,296,567
Total assets		2,887,496	2,608,033

Equity and liabilities			
Shareholders' equity			
Share capital		1,678	1,662
Share premium		372,603	372,619
Hedging reserve		(1,594)	(2,302)
Translation reserve		75,079	(1,484)
Retained earnings		482,208	429,957
Net income		38,323	91,583
Total equity attributable to equity holders of the Company		968,297	892,035
Non-controlling interests		4,214	3,812
Total equity	6,7	972,511	895,847
Non-current liabilities			
Provisions for employee benefits		78,849	75,068
Provisions for other liabilities and charges		22,071	22,439
Deferred tax liabilities		102,438	97,335
Loans and borrowings	9	567,317	500,383
Derivatives		-	129
Total non-current liabilities		770,675	695,354
Current liabilities			
Billing in excess of cost		260,305	237,458
Corporate tax liabilities		23,820	24,729
Current portion of loans and borrowings	9	139,894	1,544
Current portion of provisions		17,281	11,205
Derivatives		1,790	6,005
Accounts payable		192,432	173,731
Accrued expenses		45,086	44,154
Bank overdrafts		1,374	16,301
Short-term borrowings		149,917	193,962
Other current liabilities		312,411	307,743
Total current liabilities		1,144,310	1,016,832
Total liabilities		1,914,985	1,712,186
Total equity and liabilities		2,887,496	2,608,033

Consolidated cash flow statement
for the first half year ended 30 June

Amounts in EUR 1,000

	First half year	
Cash flows from operating activities	**2015**	2014
Profit for the period	**39,649**	46,823
Adjustments for:		
Depreciation and amortization	**45,683**	22,175
Income taxes	**13,807**	20,111
Net finance expense	**10,282**	7,761
Result from investments accounted for using the equity method	**1,766**	1,008
Adjusted profit for the period	**111,187**	97,878
Share-based compensation	**4,030**	2,594
Change in operational derivatives	**70**	(10)
Settlement of operational derivatives	**(251)**	55
Change in Inventories	**(17)**	38
Change in Receivables	**(106,808)**	(45,165)
Change in Provisions	**2,705**	(2,803)
Change in Billing in excess of cost	**10,697**	(12,282)
Change in Current liabilities	**(9,592)**	(21,954)
Dividend received	**1,320**	267
Interest received	**3,761**	2,881
Interest paid	**(14,923)**	(10,413)
Corporate tax paid	**(9,571)**	(10,885)
Net cash from operating activities	**(7,392)**	201
Cash flow from investing activities		
Investments in (in)tangible assets	**(23,608)**	(12,350)
Proceeds from sale of (in)tangible assets	**1,172**	235
Investments in consolidated companies	**(4,669)**	(7,967)
Proceeds from sale of consolidated companies	**-**	(87)
Investments in associates and other investments	**(2,667)**	(182)
Proceeds from sale of associates and other investments	**(216)**	1,486
Investments in other non-current assets	**(3,126)**	(2,640)
Proceeds from (sale of) other non-current assets	**1,118**	1,773
Net cash (used in)/ from investing activities	**(31,996)**	(19,732)
Cash flow from financing activities		
Proceeds from exercise of options	**26,413**	9,140
Proceeds from issuance of shares	**-**	-
Purchase of own shares	**(41,650)**	(41,801)
Settlement of financing derivatives	**7,327**	(7)
New long-term loans and borrowings	**169,853**	29,366
Repayment of long-term loans and borrowings	**(824)**	(29,516)
New short-term borrowings	**235,116**	100,139
Repayment of short-term borrowings	**(279,503)**	(301)
Dividends paid	**(24,531)**	(19,828)
Net cash (used in)/ from financing activities	**92,201**	47,192
Net change in Cash and cash equivalents less Bank overdrafts	**52,813**	27,661
Exchange rate differences	**10,628**	2,471
Cash and cash equivalents less Bank overdrafts at 1 January	**162,010**	150,600
Cash and cash equivalents less Bank overdrafts at 30 June	**225,451**	180,732

