ARCADIS
Infrastructure, environment, buildings

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PRESS RELEASE

ARCADIS RESULTS BETTER THAN EXPECTED

- Net income from operations in third quarter 12% higher
- Gross revenues increase 10%, organic decline stable at 7%
- Continued growth in infrastructure, environment stabilizes, buildings weak
- Margin remains above 10% due to cost savings
- Malcolm Pirnie merger contributes positively to revenues and profit
- Outlook for full year 2009 adjusted upwards: from slight decline to slight increase in net income from operations

November 11, 2009 – ARCADIS (EURONEXT: ARCAD), the international design, consulting, engineering and management services company, in the third quarter of 2009 produced net income from operations of € 18.2 million, 12% more than last year. Gross revenues increased 10% to € 470 million, also as a result of the merger with Malcolm Pirnie early in July. Organic gross revenue decline stabilized at 7%. Continued infrastructure growth was offset by an increased decline in buildings and a clearly reduced decline in environment. The better than expected results were achieved by excellent performance in infrastructure and environment, keeping the margin above 10%, while Malcolm Pirnie also contributed well. As a result of a weaker U.S. dollar the currency effect on revenues and profits was limited.

In the first nine months, gross revenues increased by 4% to € 1.3 billion aided by a positive currency effect of 3%. Due to the recession, gross revenues declined organically by 5%. The decline in environment and buildings was partially compensated by growth in infrastructure. Net income from operations increased 6% to € 50.8 million, despite restructuring charges of € 7.6 million. Good working capital management resulted in strong cash flow.

Malcolm Pirnie, a leading U.S. consultancy and engineering company in the water and environmental markets (1700 people, gross revenues $392 million), with whom we merged early July, was consolidated as of the third quarter. This merger provides us with a leading position in the fast growing water market and a top 10 position in the U.S.

CEO Harrie Noy said: “The positive results can be attributed to our strong market positions, strict cost controls and a strong focus by our staff on clients. Government investments are keeping the infrastructure market at a good level. In the third quarter we won some large GRiP® contracts indicating stabilization in the environmental activities. The buildings market remains very challenging, especially since private sector investments have declined strongly. The merger with Malcolm Pirnie is already starting to bear fruit in the form of numerous initiatives for top line synergy.”

Unaudited

Key figures

Amounts in € million, unless otherwise noted	Third quarter			First nine months		
	2009	2008	Δ	2009	2008	Δ
Gross revenue	470	427	10%	1,302	1,254	4%
Net revenue	318	284	12%	895	850	5%
EBITA	29.8	30.3	- 2%	86.1	87.2	- 1%
EBITA recurring [1)]	32.0	30.3	6%	88.3	87.2	1%
Net income	13.9	11.4	22%	50.7	40.0	27%
Net income per share (in €)	0.21	0.19	11%	0.82	0.66	24%
Net income from operations [2)]	**18.2**	**16.3**	**12%**	**50.8**	**47.8**	**6%**
Ditto per share (in €) [2)]	**0.28**	**0.27**	**4%**	**0.82**	**0.79**	**4%**
Average shares outstanding (in millions)	65.6	60.6		62.1	60.5	

1) Excluding effect share participation plan Lovinklaan Foundation; see analysis under third quarter
2) Before amortization and non-operational items

Third quarter

Gross revenues increased 10%. The currency effect was 1%, while acquisitions contributed 16%, driven primarily by the merger with Malcolm Pirnie at the beginning of the third quarter. The organic gross revenue decline stabilized at 7%.

Net revenues (revenues produced by our own staff) increased by 12%. The currency effect was 1%, the contribution from acquisitions was 17%. Due to less subcontracting organic decline was 6%

Organic revenue growth was mainly seen in the Netherlands, Poland and to a lesser extent France. Due to the poor conditions in the real estate market, especially in England and with RTKL activities declined. In the United States, revenues increased as a result of the merger with Malcolm Pirnie, but organically revenues declined, albeit less than in previous quarters due to a pick up in environmental activities.

