ARCADIS

Infrastructure · Water · Environment · Buildings

INTERIM FINANCIAL STATEMENTS 2010

ARCADIS NV MANAGEMENT REPORT FIRST HALF YEAR 2010

In the first half year gross revenues increased 15% to € 960 million. Growth mainly came from the merger with Malcolm Pirnie. Because the weakening of the Euro only started in the second quarter, the currency effect in the first half year was 2%. Since in the first quarter revenues declined organically, partly because of the severe winter, also the first half year showed an organic revenue decline. Net income from operations rose 9% to € 35.6 million. In Brazil a loss was taken on an energy project, which is expected to be compensated by a gain resulting from a sale in the second half year. Excluding this non-recurring effect, the margin at 9.6% was at almost the same level as last year.

Key figures

Amounts in € million, unless otherwise noted	First Half Year		
	2010	2009	Δ
Gross revenue	960	833	15%
Net revenue	679	577	18%
EBITA	61.1	56.3	9%
Net income from operations [1)]	**35.6**	**32.6**	**9%**
Ditto per share (in €) [1)]	**0.54**	**0.54**	**0%**
Av. number of outstanding shares (millions)	66.3	60.2	10%

1) Before amortization and non-operational items

Analysis

Gross revenue was 15% higher. The currency effect was 2%, the contribution from acquisitions 17%. Organically, gross revenue declined 4%.

Net revenue rose 18%. The currency effect was 2%, the contribution from acquisitions 18%. The organic decline was 2%. This decline was lower than in gross revenue due to completion of a number of large projects with substantial subcontracting in Brazil and the Netherlands.

EBITA rose 9% to € 61.1 million. Acquisitions contributed 14% and currency effects 1%. The organic decline was 7%. This includes a loss of € 4.5 million on an energy project in Brazil which is expected to be compensated in the second half year by sale proceeds. Reorganization costs, including those for the integration of Malcolm Pirnie, were € 3.3 million (2009: € 5.3 million). While in the first quarter the operational results still worsened somewhat, the second quarter saw an improvement, especially due to the better performance in the U.S. environmental market and Brazil.

Excluding the project loss in Brazil, the margin was 9.6% (2009: 9.8%). The contribution from the sale of carbon credits in Brazil was € 0.1 million, just like last year. In the mean time certification has started up again as a result of which it is expected that the contribution will increase as of the fourth quarter. To create more focus in the Brazilian activities and to better use the myriad opportunities in Brazil, the sale of the portfolio of energy projects (including Biogas) is being considered.

Financing charges were € 8.7 million, against € 3.7 million last year (excluding the effect of derivatives of which the settlement generated € 7.5 million early 2009). The increase is primarily the result of acquisitions. Net income from operations rose 9% to € 35.6 million. Against higher financing charges stood lower taxes and a higher contribution from associated companies.

Developments by business line

Figures noted below concern gross revenues for the first half year of 2010 compared to the same period last year, unless otherwise noted. As of 2010, Water is a separate business line, whereas before this was part of Infrastructure.

- ***Infrastructure** (25% of gross revenue)*

Gross revenues were level with last year. The currency effect was 5%. Organically gross revenues declined 5% also because of the completion of projects with substantial subcontracting. After the severe winter, activities grew again, resulting in 2% organic growth in net revenues. Central government programs generated growth in the Netherlands, Belgium, France and Central Europe, but as a result of pressure in local markets growth is softening. In the United States activities declined due to lower budgets in cities and states, while in Brazil and Chile, especially mining is contributing to growth.

- ***Water** (20% of gross revenue)*

Gross revenues more than doubled as a result of the merger with Malcolm Pirnie. The currency effect was 2%. Organically gross revenues were flat, but net revenues rose 5%, especially through increased demand in water management in almost all countries in which ARCADIS is active. In Brazil a large contract was won for the expansion of the waste water systems in São Paulo. Pressure on local government budgets also impacts the water market, but to a lesser extent. Malcolm Pirnie is able to offset declines in the western and southern U.S. with more work in the northeast.