Consolidated statement of changes in equity

Amounts in EUR 1,000

	Attributable to equity holders of the Company							
	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2014	1,496	201,530	(3,735)	(58,446)	453,835	594,680	2,914	597,594
Profit for the period (net income)	-	-	-	-	45,615	45,615	1,208	46,823
Other comprehensive income, net of income taxes:								
Exchange rate differences	-	-	-	13,159	-	13,159	(49)	13,110
Effective portion of changes in fair value of cash flow hedges	-	-	(84)	-	-	(84)	-	(84)
Taxes related to post-employment benefit obligations	-	-	-	-	-	-	-	-
Re-measurement on post-employment benefit obligations	-	-	-	-	-	-	-	-
Other comprehensive income, net of income taxes	-	-	(84)	13,159	-	13,075	(49)	13,026
Total comprehensive income for the period	-	-	(84)	13,159	45,615	58,690	1,159	59,849
Transactions with owners of the Company:								
Dividends to shareholders	-	(19,216)	-	-	(19,090)	(38,306)	(737)	(39,043)
Issuance of shares	15	19,200	-	-	-	19,215	-	19,215
Share-based compensation	-	-	-	-	2,594	2,594	-	2,594
Taxes related to share-based compensation	-	-	-	-	(309)	(309)	-	(309)
Purchase of own shares	-	-	-	-	(41,801)	(41,801)	-	(41,801)
Share options exercised	-	-	-	-	9,140	9,140	-	9,140
Taxes on transactions with owners of the Company	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	15	(16)	-	-	(49,466)	(49,467)	(737)	(50,204)
Balance at 30 June 2014	**1,511**	**201,514**	**(3,819)**	**(45,287)**	**449,984**	**603,903**	**3,336**	**607,239**
Balance at 1 January 2015	**1,662**	**372,619**	**(2,302)**	**(1,484)**	**521,540**	**892,035**	**3,812**	**895,847**
Profit for the period (net income)	**-**	**-**	**-**	**-**	**38,323**	**38,323**	**1,326**	**39,649**
Other comprehensive income, net of income taxes:								
Exchange rate differences	**-**	**-**	**-**	**76,563**	**-**	**76,563**	**(74)**	**76,489**
Effective portion of changes in fair value of cash flow hedges	**-**	**-**	**708**	**-**	**-**	**708**	**-**	**708**
Taxes related to post-employment benefit obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Re-measurement on post-employment benefit obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income, net of income taxes	**-**	**-**	**708**	**76,563**	**-**	**77,271**	**(74)**	**77,197**
Total comprehensive income for the period	**-**	**-**	**708**	**76,563**	**38,323**	**115,594**	**1,252**	**116,846**
Transactions with owners of the Company:								
Dividends to shareholders	**-**	**(21,058)**	**-**	**-**	**(28,182)**	**(49,240)**	**(850)**	**(50,090)**
Issuance of shares	**16**	**21,042**	**-**	**-**	**-**	**21,058**	**-**	**21,058**
Share-based compensation	**-**	**-**	**-**	**-**	**4,030**	**4,030**	**-**	**4,030**
Taxes related to share-based compensation	**-**	**-**	**-**	**-**	**57**	**57**	**-**	**57**
Purchase of own shares	**-**	**-**	**-**	**-**	**(41,650)**	**(41,650)**	**-**	**(41,650)**
Share options exercised	**-**	**-**	**-**	**-**	**26,413**	**26,413**	**-**	**26,413**
Taxes on transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners of the Company	**16**	**(16)**	**-**	**-**	**(39,332)**	**(39,332)**	**(850)**	**(40,182)**
Balance at 30 June 2015	**1,678**	**372,603**	**(1,594)**	**75,079**	**520,531**	**968,297**	**4,214**	**972,511**

Segment information

The Company has four reportable segments, based on the Company's internal reporting structure to the Executive Board. The Company's internal reporting to the Executive Board is at Operating Company level (OpCo), which is subsequently aggregated into the reportable segments based on qualitative and quantitative measures.

In assessing the performance of the operating segments, management uses EBITA.

Amounts in millions of euro's

Segment	Gross revenues external First half year		Total Gross revenues First half year	
	2015	2014	2015	2014
North America	**699.1**	515.1	**702.7**	518.3
Emerging markets	**199.1**	197.8	**200.4**	198.7
Continental Europe	**294.6**	271.5	**295.5**	273.2
United Kingdom	**498.0**	213.3	**500.4**	214.3
Total segments	**1,690.8**	1,197.7	**1,699.0**	1,204.5
Eliminations			**(8.2)**	(6.8)
Total consolidated	**1,690.8**	1,197.7	**1,690.8**	1,197.7

Segment	EBITA First half year	
	2015	2014
North America	**38.9**	37.9
Emerging markets	**14.6**	19.8
Continental Europe	**15.1**	15.0
United Kingdom	**20.7**	16.5
Total segments	**89.3**	89.2
Corporate and unallocated amounts	**(0.3)**	(5.9)
Total consolidated	**89.0**	83.3

Segment	Total Assets		Total Liabilities	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
North America	**1,217.4**	1,111.5	**861.7**	826.5
Emerging markets	**319.7**	274.0	**133.9**	110.6
Continental Europe	**425.9**	402.7	**218.1**	211.2
United Kingdom	**779.3**	680.8	**366.2**	307.2
Total segments	**2,742.3**	2,469.0	**1,579.9**	1,455.5
Corporate and unallocated amounts	**145.2**	139.0	**335.1**	256.7
Total consolidated	**2,887.5**	2,608.0	**1,915.0**	1,712.2

The reconciliation of EBITA to total profit before income tax is as follows:

	First half year	
	2015	2014
EBITA for reportable segments	**89.3**	89.2
Corporate and unallocated amounts	**(0.3)**	(5.9)
Amortization other intangible assets	**(23.5)**	(7.6)
Operating income	**65.5**	75.7
Net finance expense	**(10.3)**	(7.8)
Results from investments accounted for using the equity method	**(1.8)**	(1.0)
Profit before income tax	**53.4**	66.9

Geographical information differs from segment information above due to the activities of Callison/RTKL, which geographically are also represented in Emerging Markets and United Kingdom.

