

De Bilt, November 12, 2009

Press release

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Grontmij first nine months 2009: no recovery in European markets

<u>€m</u>	<u>Results first nine months</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net revenue	478	491	441
Gross Margin	111	115	100
EBITDA*	42	47	31
EBITA*	33	38	23
Profit after Tax	20.1	26.6	22.0
Working Capital	187	219	200
Net Debt	-108	-131	-99

*Before non-recurring restructuring costs of €-3.1 m (2008: €-0.1 m), profits from EAI €3.0 m (2008: €3.7 m) profit from divestment of EAI €5.2 m (2008: €2.5 m) & revaluations €-1.0 m (2008: nil)

- **Market conditions remain very challenging and have worsened since the half year figures.**
- **Net profit after tax first nine months down 24% (€20.1 million versus €26.6 million in 2008).**
- **Revenues first nine months hold up (excluding currency loss).**
- **Forward order book stable but postponement of orders.**
- **Net debt reduced by €23 million due to strong focus on working capital reduction.**
- **Further restructuring costs and provision full year expected to be €6-8 million.**
- **Outlook for 2009: underlying EBITA (before EAI, restructuring & revaluations) approximately €43-45 million and profit after tax of approximately €18-20 million (after restructuring costs, provisions and revaluations).**

Sylvo Thijsen, CEO Grontmij N.V., statement:

"The 24% decline of profit after tax in the first nine months reflects the recessionary effects in Europe especially the UK with recovery slower than expected. What we are seeing is that clients, also in the very important public sector, are postponing start dates on contracted projects. Whilst revenues hold up, margins fell due to sliding productivity. We expect markets to stabilize in the first half of 2010 and expect a slight recovery in the second half of 2010.

Note: The figures in this press release are unaudited

Our response to these market conditions has been focused and fast. We were already committed to further improving operational performance through managing overhead, exiting low performing activities and tightening cash management. At the third quarter we have incurred restructuring costs of €-3.1 million, and asset revaluations of €-1.0 million. We forecast a further €6-8 million of restructuring provisions for the year to result in a structurally improved cost base. We believe these actions are necessary to position Grontmij for sustainable growth as European player. The estimated EBITA before exceptional items for the year 2009 will be approximately €43-45 million while profit after tax including all costs, provisions and revaluations will amount to approximately €18-20 million.”

Revenues and results first nine months 2009

The key financial figures for the Group are summarised below:

	Results first nine months		
Profit & Loss Account	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total revenue	608	628	567
Net revenue	478	491	441
Gross Margin	111	115	100
EBITDA*	41.7	47.0	31.4
EBITA*	33.2	38.0	22.5
% TR	5.5%	6.1%	4.0%
% NR	6.9%	7.7%	5.1%
EAI	3.0	3.7	13.5
Divestment	5.2	2.5	0.9
Adjusted EBITA	41.4	44.2	36.9
% TR	6.8%	7.0%	6.5%
% NR	8.7%	9.0%	8.4%
Amortisation	-6.0	-4.1	-4.8
EBIT	35.4	40.1	32.1
Restructuring	-3.1	-0.1	-
Revaluations	-1.0	-	-
Interest	-4.4	-5.2	-4.7
Taxation	-6.8	-8.2	-5.4
Effective rate	25%	24%	20%
Profit after Tax	20.1	26.6	22.0
% TR	3.3%	4.2%	3.9%

*Before non-recurring restructuring costs of €-3.1 m (2008: €-0.1 m) and revaluations of €-1.0 m (2008: nil)

Total revenues showed a decline 3% to €608 million (€478 million net). There was no recovery in the private sector Building and Industry markets in Europe. We saw a further slowdown in the UK market, as well as postponement of some orders. The public sector markets in transport and environment remained strong.

The lack of recovery in the Building and Industry markets in Belgium, Denmark, the Netherlands and UK, together with the continued low level of activity in the UK market, continued to impact Gross margin, which declined to €111 million from €115 million for the same period last year. Consequently, EBITA before EAI restructuring costs and revaluations fell to €33.2 million from €38.0 million, and profit after tax fell to €20.1 million after restructuring costs of €3.1 million and revaluations of €-1.0 million resulting in an EPS of €1.11 (2008: €1.50).

The negative impact of currencies (GBP, SEK, and PLN) was approximately €1.4 million in EBITA and approximately €16.6 million in net revenue.

Amortisation increased to €6.0 million from €4.1 million in line with the timing of acquisitions in 2008.

Profit of EAI operations continued to be in line with expectations and was €3.0 million for the first nine months compared to €3.7 million in the same period in 2008. No divestments were made in the third quarter.

<u>Balance sheet extract 30 September</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Intangible assets & Goodwill	201	207	168
Work in progress	74	89	76
Trade Receivables	113	130	124
Net Debt	-108	-131	-99
Cash	17	49	25

Continued strong focus on working capital management resulted in an overall reduction in both work in progress and trade receivables, with total working capital falling to €187 million compared to €219 million at the third quarter 2008. As a result, net debt reduced to €-108 million.

Markets

Private markets Building and Industry are not picking up; especially in the UK but also in Belgium, the Netherlands and Denmark. In addition, some governments/municipalities are postponing starting dates on contracted projects or even cancelling them. While in general revenues are holding up, margin fell due to sliding productivity and higher bidding costs.

In this quarter it became clear that some larger investment programmes such as the AMP5 (Water) scheme in the UK, Transportation (Crisiswet) in the Netherlands and in Belgium (Antwerp, Oosterweel) will not materialise before the second half of 2010.

Furthermore, the conditions for the divestment of the remaining non-core activities are still difficult.

Quarterly analysis

<u>Profit & Loss Account</u>	<u>Q3 09</u>	<u>Q3 08</u>	<u>Q2 09</u>	<u>Q1 09</u>
Total revenue	191	208	209	208
Net revenue	146	158	165	167
EBITA	10.2	11.0	12.5	10.5
Restructuring	-0.9	0.0	-1.7	-0.5
Revaluations	-1.0	-	-	-
EAI Operations	0.9	1.2	1.7	0.4
Profit on Sale	0.0	2.1	0.0	5.2

Before acquisitions and currency effects, revenues fell by 4%. Restructuring activity continued as planned whilst EAI operations were in line with expectations.

Outlook 2009

Current challenging economic conditions have led to increased uncertainty in most market segments in Europe. In view of these increased uncertainties and changed market circumstances we have taken and plan to take further actions to take advantage when markets improve. We are cutting costs, quitting low performing activities and tightening cash.

Our market position in the Transportation, Environment, Water and Energy sectors remains strong and will be leveraged to generate sustainable growth for the long term.

We expect full-year underlying EBITA before restructuring costs, result of EAI and revaluation to be in the range of €43-45 million. Full-year restructuring costs, provisions and revaluations are expected to be in the range of €10-12 million. Profit after tax after restructuring costs, provisions and revaluations is expected to be approximately €18-20 million.

For further information, please contact:

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Financial calendar

11 March 2010	Publication of annual figures for 2009
18 May 2010	Publication of Q1 figures 2010
18 May 2010	Annual General Meeting of Shareholders
19 August 2010	Publication of half-year figures 2010
11 November 2010	Publication of Q3 figures 2010

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Grontmij intends to be the best local service provider for design, consultancy, management, engineering and contracting of projects in environment, water, energy, building, industry and transportation. Our employees thus create value for our clients and shareholders and contribute to a sustainable living and working environment.

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