- ***Environment** (36% of gross revenue)*

Gross revenues rose 13%. The currency effect was 2% and the contribution from acquisitions 11% (environmental activities Malcolm Pirnie). The organic gross revenue decline in the first quarter turned around into an increase of 7% in the second quarter, mainly as a result of growth in the U.S. environmental market. Here large environmental remediation projects were started with substantial subcontracting. The increase in net revenues which ensued was offset by slowdowns in a number of European countries, resulting on balance in a 1% decline in net revenues. In Brazil the environmental market is also recovering.

- ***Buildings** (19% of gross revenue)*

Gross revenues declined 8%. The currency effect was nil and the contribution from acquisitions was 1%. The organic gross revenue decline was 9%, in net revenue 11%. Because the commercial market in England and the United States has stabilized and RTKL is compensating the declines in the U.S. and Europe with work in Asia and the Middle East, the decline in activities clearly became smaller in the second quarter. In Belgium the activities were under some pressure, while in the United States and Germany project management for public sector projects increased.

Outlook

Although the economy is recovering, especially in the United States, the recovery is still fragile, and thus uncertainty continues. It is also unclear how and to what extent the expected government budget cuts will impact the markets relevant to ARCADIS.

The **infrastructure market** is expected to remain robust because many large projects are based on multi-year programs for which funding is committed. This holds true for investments in the Dutch road and railway network, but also for example for large projects in Central Europe in which ARCADIS is involved. Because the demand for infrastructure is big, the importance of Public Private Partnerships will increase in Europe and the United States. In Brazil, the recently won large projects provide a sound basis for growth.

In the **water market** the attention to climate change and the increasing threat of flooding are important drivers for growth in water management. Demand for clean drinking water and waste water treatment is also increasing. Because these utilities are usually financed from specific water charges, the pressure on local government budgets only has a limited effect. Synergy with Malcolm Pirnie offers many opportunities, both in the United States and internationally, whereby the priority lies with Chile, Brazil and the Middle East.

In the **environmental market** regulation and sustainability provide a solid basis. As a result of the economic recovery, demand from companies is on the rise, especially in the United States. Corporations focus more on their core business which leads to outsourcing of whole portfolios of contaminated sites and vendor reduction. This has already yielded large contracts. Our strong competitive position allows us to grow market share. We also benefit from growing demand for consultancy on energy savings and carbon footprint reduction.

In the **buildings market** it appears the bottom has been reached. The commercial real estate market is stable at a low level, with no recovery in sight. Although in the U.S. new legislation is causing delays in healthcare, the backlog at RTKL is healthy resulting from assignments from Asia and the Middle East for commercial and healthcare projects. This, and the continued demand from the (semi)public sector, can help improve gross revenues in the second half year. Facility management can also contribute to this.

In the second quarter our backlog again saw growth resulting in a total increase for the first half year of 8% compared to the end of 2009. The increase in the second quarter mainly came from infrastructure and to a lesser extent from water and environment, while in buildings, order intake weakened somewhat. Given the healthy backlog we expect to see a modest organic growth of activities in the second half. Maintaining margins remains a priority offsetting pricing pressure with cost savings and a client focused approach. In addition to market synergies the integration with Malcolm Pirnie will also create operational benefits as of 2011. Further expansion of activities through acquisitions is on the agenda. Barring unforeseen circumstances we expect for full year 2010 a slight increase of 0 – 5% of net income from operations.

Risk Assessment

In our Annual Report 2009, we have extensively described risk categories and risk factors that could adversely affect our business and financial performance. These risks factors are deemed to be included by reference in this report.

For the remainder of 2010, we see the following particular risks and uncertainties:
- The risk of a decline in demand in public sector markets as a result of possible government budget cuts, or a risk of decline in private sector markets as a result of a renewed economic downturn (double dip scenario), resulting in pressure on revenues and income;
- The risk of clients not being able to meet their obligations resulting in write-offs on work in progress or accounts receivable;
- The risk of a weakening of currencies against the euro;
- The inability of the company to attract sufficient qualified staff in case of a sudden market upswing, hampering its ability to grow.

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 report contains the semi-annual figures of ARCADIS NV for the first six months of 2010. This report consist of the semi annual management report (press release), segment reporting, condensed consolidated interim financial statements, notes to the condensed 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 hereby declares that at the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with IAS 34, *'Interim Financial Reporting'* and additional Dutch disclosure requirements for half-yearly financial reports , give a true and fair view of the assets, liabilities, financial position and profit of ARCADIS and its consolidated companies, and the semi annual 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).

