

## Financial press release

# Grontmij improves operating margin in third quarter

## *French divestment progressing*

**De Bilt, 30 October 2014 – Grontmij N.V. a listed consulting & engineering company with strong European presence, today announces its results for the third quarter of 2014. Despite the fragile macro environment across Europe, Grontmij's operating margin improved in the third quarter of 2014 with EBITA excluding exceptional items of € 4.8 million (Q3 2013: € 1.9 million). The increase is mainly driven by cost savings across the Group and the performance in the Netherlands. Total revenues showed organic decline of 4.0%, while net revenues were more in line with last year, showing an organic decline of 0.8%. The divestment process of the French activities is progressing according to plan, with bids received in September from both financial and strategic parties.**

### **Key points third quarter<sup>1</sup>**

- Total revenue Q3 2014 € 154.4 million (Q3 2013: € 161.6 million), with organic decline of 4.0%. Net revenue Q3 2014 below last year at € 127.6 million (Q3 2013: € 129.7 million). Organic decline on net revenue was 0.8%, reflecting the increased focus on own production
- EBITA excluding exceptional items Q3 2014 € 4.8 million (Q3 2013: € 1.9 million). Profitability improved in all countries except Sweden; EBITA margin excluding exceptional items was 3.1% in Q3 2014, compared to 1.2% last year
- Net result from continuing operations in Q3 2014 was € 1.2 million (Q3 2013: – € 7.8 million), mainly due to improved operational performance and lower finance expenses. Net result from continuing and discontinued operations in Q3 2014 was – € 2.7 million (Q3 2013: – € 8.1 million) and includes both the net result in France (– € 1.4 million) and an impairment on France (– € 2.4 million) taken in Q3 2014
- Trade working capital (TWC) at the end of Q3 2014 was 17.1% (Q3 2013: 15.0%) due to higher TWC levels in The Netherlands, Belgium and Germany
- Net debt<sup>2</sup> based on continuing operations per 30 September 2014 was € 86.9 million and includes the Cumprefs (€ 22.3 million) and € 21.0 million of net debt previously recorded under discontinued operations. Net debt for covenants per end of Q3 2014 was € 65.7 million

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<sup>1</sup> As per 30 June 2014, the French Engineering & Consultancy business is classified as asset held for sale and is qualified as discontinued operations, in accordance with the requirements of IFRS 5. For more details please refer to Note 6 of the Interim Financial Statements 2014.

<sup>2</sup> Under IFRS, the convertible cumulative preference shares ('Cumprefs') are classified as a liability. Under Dutch law and for the covenant calculations the Cumprefs are classified as equity. For more details please refer to Q2 2014 press release, published on 4 August 2014 and available on our website.

## Highlights Rebalanced 'Back on Track' strategy 2014 – 2016:

### Restructuring:

- *Cost reduction programme* is on track. Measures taken year to date 2014 represent an annual run rate of € 13 million against the 2013 actual cost base (excluding 2015 – 2016 inflation), with a one-off cash out realised of € 5 million
- *OPEX improvements*: the implementation of the five processes is work in progress and on schedule to reach the year-end implementation target of 95% in all operating countries
- *Portfolio optimisation*: The divestment process of the French activities is progressing according to plan: at the end of Q3 non-binding bids have been received from both financial and strategic parties. Grontmij is now entering the next phase of the divestments process
- At the end of September, Grontmij announced the intended divestment of the 24% stake in and associated receivables on the 'Ruimte voor Ruimte' sustainable development partnership for approx. € 8 million
- *Accelerate improvements NL*: Despite the fragile market in the Netherlands, progress continues to be made, with improved results in the third quarter, mainly as a result of the cost reductions

### Realising profitable growth

Grontmij's strategy is aimed at restructuring the business and realising profitable growth, focusing on five Group Growth Segments: Energy, Water, Highways & Roads, Sustainable Buildings and Light Rail.

Within these segments, a notable number of projects in which Grontmij provides tangible solutions for her clients have been won in the third quarter of 2014:

- For DONG Energy, 50 Danish and Swedish Grontmij consultants are converting the Skearbaeck Power station into a fully sustainable power station for 55,000 households, creating a lasting impact in the Danish environment
- In the Netherlands, a 3-year framework agreement with Grontmij and partners guarantees TenneT to have the best support in creating a sustainable energy network
- The span of Grontmij's knowledge on water technology and coastal protection has been recognised in projects all over the world. Grontmij engineers support the Laos Provincial Department of Public Works and Transport in training and project management support for a number of water and road infrastructure projects
- Grontmij's strong attachment to the rapidly changing hospital sector is supported with the substantial Danish project win for constructing a Psychiatric Centre for Region Midt in Aarhus, Denmark, combining sustainable building solutions whilst creating a comfortable and pleasant environment for people to recover in, to work in and to visit

*Michiel Jaski, CEO Grontmij N.V.: 'In the third quarter we have achieved a good improvement of our profit margin thereby continuing the trend of the first half of 2014. Margin improvement is Grontmij's most important long term strategic priority and we are on track to make 2014 a year of progress. We are moving forward with the process to divest the remaining French activities. With interest from a number of both strategic and financial parties we have entered the next phase of the divestment process.'*