The geographical information is as follows:

Geographical classification	Gross revenues by origin First half year	
	2015	2014
North America	**639.5**	489.7
Emerging markets	**478.9**	281.8
Continental Europe	**304.5**	271.5
United Kingdom	**267.9**	154.7
Total	**1,690.8**	1,197.7

Notes to the consolidated interim financial statements

1. Reporting entity

ARCADIS NV ('the Company' or 'Group') is a public company organized under Dutch law. Its statutory seat and its principal office is located in Amsterdam, the Netherlands. The consolidated interim financial statements as at and for the six month-period ended 30 June 2015 include the financial statements of ARCADIS NV, its subsidiaries, and the interests in associates and jointly controlled entities.

2. General information

These consolidated interim financial statements are unaudited.

3. Basis of preparation

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2014, which have been prepared in accordance with IFRS as adopted by the European Union. These consolidated financial statements are available upon request from the Company's registered office at Gustav Mahlerplein 97-103, 1082 MS Amsterdam, The Netherlands, or at www.arcadis.com.

All amounts in this report are in thousands of euros, unless otherwise stated.

These consolidated interim financial statements were approved and authorized for issuance by the Executive Board and Supervisory Board on 28 July 2015.

Estimates and management judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses during the period as well as the information disclosed. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, management used judgements, estimates and assumptions in the application of the accounting policies and valuation principles in the same areas as those applied for the preparation of the 2014 consolidated financial statements.

Seasonality

There is no significant seasonal pattern included in the year-to-date figures, since the Company's activities are hardly subject to seasonality.

4. Significant accounting policies

The accounting policies applied and methods of computation used in preparing these consolidated interim financial statements are the same as those applied in the Company's 2014 consolidated financial statements. Amendments in current accounting standards that became effective for the reporting period did not have a material impact on the ARCADIS accounting policies.

Following IAS 34, taxes on income in the consolidated interim financial statements are accrued using the effective tax rate that would be applicable to the expected total annual earnings.

5. Changes in consolidated interests

There are no material changes in consolidated interests in the first half year of 2015. The window period for remeasurement of goodwill following the provisional purchase price allocation for Hyder and Callison will expire in the fourth quarter of 2015. We are currently in the process of assessing the underlying details for the determination of the factual fair value of assets and liabilities at acquisition date.

6. Shareholders' equity

In accordance with Article 7 paragraph 1 of the Articles of Association, the Company is authorized to purchase own shares to cover the liabilities in line with share and option plans for employees.

In the first half of 2015, the Company purchased 1,500,000 shares from the market. Through the exercise of options 1,781,472 shares were reissued. The options were exercised at a weighted average price of €28.11 per share.

At 30 June 2015, the number of outstanding ordinary shares was 83,135,012 (31 December 2014: 82,039,594).

7. Dividend

Dividend for the year ended 31 December 2014 was paid in June 2015. Based on the number of shares outstanding and a declared dividend of €0.60 per share, the total dividend amounted to €49.2 million, of which €28.2 million was paid in cash and €21.0 million in stocks. Relating to the stock dividend, 813,946 new shares were issued and paid from the share premium reserve.

8. Earnings per share

For calculating the earnings per share, the following numbers of weighted average shares were used:

	First half year	
	2015	2014
Average number of issued shares	**83,231,082**	74,947,902
Average number of shares in stock	**(1,211,515)**	(2,234,877)
Average number of outstanding shares*	**82,019,567**	72,713,025
Average number of diluting shares	**2,957,098**	3,550,778
Average number of diluted shares	**84,976,665**	76,263,803

***Of which:**		
Priority shares	**600**	600
Ordinary shares	**82,018,967**	72,712,425

The diluted number of shares is calculated by using the weighted average number of options outstanding and the average stock price on Euronext Amsterdam. Only options with exercise prices below the average stock price are taken into account. In assessing the "per share" performance, one of the key-indicators is net income from operations.

For the calculation of earnings per share, no distinction is made between the different classes of shares.