EBITA is impacted by € 2.2 million in costs related to the share participation program of the Lovinklaan Foundation, a main shareholder in ARCADIS. Under this program, employees can buy shares in ARCADIS at a discount. In 2009 participants have also received one-off bonus shares. Although the costs of this program are entirely paid for by the Foundation, IFRS requires these to be included in the profit and loss account of the Company. This results in the earlier noted amount of € 2.2 million, which has been earmarked as non-recurring. The regular cost of the current Lovinklaan program amounts to approximately € 0.1 million per quarter. There is no effect on cash flow or on the equity of the Company.

Recurring EBITA rose 6% to € 32.0 million. Acquisitions contributed 16%, the currency effect was limited. The organic decline of 10% was the same as in the first half year and was partly an effect of the reduced contribution from *carbon credits* due to slow procedures.

Without this effect the organic decline was 8%. This was mainly the result of profit declines in England and in RTKL caused by poor conditions in the buildings market and a restructuring charge of € 2.3 million for further adjustment of our organization. This was offset by the continued good performance in the Netherlands and the United States. The margin (recurring EBITA as a percentage of net revenues) at 10.1% remained at a good level (2008: 10.7%). Excluding the impact from carbon credits the margin was 10.3%.

Financing charges amounted to € 3.3 million. This is higher than in the previous quarter due to the Malcolm Pirnie merger, but lower than the € 5.4 million (excluding the effect of derivatives) in 2008. This results from a lower working capital, while in 2008 exchange rate losses on loans in Brazil had a negative effect. The tax pressure is somewhat distorted by the cost of the Lovinklaan program. Excluding this impact, tax pressure was at 34.6%, slightly higher than the 32.4% of last year.

Net income from operations (which excludes the cost of the Lovinklaan program) rose 12% to € 18.2 million. This is better than the development of EBITA due to lower financing charges and a reduced minority interest due to lower profits from Brazil.

First nine months

Gross revenues increased 4%, while net revenues were 5% higher. The currency effect was 3%, the contribution from acquisitions 6%. Organically gross revenue declined 5%. Due to less subcontracting, the organic decline in net revenue was limited to 4%.

Recurring EBITA rose 1% to € 88.3 million. Acquisitions contributed 7%, the currency effect was 4%. Organically a decline of 10% occurred, in part due to a lower contribution from carbon credits. Excluding this effect the organic decline was 7%, also caused by a restructuring charge of € 7.6 million. The margin (recurring EBITA as a percentage of net revenue) was 9.9%, excluding the impact of carbon credits 10.2%, comparable with the 10.3% in 2008.

The unwinding of derivatives early in 2009 had a positive effect on financing charges of € 7.5 million. Excluding the effect of derivatives, financing charges declined to € 7.0 million (2008: € 12.2 million). This was a result of lower market interest rates, less working capital and an exchange rate gain on loans in Brazil which in 2008 still generated an exchange rate loss.

Net income from operations rose 6% to € 50.8 million and developed more favorably than EBITA. A higher tax pressure was offset by lower financing charges and a reduced minority interest due to a lower profit contribution from Brazil.

Developments per business line

Figures noted below concern gross revenues for the first nine months of 2009 compared to the same period last year, unless otherwise noted.

- ***Infrastructure***

Gross revenues rose 17%. The currency effect was minus 1%. The contribution from acquisitions was 10% and mainly came from the water activities from Malcolm Pirnie, to be included in a separate business line next year. Gross revenue organically grew 9%, net revenue 5%. The difference results from strong subcontracting in Brazilian energy projects. Organic growth weakened somewhat because in the United States the municipal market is under pressure and the stimulus package is not yet showing a notable effect. In Brazil and Chile growth slowed due to less private investments. In Europe, government investments resulted in strong growth in the Netherlands, Poland, Belgium and France.