## Key financials Q3 2014

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	154.4	161.6	-4.4%	-4.0%	491.8	515.5	-4.6%	-3.8%
Net revenue	127.6	129.7	-1.6%	-0.8%	412.7	421.8	-2.1%	-1.2%
EBITA	3.5	0.5	677.3%	780.0%	7.3	8.4	-12.6%	157.9%
Exceptional items	-1.3	-1.5			-9.2	-2.1		
EBITA excluding exceptional items	4.8	1.9	153.3%	173.8%	16.5	10.5	56.8%	173.1%
Net result from continuing operations	1.2	-7.8	115.2%		-10.4	-9.1	-14.1%	
Net result from discontinued operations	-3.8	-0.3			-9.2	0.5		
Net result	-2.7	-8.1	67.1%		-19.6	-8.6	-127.1%	
EBITA margin	2.3%	0.3%			1.5%	1.6%		
EBITA margin excluding exceptional items	3.1%	1.2%			3.4%	2.0%		
# employees (average FTE)	5,995	6,143	-2.4%		6,020	6,229	-3.4%	

Comparable figures have been adjusted as the French consulting & engineering business was restated from continuing operations to discontinued operations and accordingly excluded from operating result.

## Financial performance Q3 2014

### Revenue

Reflecting the fragile macro environment across Europe, revenue levels for the Group developed below last year with total revenue in the third quarter at € 154.4 million (Q3 2013: € 161.6 million) mainly due to lower revenue levels in Sweden, Denmark and the Netherlands, while net revenue was 1.6% below Q3 last year at € 127.6 million (Q3 2013: € 129.7 million). Organically, total revenue declined by 4.0%, mainly driven by the decline in Sweden. Organic decline on net revenue of 0.8% was more in line with last year reflecting the increased focus on own production. In the third quarter, the number of working days was equal to last year.

### EBITA and EBITA margin

EBITA excluding exceptional items was € 4.8 million in the third quarter of 2014, compared to € 1.9 million last year. Profitability improved in all countries except Sweden. The EBITA margin excluding exceptional items increased in the third quarter to 3.1% (Q3 2013: 1.2%).

### Exceptional items:

Exceptional items in Q3 2014 were – € 1.3 million (Q3 2013: – € 1.5 million), mainly driven by restructuring costs related to the additional cost reduction programme.

### Net finance expenses

In the third quarter of 2014 the net finance result was € 0.1 million positive, an improvement of € 7.3 million compared to last year. This is also due to lower interest expenses given the lower debt levels and positively impacted (€ 1.8 million) by the (non-cash) fair value fluctuations of the convertible cumulative preference shares ('Cumprefs'). The third quarter last year was also impacted by a reclassification of the ineffective part of the hedge reserve (– € 3.3 million), and a write down of € 0.5 million of capitalised arrangement fees relating to the early repayment of debt.

### **Income tax expenses**

Income tax expense in the third quarter of 2014 was – € 0.8 million on a profit before tax on continued operations of € 2.0 million, compared to a reported income tax benefit of € 0.6 million in Q3 2013 on a loss before tax on continued operations of – € 8.3 million. The difference in tax charge (€ 1.4 million) is mainly explained by one-off tax gains amounting to € 1.3 million in Q3 2013.

### **Net result**

Net result from continuing operations in the third quarter of 2014 was € 1.2 million (Q3 2013: – € 7.8 million) mainly due to improved operational performance and lower finance expenses. Net result from discontinued operations (– € 3.8 million) relates to the French Consulting & Engineering business and includes an impairment on the French activities of € 2.4 million following the received bids in the divestment process<sup>3</sup>. In Q3 2013, net result from discontinued operations was – € 0.3 million and also included the net result of the French M&T activities (€ 1.8 million).

*Current trading discontinued operations Q3 2014 (France):* the French activities continue to be impacted by the difficult market circumstances. Net revenue decreased 12.5% in Q3 2014 compared with Q2 2014, but EBITA, excluding restructuring cost and costs for the disposal process, improved as a result of cost savings.

### **Trade working capital**

Trade working capital (TWC) in the third quarter was € 114.1 million (Q3 2013: € 105.0 million), mainly due to higher trade working capital in The Netherlands, Belgium and Germany. Trade working capital as % of total revenue at the end of September 2014 was 17.1% compared to 15.0% at the end of Q3 2013. The increase in TWC can be explained by a combination of higher Work in Progress (WIP) levels and lower payables, offset by lower trade receivables. The expected improvement in TWC in the third quarter of this year did not materialise as invoicing levels were below expected levels during the summer months increasing the WIP amounts. Actions have been taken to accelerate invoicing and improve payment terms with increased focus across the Group and strict monitoring in place to ensure the reduction of TWC levels in the remainder of the year.

### **Net debt and cash flow**

Net debt from continuing operations at the end of Q3 2014 was € 86.9 million (Q3 2013 € 73.9 million). This includes € 22.3 million relating to the fair value of the Cumprefs, which are treated as debt under IFRS. Net debt at the end of Q3 2014 also includes € 21.0 million of net debt, in previous quarters recorded as part of net debt from discontinuing operations. Net debt for covenants at the end of Q3 2014 was € 65.7 million.

### **Financial covenants: Interest coverage and net debt/EBITDA ratios**

Under the financing arrangement, Grontmij's covenants were tested at the end of September 2014. The net debt/EBITDA ratio per Q3 2014 was 2.1x, within the allowed covenant ratio of <3.5x. The interest coverage ratio per Q3 2014 was 4.4x, within the covenant of >2.75x.