Earnings per share (in euros)	First half year	
	2015	2014
- Basic	**0.47**	0.63
- Diluted	**0.45**	0.60
Net income from operations per share (in euros)		
- Basic	**0.70**	0.77
- Diluted	**0.67**	0.73

9. Loans and borrowings

In May 2015, the Company raised €170 million through an inaugural transaction in the Schuldschein market. €70 million of these loan notes mature in 2020 while the remaining €100 million of notes mature in 2022. The Group has primarily used this instrument to repay the remainder of the bridge financing that was in place for the acquisition of Hyder concluded at the end of 2014.

The split on Loans and borrowings can be shown as follows:

	30 June 2015	31 December 2014
Bank loans	**351,224**	323,323
(interest rates between 0.8% and 6.5%)		
Loan notes issued to Financial Institutions	**346,897**	165,288
(interest rates between 1.7% and 5.1%)		
Financial lease contracts	**232**	593
(interest rates between 3.4% and 5,0%)		
Other long-term debt	**8,858**	12,723
(interest rates between 0% and 6.9%)		
Total	**707,211**	501,927
Current portion[1]	**139,894**	1,544
Balance at end of period (non-current)	**567,317**	500,383

[1] Excluding afterpayments for acquisitions

The aggregate maturities of long-term debt are as follows:

	30 June 2015	31 December 2014
2016	**-**	138,754
2017	**8,654**	4,534
2018	**182,289**	171,146
2019	**102,297**	95,041
2020	**69,475**	-
After 2020	**204,602**	90,908
Balance at the end of the period	**567,317**	500,383

10. Financial instruments

The carrying amount of financial assets and financial liabilities is a reasonable approximation of fair value. There are only non-material differences between the carrying amount and fair value for both the non-current and current part of the loans and borrowings. These differences are comparable to the differences as disclosed in the last annual financial statements.

All financial instruments carried at fair value within the Company are categorized in 'level 2', which is equal to last year. The valuation techniques and the inputs used in the fair value measurement did not change in the first half of 2015 compared to last year. The fair value of the company's loans and borrowings has been estimated on quoted market prices for the same or similar loans or on the current rates offered to the company for debt with similar maturities.

11. Share-based payments

In the first half of the year, 549,670 performance shares were granted under the Company's 2014 Long-term Incentive Plan. Additionally, ARCADIS granted 90,000 of ordinary shares to Hyder employees on 1 January 2015.

	January grant 2015		May grant 2015	
	Management	Employee	Management	Employee
Expected vesting	73.6%	72.0%	72.9%	71.6%
Share price (date of grant)	€24.93	€24.93	€27.15	€27.15

The performance shares are granted conditionally and depend on achieving certain performance measures after three years. The costs of the incentive shares are spread over the three-year vesting period.

12. Net finance expense

Net finance expense for the period amounted to €10.3 million (2014: €7.8 million). The increased net finance expense is mainly due to the Callison and Hyder acquisition financing.

13. Result from investments accounted for using the equity method

Result from investments accounted for using the equity method amounted to €1.8 million negative (2014: €1.0 million negative), due to operational losses of the energy assets in Brazil.

14. Income taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average effective tax rate applied for the first half year of 2015 is 25.0% (2014: 29.6%).

15. Related party transactions

From time to time ARCADIS enters into related party transactions with associates and jointly controlled entities. These transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation.

There were no significant related party transactions in the first six month-period ended 30 June 2015, and the nature of the related party transactions conducted do in substance not deviate from the transactions as reflected in the consolidated financial statements as at and for the year ended 31 December 2014.

ARCADIS was no party to any material transactions or loans with parties who hold at least 10% of the shares in ARCADIS.

16. Exchange rates applied

	30 June 2015		31 December 2014		30 June 2014	
EUR per unit	Average	Ultimo	Average	Ultimo	Average	Ultimo
US Dollar (USD)	**0.90**	**0.89**	0.75	0.83	0.73	0.73
Pound Sterling (GBP)	**1.36**	**1.40**	1.24	1.29	1.22	1.25
Brazilian Real (BRL)	**0.30**	**0.29**	0.32	0.31	0.32	0.33

17. Subsequent events

There were no material events after 30 June 2015, that would have changed the judgement and analysis by management of the financial condition of the Company at 30 June 2015, or the profit for the period of the first half of 2015.

Amsterdam, the Netherlands, 28 July 2015
The Executive Board

About ARCADIS:

ARCADIS is the leading ***global natural and built asset design & consultancy firm*** working in partnership with our clients to deliver ***exceptional and sustainable outcomes*** through the application of design, consultancy, engineering, project and management services. ARCADIS differentiates through its talented and passionate people and its unique combination of capabilities covering the whole asset life cycle, its deep market sector insights and its ability to integrate health & safety and sustainability into the design and delivery of solutions across the globe. We are 28,000 people that generate more than €3 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. Please visit: www.arcadis.com

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