Arnhem, the Netherlands, August 3, 2010

Harrie L.J. Noy, Chairman of the Executive Board
Renier Vree, Chief Financial Officer
Steven B. Blake, Member of the Executive Board
C. Michiel Jaski, Member of the Executive Board
Friedrich M.T. Schneider, Member of the Executive Board

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ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in € millions

Assets	Note	June 30, 2010	December 31, 2009
Intangible assets		**388.3**	342.7
Property, plant & equipment		**91.5**	84.8
Investments in associates		**30.4**	26.2
Other investments		**0.2**	0.2
Other non-current assets		**24.4**	19.8
Derivatives		**0.1**	1.2
Deferred tax assets		**20.2**	18.0
Total non-current assets		**555.1**	492.9
Inventories		**0.4**	0.5
Derivatives		**0.7**	0.1
(Un)billed receivables		**642.9**	555.1
Other current assets		**53.1**	35.9
Corporate tax assets		**7.9**	6.2
Cash and cash equivalents		**164.6**	224.5
Total current assets		**869.6**	822.3
Total assets		**1,424.7**	1,315.2
Equity and liabilities			
Shareholders' equity		**349.8**	351.7
Minority interest		**19.2**	16.8
Total equity	*7,8*	**369.0**	368.5
Provisions		**29.8**	28.4
Deferred tax liabilities		**12.5**	10.8
Loans and borrowings		**337.4**	342.1
Derivatives		**7.4**	0.8
Total non-current liabilities		**387.1**	382.1
Billing in excess of cost		**171.1**	158.8
Corporate tax liabilities		**9.2**	7.4
Current portion of loans and borrowings		**67.3**	5.6
Current portion of provisions		**6.2**	6.0
Derivatives		**7.9**	2.7
Accounts payable		**129.8**	128.9
Accrued expenses		**15.6**	21.3
Bank overdrafts		**10.2**	12.0
Short-term borrowings		**23.2**	14.9
Other current liabilities		**228.1**	207.0
Total current liabilities		**668.6**	564.6
Total equity and liabilities		**1,424.7**	1,315.2

ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in € millions, unless otherwise stated	*Note*	First Half	
		2010	2009
Gross revenue		**960.0**	832.7
Materials, services of third parties and subcontractors		**(281.5)**	(255.5)
Net revenue		**678.5**	577.2
Operational cost		**(604.1)**	(510.0)
Depreciation		**(13.4)**	(11.6)
Other income		**0.1**	0.7
EBITA		**61.1**	56.3
Amortization identifiable intangible assets		**(3.2)**	(2.0)
Operating income		**57.9**	54.3
Net finance (expense) / income	*10*	**(8.7)**	3.8
Income from associates		**0.8**	-
Profit before taxes		**50.0**	58.1
Income taxes	*11*	**(16.7)**	(20.9)
Profit for the period		**33.3**	37.2
Other comprehensive income			
Exchange rate differences from foreign operations		**13.1**	13.6
Taxes related to share-based compensation		**(0.9)**	1.0
Effective portion of changes in fair value of cash flow hedges	*10*	**(3.1)**	1.0
Other comprehensive income, net of income tax		**9.1**	15.6
Total comprehensive income for the period		**42.4**	52.8
Profit for the period attributable to equity holders of the Company (net income)		**33.3**	36.8
Amortization identifiable intangible assets, net of taxes		**2.1**	1.3
Lovinklaan employee share purchase plan		**0.2**	0.1
Net effect of financial instruments			(5.6)
Net income from operations		**35.6**	32.6
Profit attributable to:			
Equity holders of the Company (net income)		**33.3**	36.8
Minority interest		**-**	0.4
Profit for the period		**33.3**	37.2
Total comprehensive income attributable to:			
Equity holders of the Company		**40.2**	50.3
Minority interest		**2.2**	2.5
Total comprehensive income		**42.4**	52.8
Earnings per share (in euros)			
- Basic	*9*	**0.50**	0.61
- Diluted		**0.49**	0.59