Under Dutch law and according to the financial covenants definitions, the Cumprefs classify as equity and are therefore not part of net debt for the covenant calculations. The results (EBITDA) and financial indebtedness of the French activities are included in the covenant calculations. The covenant schedule and the calculation definitions for the Net debt / EBITDA ratio and the interest coverage ratio can be found in the appendix.

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<sup>3</sup> Any future insights and / or information from progress of the divestment process could result in fair value less cost to sell of the French Consulting & Engineering business below the carrying amount.

## Performance per Country

*Country performance is leading over the business lines. Grontmij reports its results on a country basis for six countries and 'Other markets' (being: Poland, Turkey and activities outside Europe). 'Non-core and other unallocated' is reported separately and includes the corporate head office and Asset Management. Full financial tables for Q3 2014 results per country, other markets, and non-core and other unallocated can be found in the appendix. Grontmij reports revenue numbers per business line, please see also the appendix.*

### **The Netherlands**

In the third quarter, the performance in the Netherlands improved, showing margin recovery as a result of the 'accelerate improvements NL programme'. Total and net revenue decreased year on year and reflect the still challenging market conditions. Due to continued stringent execution of the additional cost reduction programme, EBITA excluding exceptional items improved in the third quarter, with EBITA margin excluding exceptional items of 2.7% (Q3 2013: – 0.8%). Exceptional items of € 0.7 million are attributable to severance payments as part of the additional restructuring measures. Order book is declining with overall short visibility and a lack of larger projects in the market. Recent projects won include the 3-year framework agreement with TenneT whereby Grontmij and partners will provide TenneT with the best support in creating a sustainable energy network.

### **Denmark**

In Denmark, total and net revenue levels developed below last year, also impacted by the sale of the Marine business in Q4 2013. On net revenue, the third quarter showed modest organic growth of 1.9%. Price pressure in all business lines remains, but profitability improved compared to last year when the third quarter was impacted by write down on the large hospital projects. Year to date, profitability is in line with last year. Order book is declining, especially in Transportation & Mobility, although overall the decline is bottoming out due some recent large project wins, like the construction of the new prestigious Psychiatric Centre for Region Midt in Aarhus. Other recent project wins include the conversion of Dong's Skearbaeck Power station into a fully sustainable power station for 55,000 households.

### **Sweden**

Performance in the third quarter in Sweden was disappointing and below internal expectations with total and net revenue levels significantly lower compared to last year and EBITA excluding exceptional items negative at – € 0.2 million. The lower operational performance is mainly due to underperformance in certain activities, as well as insufficient pipeline management. The focus on further strengthening the sales process and fully embedding the OPEX programme remains key, while further actions are taken in underperforming business units. Year to date, performance in Sweden is better than last year, with EBITA margin excluding exceptional items of 4.0% (YTD 2013 0.4%). Order book is increasing.

### **Belgium**

In Belgium, operational performance was strong for the second consecutive quarter. Total and net revenue in the third quarter increased with organic growth on net revenue of 3.6%. Profitability improved with EBITA margin excluding exceptional items at 4.8% (Q3 2013: 1.0%). Productivity is high with strong performance in all business lines, while the impact of the revised treatment of holiday accruals is phasing out. Order book remains stable at a high level in all business lines.

**UK**

In the UK, total and net revenue developed slightly higher compared to the third quarter 2013. Adjusted for the currency effect, net revenue showed a modest organic decline of – 0.3%. Profitability further improved aided by the cost reductions with EBITA margin excluding exceptional items of 6.0% (Q3 2013: 5.6%). In the UK, the portfolio of activities is rebalancing, as Planning & Design is growing due to a bullish market in Sustainable Buildings as is Transportation & Mobility with good opportunities in Highways & Roads across the UK whilst the share of Water is declining impacted by the transition from AMP5 to AMP6. Overall productivity and order book were stable, with strong performance in Planning & Design and Transportation & Mobility.

**Germany**

Performance in Germany in the third quarter was strong, with total and net revenue higher compared to last year and organic growth of 6.8% on net revenue. Strong organic growth is shown in Transportation & Mobility, while Planning & Design and Water & Energy show respectively modest and good organic growth on both total and net revenue. Profitability improved with EBITA margin excluding exceptional items of 7.0% in the third quarter (Q3 2013: 5.6%). Order book is stable at a high level in all business lines.

**Other markets**

Performance within Other markets in the third quarter improved with organic growth of 20% on net revenue, mainly due to Turkey and China. Poland won some important projects in the third quarter, while the order book remains good. In Turkey, we continue to see growth, although profitability slowed impacted by investments also in off-shoring capacity.

## Key financials YTD 2014

€ million, unless otherwise indicated	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	491.8	515.5	-4.6%	-3.8%
Net revenue	412.7	421.8	-2.1%	-1.2%
EBITA	7.3	8.4	-12.6%	157.9%
Exceptional items	-9.2	-2.1		
EBITA excluding exceptional items	16.5	10.5	56.8%	173.1%
Net result from continuing operations	-10.4	-9.1	-14.1%	
Net result from discontinued operations	-9.2	0.5		
Net result	-19.6	-8.6	-127.1%	
EBITA margin	1.5%	1.6%		
EBITA margin excluding exceptional items	3.4%	2.0%		
# employees (average FTE)	6,020	6,229	-3.4%	

Comparable figures YTD 2013 have been adjusted as the French Consulting & Engineering business was restated from continuing operations to discontinued operations and accordingly excluded from operating result.