- ***Environment***
  Gross revenues were level with last year. The currency effect was 6%, the contribution from acquisitions 7% (LFR, SET and the environmental activities of Malcolm Pirnie). The organic decline was 13%, but in net revenues limited to 4% due to less subcontracting. In the quarter net revenues only declined by 1% which points to stabilization of the environmental activities. This partly resulted from two large GRiP® contract wins in the United States with a total value of $170 million. In Europe gross revenue increased, especially as a result of more government work. In Brazil, revenues for industrial clients declined, while in Chile mining sector work grew.
- ***Buildings***
  Gross revenues were 10% lower with a currency effect of 3%. Organically, gross revenues declined 13%, net revenues by 15%. The difference results from growth in facility management in the Netherlands with a significant amount of subcontracting. In the quarter the revenue decline accelerated, also because last year still saw growth. The commercial real estate market is depressed globally with the largest effects for ARCADIS in England and with RTKL where activities declined strongly. Services for industrial clients in Belgium also suffered from the recession. In addition to facility management, growth was realized in U.S. project management for education and government buildings.

Outlook

Although the first signals of an economic recovery are visible especially in the United States, it may take a while before the effects thereof are noticed in markets relevant to ARCADIS. This means that the uncertainty concerning market developments continues.

The **infrastructure market** is robust because governments continue to invest to speed up economic recovery. In Europe large programs are active to improve infrastructure. In the Netherlands this includes investments to upgrade rail infrastructure and increase road capacity. In Poland ARCADIS is involved in large cross country connections, while in Belgium and France large design-build projects are planned. In the United States the stimulus package is expected to produce effects as of 2010. Demand for water services is growing, also due to climate change. In South America the strong growth seen in recent years is weakening. The Olympic Games in 2016 in Brazil offer new opportunities.

In the **environmental market** regulation and sustainability provide a solid base. Although the recession has led to reduced demand for environmental services from private clients, activities in the United States appear to be stabilizing. The recent GRiP® contracts demonstrate that clients are using the downturn to refocus on their core business. ARCADIS was also recently selected as one of the prime contractors for the worldwide environmental program of the U.S. Air Force of $3 billion. Due to our advanced technologies, vendor reduction and outsourcing of environmental work by companies, we can increase our market share. Energy efficiency and reduction in carbon dioxide emissions are new themes that generate work.

The **buildings market** was hit hardest by the crisis. Both in England as well as for RTKL, market conditions are challenging and a recovery is not foreseen in the short term. RTKL partially compensates for the decline in the U.S. and English commercial market through projects in Asia (mainly China) and in the Middle East. In the U.S. the discussion about health care is leading to delays in hospital projects. For all of our services the emphasis remains on non-commercial segments, which benefit from stimulus funds. Facility management appears to be a growth market, as it fills a demand for cost savings.

CEO Harrie Noy concludes: "As a result of our timely adjustment we have been able to reasonably weather the recession until now. Our backlog is stable compared to the end of 2008 thanks to a good order intake across the board, partially offset by contract cancellations in buildings. In all three business lines we benefit from government stimulus programs. Because our capacity has been adjusted, revenues will also be lower in the coming quarters. Maintaining margins has priority, absorbing price pressure through cost reductions and a strong client focused approach. This year there is no contribution from the sale of energy projects, which last year generated € 2.2 million in net income in the fourth quarter. Because of the favorable results in the third quarter, the outlook for full year 2009 has been adjusted upwards: from a slight decline to a slight increase of 0 – 5% of net income from operations. This is barring unforeseen circumstances."