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € millions	Share capital	Share premium	Hedging Reserve	Cumulative translation reserve	Retained earnings	Total shareholders' equity	Minority interest	Total equity
Balance at December 31, 2008	1.2	36.2		(40.2)	210.4	207.6	12.3	219.9
Profit for the period					36.8	36.8	0.4	37.2
Exchange rate differences				11.5		11.5	2.1	13.6
Effective portion of changes in fair value of cash flow hedges			1.0			1.0		1.0
Taxes related to share-based compensation					1.0	1.0		1.0
Other comprehensive income			1.0	11.5	1.0	13.5	2.1	15.6
Total comprehensive income for the period			1.0	11.5	37.8	50.3	2.5	52.8
Dividends to shareholders					(27.1)	(27.1)	(0.1)	(27.2)
Share-based compensation					2.8	2.8		2.8
Options exercised					0.6	0.6		0.6
Balance at June 30, 2009	1.2	36.2	1.0	(28.7)	224.5	234.2	14.7	248.9
Balance at December 31, 2009	**1.3**	**106.8**	**0.1**	**(28.4)**	**271.9**	**351.7**	**16.8**	**368.5**
Profit for the period					**33.3**	**33.3**	**-**	**33.3**
Exchange rate differences				**10.9**		**10.9**	**2.2**	**13.1**
Effective portion of changes in fair value of cash flow hedges			**(3.1)**			**(3.1)**		**(3.1)**
Taxes related to share-based compensation					**(0.9)**	**(0.9)**		**(0.9)**
Other comprehensive income			**(3.1)**	**10.9**	**(0.9)**	**6.9**	**2.2**	**9.1**
Total comprehensive income for the period			**(3.1)**	**10.9**	**32.4**	**40.2**	**2.2**	**42.4**
Dividends to shareholders					**(30.0)**	**(30.0)**	**-**	**(30.0)**
Purchase of own shares					**(18.7)**	**(18.7)**		**(18.7)**
Share-based compensation					**4.5**	**4.5**		**4.5**
Options exercised					**2.3**	**2.3**		**2.3**
Acquisition of non-controlling interests					**(0.2)**	**(0.2)**	**0.2**	**-**
Balance at June 30, 2010	**1.3**	**106.8**	**(3.0)**	**(17.5)**	**262.2**	**349.8**	**19.2**	**369.0**

ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € millions	First half year	
	2010	2009
Cash flows from operating activities		
Profit for the period	**33.3**	37.2
Adjustments for:		
Depreciation and amortization	**16.6**	13.6
Taxes on income	**16.7**	20.9
Net finance expense / (income)	**8.7**	(3.8)
Income from associates	**(0.8)**	-
	74.5	67.9
Share-based compensation	**4.5**	2.8
Sale of activities and assets, net of cost	**-**	(0.4)
Change in fair value of derivatives in operating income	**(0.1)**	-
Change in inventories	**-**	0.2
Change in receivables	**(49.9)**	31.0
Change in deferred taxes	**4.1**	-
Change in provisions	**(0.9)**	2.8
Change in billing in excess of cost	**(4.1)**	(19.9)
Change in current liabilities	**(16.8)**	(14.9)
Dividend received	**0.3**	0.1
Interest received	**1.6**	2.7
Interest paid	**(8.8)**	(7.8)
Corporate tax paid	**(12.2)**	(29.6)
Net cash from operating activities	**(7.8)**	34.9
Cash flows from investing activities		
Investments in (in)tangible assets	**(13.0)**	(14.1)
Divestments of (in)tangible assets	**0.4**	0.6
Investments in consolidated companies	**(5.7)**	(1.1)
Proceeds from sale of consolidated companies		0.4
Investments in associates and other financial non-current assets	**(5.1)**	(2.4)
Divestments of associates and other financial non-current assets	**3.4**	1.1
Net cash used in investing activities	**(20.0)**	(15.5)
Cash flows from financing activities		
Proceeds from options exercised	**2.3**	0.6
Purchase of own shares	**(18.7)**	
New long-term loans and borrowings	**4.4**	1.8
Repayment of long-term loans and borrowings	**(6.2)**	(8.6)
Changes in short-term borrowings	**5.9**	2.0
Dividend paid	**(30.0)**	(27.2)
Settlement of derivatives	**(6.5)**	**-**
Net cash from financing activities	**(48.8)**	(31.4)
Net change in cash and cash equivalents less bank overdrafts	**(76.6)**	(12.0)
Exchange rate differences	**18.5**	(0.9)
Cash and cash equivalents less bank overdrafts at January 1	**212.5**	111.7
Cash and cash equivalents less bank overdrafts at June 30	**154.4**	98.8