## Financial performance YTD 2014

### Revenue

Total revenue on a Group level YTD 2014 was € 491.8 million, organically 3.8% lower compared to last year (YTD 2013: € 515.5 million). The working days effect is on average nil. On net revenue, organic growth shows a modest decline of 1.2%.

### EBITA and EBITA margin

EBITA excluding exceptional items was € 16.5 million YTD 2014 versus € 10.5 million in 2013, with an EBITA margin excluding exceptional items of 3.4% (YTD 2013: 2.0%). Compared to last year, the Group's margin development is driven by margin improvements in the Netherlands, Sweden, UK, Belgium, and Germany, while margin in Denmark was stable and Other markets slightly below last year.

### Exceptional items YTD 2014:

Exceptional items YTD 2014 were – € 9.2 million compared to – € 2.1 million in 2013, and mainly relate to the additional restructuring programme and costs for the equity offering.

### Net finance expenses

In the first nine months of 2014, the finance result was – € 10.4 million, € 4.0 million below last year's finance expenses of – € 14.4 million. The main variances relate to the costs for the issuance of and the fair value adjustments of the Cumprefs (in total – € 3.2 million), and the effect of the recycling of the ineffective part of the hedge reserve in YTD 2014 (€1.1 million) and 2013 (€ 3.3 million).

**Income tax expenses**

In YTD 2014 an income tax expense is reported of – € 2.7 million on a loss before tax on continued operations of – € 7.7 million, compared to an income tax benefit of € 1.1 million that was reported on a loss before tax on continued operations of – € 10.3 million in the same period last year. The difference in the tax charges of € 3.8 million can mainly be explained by one-off tax benefits reported YTD 2013 as a result of a renewed calculation for deferred tax liabilities following tax rate reductions in the UK and Sweden (€ 2.7 million) and the one-off release of a tax provision.

**Net result**

Net result from continuing operations YTD 2014 was – € 10.4 million (YTD 2013: – € 9.1 million) impacted by a lower operating result, lower finance expenses and higher tax charges. Net result from discontinued operations (net of income tax) represents the French business and was – € 9.2 million YTD 2014 (YTD 2013: € 0.5 million). Discontinued operations in 2013 also relate to the net result of the French M&T activities, which was divested in September 2013.

**Outlook 2014 and beyond**

Grontmij remains committed to its long term strategic targets. Grontmij needs profitable growth, reasonable market circumstances in its European home markets and excellence in execution to be able to meet these targets. Excellence in execution means that Grontmij successfully implements the additional restructuring programme in 2014, continues to optimise the business portfolio and starts to yield the financial benefits from 2014 onwards from the extensive operational excellence programme. Grontmij aims to consistently outperform its markets, especially in the Group Growth Segments, by providing state of the art services to its clients. Based on these ingredients and supported by a strengthened financial position, Grontmij faces the future with confidence.



## Financial Calendar 2014

25 February 2015

Full year 2014 Results

### Invitation to attend the audio webcast of the presentation of Q3 2014 figures

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the Q3 2014 figures today, 30 October 2014 at 10.00 CET via [www.grontmij.com](http://www.grontmij.com). The presentation will be available on our website the morning of 30 October 2014.

### Disclaimer Grontmij

This press release may include forward-looking statements, which do not refer to historical facts but to expectations based on current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those included in or implied by such statements.

Many of the risks and uncertainties to which these forward-looking statements are subject relate to factors that are beyond the Company's control or that cannot be estimated precisely.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as per the date of this press release. The Company does not assume any obligation to update any public information or forward-looking statements in this release to reflect subsequent events, except as may be required by law.

These financial figures have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and are prepared using the principles which are followed in the financial statements for the year ended 31 December 2013 and those that became effective as of 1 January 2014. In our financial statements we described the standards and interpretations that became effective as of January 1, 2014 and the effect they have on the consolidated financial figures. Further disclosures as required under IFRS are not included in the financial figures and for a full understanding those should be read in conjunction with the financial statements for the Group as at and for the year ended 31 December 2013.

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## **Appendices**

Country performance tables

Business line performance

Total revenue and EBITA per country Q3 2014 & YTD 2014

Net debt / EBITDA and interest rate coverage covenant schedules

**Consolidated income statement**

**Consolidated balance sheet**

**Statement of cash flows**

## Country performance tables

### The Netherlands

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	50.3	53.6	-6.2%	-6.2%	156.1	166.9	-6.5%	-6.5%
Net revenue	38.5	39.6	-2.9%	-2.9%	125.4	130.0	-3.6%	-3.6%
EBITA	0.7	-0.8	184.4%	184.4%	1.2	2.7	-55.1%	-55.1%
EBITA margin	1.4%	-1.5%			0.8%	1.6%		
Exceptional items	-0.7	-0.4			-5.3	-0.6		
EBITA excluding exceptional items	1.4	-0.4	408.8%	408.8%	6.5	3.3	94.3%	94.3%
EBITA margin excluding exceptional items	2.7%	-0.8%			4.2%	2.0%		
# employees (average FTE)	1,786	1,883	-5.1%		1,810	1,904	-4.9%	