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About ARCADIS:
ARCADIS is an international company providing consultancy, design, engineering and management services in infrastructure, environment and buildings. We aim to enhance mobility, sustainability and quality of life by creating balance in the built and natural environment. ARCADIS develops, designs, implements, maintains and operates projects for companies and governments. With more than 15,000 employees and over EUR 2.0 billion in revenues, the company has an extensive international network that is supported by strong local market positions. Visit us on the internet at: www.arcadis-global.com

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ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in € millions, unless otherwise stated	Third quarter		First nine months	
	2009	2008	**2009**	2008
Gross revenue	**469.6**	427.2	**1,302.3**	1,254.5
Materials, services of third parties and subcontractors	**(151.6)**	(143.4)	**(407.1)**	(404.9)
Net revenue	**318.0**	283.8	**895.2**	849.6
Operational cost	**(282.0)**	(249.3)	**(792.0)**	(747.3)
Depreciation	**(6.3)**	(5.6)	**(17.9)**	(17.0)
Other income	**0.1**	1.4	**0.8**	1.9
EBITA	**29.8**	30.3	**86.1**	87.2
Amortization identifiable intangible assets	**(3.3)**	(2.6)	**(5.3)**	(8.2)
Operating income	**26.5**	27.7	**80.8**	79.0
Net finance expense	**(3.3)**	(9.5)	**0.5**	(14.9)
Income from associates	**-**	-	**-**	0.1
Profit before taxes	**23.2**	18.2	**81.3**	64.2
Income taxes	**(8.8)**	(5.9)	**(29.7)**	(21.3)
Profit for the period	**14.4**	12.3	**51.6**	42.9
Attributable to:				
Net income (Equity holders of the Company)	**13.9**	11.4	**50.7**	40.0
Minority interest	**0.5**	0.9	**0.9**	2.9
Net income	**13.9**	11.4	**50.7**	40.0
Amortization identifiable intangible assets after taxes	**2.1**	1.8	**3.4**	5.6
Lovinklaan employee share purchase plan	**2.2**	0.1	**2.3**	0.2
Net effects of financial instruments		3.0	**(5.6)**	2.0
Net income from operations	**18.2**	16.3	**50.8**	47.8
Net income per share (in euros)	**0.21**	0.19	**0.82**	0.66
Net income from operations per share (in euros)	**0.28**	0.27	**0.82**	0.79
Weighted average number of shares (in thousands)	**65,606**	60,613	**62,093**	60,501

ARCADIS NV
CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in € millions	September 30, 2009	December 31, 2008
Assets		
Non-current assets		
Intangible assets	**335.6**	249.3
Property, plant & equipment	**77.3**	66.5
Investments in associates	**22.7**	15.7
Other investments	**0.4**	0.2
Other non-current assets	**16.9**	14.8
Derivatives	**-**	3.8
Deferred tax assets	**13.8**	12.2
Total non-current assets	**466.7**	362.5
Current assets		
Inventories	**0.6**	0.8
Derivatives	**0.1**	0.2
(Un)billed receivables	**588.6**	538.5
Other current assets	**42.2**	32.0
Corporate tax assets	**11.7**	6.5
Cash and cash equivalents	**129.6**	117.9
Total current assets	**772.8**	695.9
Total assets	**1,239.5**	1,058.4
Equity and Liabilities		
Shareholders' equity	**318.6**	207.6
Minority interest	**15.9**	12.3
Total equity	**334.5**	219.9
Non-current liabilities		
Provisions	**28.7**	26.7
Deferred tax liabilities	**10.6**	6.0
Loans and borrowings	**341.0**	266.8
Derivatives	**0.8**	16.9
Total non-current liabilities	**381.1**	316.4
Current liabilities		
Billing in excess of cost	**167.6**	182.7
Corporate tax liabilities	**5.3**	18.7
Current portion of loans and borrowings	**5.5**	4.9
Current portion of provisions	**3.7**	4.4
Derivatives	**-**	0.1
Accounts payable	**119.2**	133.2
Accrued expenses	**23.0**	12.3
Bankoverdrafts	**7.1**	6.2
Short term borrowings	**11.0**	3.6
Other current liabilities	**181.5**	156.0
Total current liabilities	**523.9**	522.1
Total equity and liabilities	**1,239.5**	1,058.4

ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ 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 2007	1.0	36.4		(29.8)	180.1	187.7	11.5	199.2
Exchange rate differences				7.2		7.2	(0.4)	6.8
Taxes related to share-based compensation					0.2	0.2		0.2
Other comprehensive income				7.2	0.2	7.4	(0.4)	7.0
Profit for the period					40.0	40.0	2.9	42.9
Total comprehensive income for the period				7.2	40.2	47.4	2.5	49.9
Dividends to shareholders					(24.8)	(24.8)	(1.2)	(26.0)
Stock split	0.2	(0.2)				-		-
Own shares purchased for granted options					(4.5)	(4.5)		(4.5)
Share-based compensation					4.6	4.6		4.6
Options exercised					1.2	1.2		1.2
Expansion ownership							(0.6)	(0.6)
Balance at September 30 2008	1.2	36.2		(22.6)	196.8	211.6	12.2	223.8
Balance at December 31 2008	**1.2**	**36.2**		**(40.2)**	**210.4**	**207.6**	**12.3**	**219.9**
Exchange rate differences				**8.0**		**8.0**	**2.8**	**10.8**
Effective portion of changes in fair value of cash flow hedges			**(1.0)**			**(1.0)**		**(1.0)**
Taxes related to share-based compensation					**1.3**	**1.3**		**1.3**
Other comprehensive income			**(1.0)**	**8.0**	**1.3**	**8.3**	**2.8**	**11.1**
Profit for the period					**50.7**	**50.7**	**0.9**	**51.6**
Total comprehensive income for the period			**(1.0)**	**8.0**	**52.0**	**59.0**	**3.7**	**62.7**
Dividends to shareholders					**(27.1)**	**(27.1)**	**(0.1)**	**(27.2)**
Share-based compensation					**6.9**	**6.9**		**6.9**
Additional paid in capital	**0.1**	**70.6**				**70.7**		**70.7**
Options exercised					**1.5**	**1.5**		**1.5**
Balance at September 30 2009	**1.3**	**106.8**	**(1.0)**	**(32.2)**	**243.7**	**318.6**	**15.9**	**334.5**

ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in € millions	First nine months 2009	2008
Cash flow from operating activities		
Profit for the period	**51.6**	42.9
Adjustments for:		
Depreciation and amortization	**23.2**	25.3
Taxes on income	**29.7**	21.3
Net finance expense	**(0.5)**	14.9
Income from associates	**-**	(0.1)
	104.0	104.3
Share-based compensation	**6.9**	4.8
Sale of activities and assets, net of cost	**(0.8)**	(1.1)
Change in fair value of derivatives	**(0.2)**	
Dividend received	**0.2**	0.5
Interest received	**4.1**	4.1
Interest paid	**(12.8)**	(17.8)
Corporate tax paid	**(37.3)**	(27.0)
Change in working capital	**(9.9)**	(83.9)
Change in deferred taxes and provisions	**7.5**	(0.7)
Net cash from operating activities	**61.7**	(16.8)
Cash flow from investing activities		
Net change in (in)tangible fixed assets	**(17.5)**	(18.3)
Acquisitions/divestments	**(78.5)**	(54.7)
Net change in associates and other investments	**(6.8)**	(7.6)
Net change in other non-current assets	**1.2**	5.1
Net cash used in investing activities	**(101.6)**	(75.5)
Cash flow from financing activities		
Options exercised	**1.5**	1.2
Issued shares	**5.8**	
Purchase own shares		(4.5)
Change in borrowings	**73.3**	96.7
Dividends paid	**(27.2)**	(24.9)
Net cash from financing activities	**53.4**	68.5
Net change in cash and cash equivalents less bank overdrafts	**13.5**	(23.8)
Exchange rate differences	**(2.7)**	1.3
Cash and cash equivalents less bank overdrafts at January 1	**111.7**	71.7
Cash and cash equivalents less bank overdrafts at September 30	**122.5**	49.2