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Notes to the condensed consolidated interim financial statements

1. Reporting entity
ARCADIS NV (the Company) is a public Company organized under Dutch law, domiciled in the Netherlands. The condensed consolidated interim financial statements as at and for the six months ended June 30, 2010 include the financial statements of ARCADIS NV, its subsidiaries, and the interests in associates and jointly controlled entities.

2. General information
These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company's independent auditor.

3. Basis of preparation and statement of compliance
These condensed 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 December 31, 2009, 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 Nieuwe Stationsstraat 10, 6811 KS Arnhem, The Netherlands or at www.arcadis.com.

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

These condensed consolidated interim financial statements were approved and authorized for issuance by the Executive Board and Supervisory Board on August 3, 2010.

4. Significant accounting policies
Except as described below, the accounting policies applied and methods of computation used in preparing these condensed consolidated interim financial statements are the same as those applied in the Company's 2009 financial statements.

Taxes on income in the condensed consolidated interim financial statements are accrued using the tax rate that would be applicable to the expected total annual earnings.

Change in accounting policy
Accounting for business combinations
From January 1, 2010 onwards revised IFRS 3 '*Business Combinations'* is applied in accounting for business combinations. The change in accounting policy has been applied prospectively. As from January 1, 2010 goodwill is measured as the fair value of the consideration transferred less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at fair value as of the acquisition date. Contingent considerations are measured at fair value, with subsequent changes recognized in the statement of income.

Transaction costs, other than those associated with the issuance of debt or equity securities incurred in connection with a business combination are expensed as incurred. In case the excess is negative, a bargain purchase gain is recognized immediately in the statement of comprehensive income.

Accounting for acquisitions of non-controlling interests
From January 1, 2010 revised IAS 27 '*Consolidated and Separate Financial Statements'* is applied in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively. Acquisitions of non-controlling interests are accounted for as transactions with equity-holders in their capacity as equity holder and therefore no goodwill is recognized. The carrying amount of non-controlling interests is adjusted to reflect the relative change in interest in the subsidiary's assets. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in shareholders' equity and attributed to the owners of the parent.

Estimates and management judgements
The preparation of interim financial statements 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 expense. Actual results may differ from these estimates.

Except for the changes in accounting policies as mentioned above, management used in the preparation of these condensed consolidated interim financial statements the same main judgements, estimates and assumptions in the application of the accounting policies and valuation principles as used for the preparation of the 2009 financial statements.

5. Segment information
The Company has 4 reportable segments, based on the Company's internal reporting structure to the Board of Management. The Company's internal reporting to the Board of Management 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 recurring EBITA and recurring EBITA margin.

	Gross Revenue external		**Total Gross Revenue**	
	2010	2009	**2010**	2009
The Netherlands	**200.6**	204.7	**201.8**	205.4
Europe, excluding the Netherlands	**158.6**	159.4	**159.4**	160.5
United States	**520.5**	394.5	**521.4**	394.7
Rest of World	**80.3**	74.1	**80.4**	74.2
Total segments	**960.0**	832.7	**963.0**	834.8
Inter-segment revenue			**(3.0)**	(2.1)
Total consolidated	**960.0**	832.7	**960.0**	832.7

	EBITA		Total Assets	
	2010	2009	**2010**	2009
The Netherlands	**14.1**	14.8	**224.7**	218.1
Europe, excluding the Netherlands	**7.0**	5.0	**278.3**	258.7
United States	**40.8**	32.5	**743.2**	445.6
Rest of World	**2.8**	4.3	**130.3**	82.8
Total segments	**64.7**	56.6	**1,376.5**	1,005.2
Corporate and unallocated	**(3.6)**	(0.3)	**48.2**	36.0
Total consolidated	**61.1**	56.3	**1,424.7**	1,041.2