### Denmark

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	31.6	33.3	-5.2%	-3.0%	103.5	105.8	-2.2%	0.2%
Net revenue	26.4	26.9	-1.8%	1.9%	84.4	87.6	-3.6%	-0.9%
EBITA	1.6	1.2	25.6%	42.2%	2.1	3.0	-29.2%	-31.5%
EBITA margin	4.9%	3.7%			2.0%	2.8%		
Exceptional items	-0.0	-			-0.8	-		
EBITA excluding exceptional items	1.6	1.2	28.0%	45.0%	2.9	3.0	-3.0%	-6.2%
EBITA margin excluding exceptional items	5.0%	3.7%			2.8%	2.8%		
# employees (average FTE)	1,060	1,128	-6.0%		1,063	1,143	-7.0%	

### Sweden

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	15.7	20.5	-23.2%	-18.4%	60.9	72.9	-16.6%	-12.1%
Net revenue	14.2	17.6	-19.2%	-14.0%	55.0	60.9	-9.6%	-4.7%
EBITA	-0.2	0.4	-147.7%	-145.1%	2.1	0.3	603.6%	641.1%
EBITA margin	-1.3%	2.0%			3.4%	0.4%		
Exceptional items	0.0	-			-0.3	-		
EBITA excluding exceptional items	-0.2	0.4	-148.5%	-145.1%	2.4	0.3	720.9%	764.8%
EBITA margin excluding exceptional items	-1.3%	2.0%			4.0%	0.4%		
# employees (average FTE)	661	686	-3.6%		687	704	-2.4%	

## Belgium

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	19.6	19.1	3.1%	3.1%	64.1	60.7	5.7%	5.7%
Net revenue	17.0	16.4	3.6%	3.6%	55.5	53.6	3.6%	3.6%
EBITA	0.9	0.2	361.6%	361.6%	3.2	2.8	14.4%	14.4%
EBITA margin	4.4%	1.0%			5.0%	4.6%		
Exceptional items	-0.1	-			-0.2	-		
EBITA excluding exceptional items	0.9	0.2	411.2%	411.2%	3.4	2.8	21.4%	21.4%
EBITA margin excluding exceptional items	4.8%	1.0%			5.3%	4.6%		
# employees (average FTE)	780	752	3.7%		772	772	0.1%	

## UK

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	16.0	15.2	5.6%	-2.2%	47.4	47.7	-0.7%	-5.3%
Net revenue	14.0	13.0	7.6%	-0.3%	41.2	40.4	2.1%	-2.7%
EBITA	1.0	0.8	20.9%	13.5%	2.0	1.6	31.2%	25.0%
EBITA margin	6.0%	5.3%			4.3%	3.3%		
Exceptional items	-0.0	-0.1			-0.1	-0.1		
EBITA excluding exceptional items	1.0	0.9	13.4%	6.3%	2.1	1.6	33.4%	27.1%
EBITA margin excluding exceptional items	6.0%	5.6%			4.5%	3.4%		
# employees (average FTE)	696	741	-6.1%		708	758	-6.6%	

## Germany

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	14.1	13.1	7.4%	7.4%	42.7	40.5	5.5%	5.5%
Net revenue	12.2	11.4	6.8%	6.8%	36.6	35.3	3.9%	3.9%
EBITA	0.8	0.7	9.4%	9.4%	2.5	2.5	-0.3%	-0.3%
EBITA margin	5.7%	5.6%			5.8%	6.1%		
Exceptional items	-0.2	-			-0.2	-		
EBITA excluding exceptional items	1.0	0.7	35.2%	35.2%	2.7	2.5	7.2%	7.2%
EBITA margin excluding exceptional items	7.0%	5.6%			6.2%	6.1%		
# employees (average FTE)	607	578	5.0%		598	576	3.6%	

## Other markets

€ million, unless otherwise indicated	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
Total revenue	5.3	5.3	-1.8%	-0.7%	14.9	17.7	-16.1%	-11.7%
Net revenue	3.6	3.1	16.8%	20.0%	9.8	9.6	2.0%	8.5%
EBITA	0.3	0.1	126.9%	138.4%	0.5	0.6	-18.2%	-11.9%
EBITA margin	5.0%	2.2%			3.5%	3.6%		
Exceptional items	-	-			-	-		
EBITA excluding exceptional items	0.3	0.1	126.9%	138.4%	0.5	0.6	-18.2%	-11.9%
EBITA margin excluding exceptional items	5.0%	2.2%			3.5%	3.6%		
# employees (average FTE)	323	298	8.3%		308	293	5.1%	

## Non-core and other unallocated

€ million, unless otherwise indicated	Q3 2014	Q3 2013	YTD Q3 2014	YTD Q3 2013
Total revenue	1.8	1.5	2.2	3.2
Net revenue	1.7	1.7	4.8	4.4
EBITA	-1.4	-2.2	-6.3	-5.1
Exceptional items	-0.4	-1.0	-2.3	-1.5
EBITA excluding exceptional items	-1.1	-1.2	-4.0	-3.6
# employees (average FTE)	82	78	74	79

## Business lines performance

€ million, unless otherwise indicated								
	Q3 2014	Q3 2013	% change	% organic growth	YTD Q3 2014	YTD Q3 2013	% change	% organic growth
<b>Planning &amp; Design</b>								
Total revenue	57.5	57.1	0.7%	0.9%	180.8	184.4	-2.0%	-1.4%
Net revenue	46.5	45.3	2.6%	3.0%	151.1	147.9	2.1%	2.9%
<b>Transportation &amp; Mobility</b>								
Total revenue	48.3	53.5	-9.7%	-9.7%	157.0	170.1	-7.7%	-7.4%
Net revenue	40.5	42.4	-4.7%	-4.6%	131.9	139.3	-5.3%	-4.9%
<b>Water &amp; Energy</b>								
Total revenue	45.0	47.1	-4.4%	-3.4%	145.4	150.3	-3.3%	-1.6%
Net revenue	39.0	39.8	-2.2%	-0.3%	125.0	128.2	-2.5%	-0.6%
<b>Non-core and other unallocated</b>								
Total revenue	3.6	3.9	-8.8%	-8.8%	8.6	10.7	-20.0%	-20.0%
Net revenue	1.7	2.2	-20.4%	-20.4%	4.8	6.4	-25.1%	-25.1%
<b>Total Group</b>								
Total revenue	154.4	161.6	-4.4%	-4.0%	491.8	515.5	-4.6%	-3.8%
Net revenue	127.6	129.7	-1.6%	-0.8%	412.7	421.8	-2.1%	-1.2%

## Total revenue and EBITA per country

€ million, unless otherwise indicated	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013	Q3 2014	Q3 2013
The Netherlands	50.3	53.6	0.7	-0.8	1.4	-0.4	2.7%	-0.8%
Denmark	31.6	33.3	1.6	1.2	1.6	1.2	5.0%	3.7%
Sweden	15.7	20.5	-0.2	0.4	-0.2	0.4	-1.3%	2.0%
Belgium	19.6	19.1	0.9	0.2	0.9	0.2	4.8%	1.0%
UK	16.0	15.2	1.0	0.8	1.0	0.9	6.0%	5.6%
Germany	14.1	13.1	0.8	0.7	1.0	0.7	7.0%	5.6%
Other markets	5.3	5.3	0.3	0.1	0.3	0.1	5.0%	2.2%
Non-core and other unallocated	1.8	1.5	-1.4	-2.2	-1.1	-1.2		
<b>Total Group</b>	<b>154.4</b>	<b>161.6</b>	<b>3.5</b>	<b>0.5</b>	<b>4.8</b>	<b>1.9</b>	<b>3.1%</b>	<b>1.2%</b>

## Total revenue and EBITA per country

€ million, unless otherwise indicated	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
	YTD Q3 2014	YTD Q3 2013	YTD Q3 2014	YTD Q3 2013	YTD Q3 2014	YTD Q3 2013	YTD Q3 2014	YTD Q3 2013
The Netherlands	156.1	166.9	1.2	2.7	6.5	3.3	4.2%	2.0%
Denmark	103.5	105.8	2.1	3.0	2.9	3.0	2.8%	2.8%
Sweden	60.9	72.9	2.1	0.3	2.4	0.3	4.0%	0.4%
Belgium	64.1	60.7	3.2	2.8	3.4	2.8	5.3%	4.6%
UK	47.4	47.7	2.0	1.6	2.1	1.6	4.5%	3.4%
Germany	42.7	40.5	2.5	2.5	2.7	2.5	6.2%	6.1%
Other markets	14.9	17.7	0.5	0.6	0.5	0.6	3.5%	3.6%
Non-core and other unallocated	2.2	3.2	-6.3	-5.1	-4.0	-3.6		
<b>Total Group</b>	<b>491.8</b>	<b>515.5</b>	<b>7.3</b>	<b>8.4</b>	<b>16.5</b>	<b>10.5</b>	<b>3.4%</b>	<b>2.0%</b>

## Net debt/EBITDA covenant schedule

	March	June	September	December
2014	3.50x	3.75x	3.50x	2.75x
2015	2.75x	2.75x	2.75x	2.50x
2016	2.75x	2.75x		

## Interest cover covenant schedule

	March	June	September	December
2014	2.50:1	2.50:1	2.75:1	3.25:1
2015	4.00:1	4.00:1	4.00:1	4.00:1
2016	4.00:1	4.00:1		

### Covenants calculated according to specific definitions in the credit facility

<sup>1</sup> net debt / adjusted EBITDA (Adjusted means amongst others corrected for acquisitions, disposals of non-current assets and exceptional)

<sup>2</sup> EBITA / adjusted net financial income & expenses (adjusted means amongst other corrected for arrangement fees, effect of IRS)