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

	2010	2009
EBITA for reportable segments	**64.7**	56.6
Corporate and unallocated	**(3.6)**	(0.3)
Amortization	**(3.2)**	(2.0)
Operating income	**57.9**	54.3
Net finance expense	**(8.7)**	3.8
Income from associates	**0.8**	-
Profit before taxes	**50.0**	58.1

Geographical information only differs from the segment information above as a result of the activities in RTKL and APS, which geographically also are represented in Europe and Rest of World. The geographical information is as follows:

	Gross Revenue by origin	
	2010	2009
The Netherlands	**200.6**	204.7
Europe, excluding the Netherlands	**165.2**	162.3
United States	**509.8**	387.1
Rest of World	**84.4**	78.6
Total Consolidated	**960.0**	832.7

6. Acquisition of subsidiaries and non-controlling interests

In the first half of 2010 the following changes in consolidated interests occured:

- In January 2010, Plan & Projectpartners, a real estate consultancy firm primarily active in healthcare, was acquired. This Dutch-based company generates annual gross revenues of € 3 million and 28 employees.
- Per January 1, 2010, Bohemiaplan, an engineering consultancy firm in the Czech Republic was acquired. Annual gross revenue of the company amounts to € 3.5 million, and the company has 70 employees.

The acquisitions had the following effect on assets and liabilities:

In eur 1,000	Recognized values on acquisition	Adjustments Previous PPA	Total Recognized values on acquisition
Assets			
Non-current assets			
Intangible assets	428	20	448
Property, plant & equipment	216	(132)	84
Other non-current assets	43	(18)	25
Deferred tax assets		(6)	(6)
Total non-current assets	**687**	**(136)**	**551**
Current Assets			
(Un)billed receivables	1,432	(7)	1,425
Other current assets	39	(1)	38
Corporate tax asset		(2)	(2)
Cash and cash equivalents	435	(8)	427
Total current assets	**1,906**	**(18)**	**1,888**
Total assets	**2,593**	**(154)**	**2,439**
Non-current liabilities			
Deferred tax liabilities	98		98
Loans and borrowings		(90)	(90)
Total non-current liabilities	**98**	**(90)**	**8**
Current liabilities			
Corporate tax liabilities	212		212
Trade and other liabilities	537	(64)	473
Total current liabilities	**749**	**(64)**	**685**
Total liabilities	**847**	**(154)**	**693**
Total net asset value	**1,746**		**1746**
Recorded goodwill	1,987	675	2,662
Consideration paid	**3,733**	**675**	**4,408**
After-payments unpaid	(736)		(736)
Cash (acquired) / disposed	(435)	8	(427)
Net cash outflow related to 2010 transactions	**2,562**	**683**	**3,245**
After-payments related to acquisitions in previous reporting periods		2,355	2,355
Total net cash outflow / (inflow)	**2,562**	**3,038**	**5,600**

In the first half of 2010 the acquisitions contributed revenue of € 2.6 million and profit of € 0.2 million, which would not significantly differ to the contributions if all acquisitions had occurred on January 1, 2010.

The consideration payable related to the above mentioned acquisitions amounted to € 3.7 million, of which € 0.7 million will be transferred in two tranches in 2010 and 2011 respectively. The related acquisition costs were expensed in the condensed consolidated statement of comprehensive income as incurred.
The after-payment for acquisitions in previous reporting periods mainly relates to the acquisition of APS Projectmanagement Ltd.

The goodwill recognized in the financial statements relates to the workforce of the companies acquired and the synergies expected to be achieved from integrating the companies into ARCADIS' existing business. None of the goodwill recognized is expected to be deductible for income tax purposes.

- In June 2010, ARCADIS UK acquired the additional 30% of APS Gulf for an amount of € 3 thousand.
- In June 2010, ARCADIS Polska acquired the additional 10% of ARCADIS Project Consulting for an amount of € 54 thousand.

As a result of the above mentioned acquisition of non-controlling interests an amount of € 0.2 million was charged directly to shareholders equity.

7. Share capital

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 2010 1,250,000 shares were repurchased. Through the exercise of options 327,326 shares were reissued. The options were exercised at a weighted average price of € 8.10 per share. Additionally, 108,052 shares granted in 2007 under the 2005 Long-Term Incentive Plan became unconditional and as such were reissued again.

At June 30, 2010, the number of ordinary shares outstanding was 65,678,565 (December 31, 2009: 66,493,187).