## Consolidated income statement

In thousands of €	Q3 2014	Q3 2013 (*)	YTD 30 September 2014	YTD 30 September 2013 (*)
<b>Total revenue</b>	<b>154,427</b>	<b>161,551</b>	<b>491,757</b>	<b>515,471</b>
Third-party project expenses	-26,800	-31,888	-79,012	-93,720
<b>Net revenue</b>	<b>127,627</b>	<b>129,663</b>	<b>412,745</b>	<b>421,751</b>
Direct employee expenses	-91,867	-91,417	-299,273	-296,807
Direct other expenses	-1,110	-1,031	-2,315	-2,733
<b>Total direct expenses</b>	<b>-92,977</b>	<b>-92,448</b>	<b>-301,588</b>	<b>-299,540</b>
<b>Gross margin</b>	<b>34,650</b>	<b>37,215</b>	<b>111,157</b>	<b>122,211</b>
Other income	86	54	223	296
Indirect employee expenses	-11,496	-15,363	-42,288	-48,309
Amortisation	-1,333	-1,233	-4,002	-3,797
Depreciation	-2,064	-2,362	-6,468	-7,005
Impairments of non-current assets	-235	-331	-551	-432
Indirect other operating expenses	-17,635	-18,142	-55,381	-57,752
<b>Total indirect expenses</b>	<b>-32,763</b>	<b>-37,431</b>	<b>-108,690</b>	<b>-117,295</b>
Result on sale of subsidiaries	-187	-	3	-
Share of results of investments in equity accounted investees	149	-950	77	-1,057
	<b>-38</b>	<b>-950</b>	<b>80</b>	<b>-1,057</b>
<b>Operating result</b>	<b>1,935</b>	<b>-1,112</b>	<b>2,770</b>	<b>4,155</b>
Finance income	613	875	1,761	1,758
Finance expenses	-523	-8,108	-12,186	-16,164
<b>Net finance expenses</b>	<b>90</b>	<b>-7,233</b>	<b>-10,425</b>	<b>-14,406</b>
<b>Result before income tax</b>	<b>2,025</b>	<b>-8,345</b>	<b>-7,655</b>	<b>-10,251</b>
Income tax expense	-842	564	-2,745	1,135
<b>Result after income tax from continuing operations</b>	<b>1,183</b>	<b>-7,781</b>	<b>-10,400</b>	<b>-9,116</b>
Result from discontinued operations (net of income tax)	-3,848	-309	-9,161	497
<b>Total result for the period</b>	<b>-2,665</b>	<b>-8,090</b>	<b>-19,561</b>	<b>-8,619</b>
Attributable to:				
Shareholders of Grontmij	-2,652	-8,078	-19,519	-8,577
Non-controlling interest	-13	-12	-42	-42
<b>Total result for the period</b>	<b>-2,665</b>	<b>-8,090</b>	<b>-19,561</b>	<b>-8,619</b>

\* 2013 is restated for comparison purposes to reflect the classification of the French Consulting & Engineering business as held for sale and discontinued operations as per 30 June 2014 in accordance with IFRS 5 'Assets held for sale'.



## Consolidated balance sheet

In thousands of €	30 September 2014	30 September 2013 (*)	31 December 2013
Goodwill	116,608	128,046	115,991
Intangible assets	48,388	51,061	50,904
Property, plant and equipment	22,323	25,449	26,130
Investments in equity accounted investees	986	3,519	3,329
Other financial assets	9,321	13,301	14,152
Deferred tax assets	2,176	2,403	2,335
<b>Non-current assets</b>	<b>199,802</b>	<b>223,779</b>	<b>212,841</b>
Receivables	241,255	320,241	295,033
Inventories	15,656	17,218	16,564
Income taxes	797	3,849	738
Cash and cash equivalents	16,273	35,934	45,962
Assets classified as held for sale	66,268	9,680	10,704
<b>Current assets</b>	<b>340,249</b>	<b>386,922</b>	<b>369,001</b>
<b>Total assets</b>	<b>540,051</b>	<b>610,701</b>	<b>581,842</b>
Share capital	17,500	15,992	15,992
Share premium	184,478	165,476	165,476
Reserves	-63,052	-49,877	-50,521
Result for the period	-19,519	-8,577	-14,791
<b>Total equity attributable to shareholders of Grontmij</b>	<b>119,407</b>	<b>123,014</b>	<b>116,156</b>
Non-controlling interest	-83	-94	-82
<b>Total Group equity</b>	<b>119,324</b>	<b>122,920</b>	<b>116,074</b>
Loans and borrowings	72,180	84,976	65,189
Employee benefits	8,855	10,387	11,876
Derivatives used for hedging	6,735	7,289	6,929
Provisions	29,928	32,243	29,521
Deferred tax liabilities	27,247	27,508	27,302
<b>Non-current liabilities</b>	<b>144,945</b>	<b>162,403</b>	<b>140,817</b>
Bank overdrafts	2,459	14,535	19,802
Loans and borrowings	28,576	21,284	15,054
Income taxes	7,752	6,572	5,943
Trade and other payables	186,838	261,383	263,734
Employee benefits	2,064	2,703	2,692
Provisions	5,584	15,198	12,999
Liabilities classified as held for sale	42,509	3,703	4,727
<b>Current liabilities</b>	<b>275,782</b>	<b>325,378</b>	<b>324,951</b>
<b>Total equity and liabilities</b>	<b>540,051</b>	<b>610,701</b>	<b>581,842</b>

\* September 2013 is restated for the effects of IFRS 11 'Joint Arrangements' based on the final re-evaluation at 31 December 2013 which were not taken into account as per 30 September 2013.

## Statement of cash flows

In thousands of €	Q3 2014	Q3 2013 (*)	YTD 30 September 2014	YTD 30 September 2013 (*)
Total result for the period	-2,665	-8,090	-19,561	-8,619
Result from discontinued operations (net of income tax)	3,848	309	9,161	-497
<b>Result after income tax from continuing operations</b>	<b>1,183</b>	<b>-7,781</b>	<b>-10,400</b>	<b>-9,116</b>
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	2,064	2,362	6,468	7,005
Amortisation of intangible assets	1,333	1,233	4,002	3,797
Impairment losses	235	331	551	432
Share of results of investments in equity accounted investees	-149	950	-77	1,057
Results on sale of property, plant and equipment	-	-2	-3	-3
Result on sale of a subsidiary (net of income tax)	187	-	-3	-
Net finance expenses	-90	7,233	10,425	14,406
Income tax expense	842	-564	2,745	-1,135
	<b>4,422</b>	<b>11,543</b>	<b>24,108</b>	<b>25,559</b>
Change in amounts due to and due from customers and inventories	-3,934	2,445	-31,922	-25,357
Change in trade and other receivables	11,022	10,873	13,021	27,831
Change in provisions and employee benefits	-2,326	-1,884	-2,090	-9,156
Change in trade and other payables	-6,106	-4,287	-20,972	-19,207
Change in current assets and liabilities except for cash and bank overdraft	<b>-1,344</b>	<b>7,147</b>	<b>-41,963</b>	<b>-25,889</b>
Dividends received from equity accounted investees	5	7	5	232
Interest paid	-1,678	-4,437	-5,649	-10,727
Interest received	-27	205	243	289
Income taxes received	-382	-93	-1,200	-3,033
	<b>-2,087</b>	<b>-4,325</b>	<b>-6,606</b>	<b>-13,471</b>
<b>Net cash from operating activities</b>	<b>2,179</b>	<b>6,591</b>	<b>-34,856</b>	<b>-22,685</b>
Proceeds from sale of property, plant and equipment	1	7	15	31
Proceeds from sale of a subsidiary (net of cash disposed)	-	-35	192	-35
Acquisition of intangible assets	-223	-228	-622	-673
Acquisition of property, plant and equipment	-1,660	-1,560	-4,554	-4,746
Payment of deferred consideration relating to acquisitions	-	-125	-337	-235
Repayments from and acquisition of other investments, net	-19	-173	-154	-839
<b>Net cash used for investing activities</b>	<b>-1,901</b>	<b>-2,114</b>	<b>-5,460</b>	<b>-6,497</b>
Proceeds from the issue of share capital	-	-	20,511	-
Payment of costs of issuing ordinary shares	-18	-	-572	-
Proceeds from the issue of loans and borrowings	-3,897	-	19,768	2,145
Payment of transaction costs related to loans and borrowings	-	-	-1,092	-
Repayments of loans and borrowings	-	-46,116	-2,322	-42,505
Net cash (used for) / from intercompany settlements with discontinued operations	-21,920	58,818	-22,471	65,740
<b>Net cash from / (used for) financing activities</b>	<b>-18,041</b>	<b>12,702</b>	<b>13,822</b>	<b>25,380</b>

\* 2013 is restated for comparison purposes to reflect the classification of the French Consulting & Engineering business as held for sale and discontinued operations as per 30 June 2014 in accordance with IFRS 5 'Assets held for sale'.

## Statement of cash flows (continued)

In thousands of €	Q3 2014	Q3 2013 (*)	YTD 30 September 2014	YTD 30 September 2013 (*)
<b>Movements in net cash position for the period of the continuing operations</b>	<b>-17,763</b>	<b>17,179</b>	<b>-26,494</b>	<b>-3,802</b>
Net cash (used for) / from operating activities discontinued operations	-1,297	3,418	-8,862	4,100
Net cash (used for) / from investing activities discontinued operations	206	58,878	1,083	56,897
Net cash from financing activities discontinued operations	-20	-2,224	-56	-2,957
Net cash (used for) / from intercompany settlements with continued operations	21,920	-58,818	22,471	-65,740
<b>Movements in net cash position for the period of discontinued operations</b>	<b>20,809</b>	<b>1,254</b>	<b>14,636</b>	<b>-7,700</b>
<b>Movements in net cash position for the period of the continuing and discontinued operations</b>	<b>3,046</b>	<b>18,433</b>	<b>-11,858</b>	<b>-11,502</b>
Cash and cash equivalents continued operations included in consolidated statement of financial position	33,355	13,440	41,186	36,939
Cash and cash equivalents discontinued operations included in assets held for sale	5,082	7,795	4,776	11,366
Bank overdrafts continued operations included in consolidated statement of financial position	-2,474	-262	-1,595	-215
Bank overdrafts discontinued operations included in assets held for sale	-24,686	-18,310	-18,207	-14,543
<b>Net cash position as at 1 July / 1 January</b>	<b>11,277</b>	<b>2,663</b>	<b>26,160</b>	<b>33,547</b>
Effect of exchange rate fluctuations on cash held	696	303	717	-646
Cash and cash equivalents continued operations included in consolidated statement of financial position	16,273	32,481	16,273	32,481
Cash and cash equivalents discontinued operations included in assets held for sale	3,315	3,453	3,315	3,453
Bank overdrafts continued operations included in consolidated statement of financial position	-2,459	-205	-2,459	-205
Bank overdrafts discontinued operations included in assets held for sale	-2,110	-14,330	-2,110	-14,330
<b>Net cash position as at 30 September</b>	<b>15,019</b>	<b>21,399</b>	<b>15,019</b>	<b>21,399</b>

\* 2013 is restated for comparison purposes to reflect the classification of the French Consulting & Engineering business as held for sale and discontinued operations as per 30 June 2014 in accordance with IFRS 5 'Assets held for sale'.