8. Dividend

The dividend for the period ended December 31, 2009 was paid in May 2010. Based on the number of shares outstanding and a declared dividend of € 0.45 per share, the total dividend paid in May amounted to € 30.0 million.

9. Earnings per share

For calculating the earnings per share, weighted average numbers of shares were used, which have been calculated as follows:

	2010	2009
Average number of issued shares	**67,676,196**	61,937,445
Average number of repurchased shares	**1,348,379**	1,733,782
Average number of outstanding shares	**66,327,817**	60,203,663
Of which priority shares	**600**	600
Shares of common stock	**66,327,217**	60,203,063

The diluted number of shares is calculated by using the weighted average number of options outstanding and the average stock price on the 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)	2010	2009
- Basic	**0.50**	0.61
- Diluted	**0.49**	0.59
Net income from operations per share (in euros)		
- Basic	**0.54**	0.54
- Diluted	**0.52**	0.53

10. Net finance expense

Financing charges were € 8.7 million compared to a financing income of € 3.8 million last year. The 2009 financing income included € 7.5 million for the settlement of derivatives. The increase in financing charges is primarily the result of new loans for acquisitions.

The Company entered into interest rate swaps for two-third of the principal value of in total $ 450 million loans, in order to fix the floating rate for the remaining part of the time to maturity of the loans. The interest rate has been fixed in tranches between 1.95% and 2.51%.

11. 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 used for the first half year of 2010 is 34% (2009: 36%). The decrease in the effective tax rate is mainly the result of the geographical spread of the Company results.

12. Share-based payments

Options and incentive shares

In the first half of the year, 847,800 options were granted under the Company's Long-term incentive plan. The fair value of the options granted and the assumptions used in calculating the related option cost were as follows:

	2010	2009
Fair value at grant date	2.73 – 3.12	2.07 – 2.39
Exercise price	14.33	10.91
Expected dividend yield	2.93	3.96
Risk-free interest rate (%)	2.33	2.72
Expected volatility (%)	41.91	40.90
Expected life of options (years)	5	5
Expected forfeitures (%)	11.0	11.0

Under the Company's Long-term incentive plan also incentive shares were granted to members of the Executive Board and members of the Senior Management Committee. The total number of shares granted was 114,400

The parameters used to calculate the costs were:

	2010	2009
Share price at grant date	14.33	10.91
Foregone dividend (%)	7.2	7.2
Performance discount (%)	36.4	36.4

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

Employee Share Purchase Plan (Lovinklaan Foundation)
Under the Lovinklaan Foundation Employee Share Purchase Plan ARCADIS employees have the opportunity to purchase ARCADIS shares at a 10% - 20% discount on the market value at the moment of purchase. Conditions under which the shares can be purchased are equal for all employees within a country. Based upon fiscal regulations different lock-up periods per country can be applicable. The cost of the Employee Share Plan are included in the Company's financial statements. The costs are determined deducting the own contribution of the employees from the fair value of the shares obtained by the employees. The fair value is calculated by discounting the share price at the moment of purchase for the applicable lock-up period. The lock-up period varies from 1- 4 years. Cost included in the first half of 2010 amount to EUR 0.1 million.

13. Related party transactions

From time to time ARCADIS enters into related party transactions with associates. These transactions are conducted on an 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 half of 2010. ARCADIS was no party to any material transaction or loan with parties who hold at least 10% of the shares in ARCADIS.

14. Subsequent events

There were no material events after June 30, 2010 that would have changed the judgement and analysis by management of the financial position of the Company at June 30, 2010 or the profit for the period over the first six months of 2010.

Arnhem, the Netherlands, August 3, 2010
The Executive Board

Report of the independent auditor to the Executive Board and Supervisory Board of ARCADIS NV

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the 6 months period ended June 30, 2010 of ARCADIS NV, Arnhem, which comprises the condensed consolidated statement of financial position as at June 30, 2010, the condensed consolidated statements of comprehensive income, condensed consolidated statement of changes in shareholders' equity, condensed consolidated statement of cash flows and the selected explanatory notes for the 6 months period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at June 30, 2010 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amstelveen, The Netherlands, August 3, 2010

KPMG ACCOUNTANTS N.V.

R.P. Kreukniet RA