Grontmij

Financial press release

Results Q1 2012 in line with Grontmij expectations
First steps on implementing new strategy

De Bilt, 9 May 2012 – Grontmij N.V. today reports its results for the first quarter of 2012 and provides an update on its 'Back on Track' strategy as set out in the press release of 9 March 2012.

Key points first quarter 2012:

- Total revenue [1] decreased by 3.1% to € 228.4 million (Q1 2011: € 235.6 million), with organic decline [2] of 3.3%
- EBITA excluding exceptional items [3] decreased by 13.3% to € 8.4 million (Q1 2011: € 9.7 million), with an EBITA margin of 3.7% (Q1 2011: 4.1%)
- Net result from continuing operations of – € 4.1 million (Q1 2011: € 2.9 million) in line with Grontmij's expectations, partially reflecting the expenses of the restructuring plan Grontmij is executing
- Net debt at the end of the first quarter is € 204.5 million (Q4 2011: € 177.9 million)
- Update on 'Back on Track' strategy
- Implementation process commenced on a Group-wide level
- Restructuring plan in France in place, first results not expected to become visible before the second half of 2012
- Rights offering of approximately € 80 million to be proposed at Annual General Meeting of shareholders (AGM) today, completion envisaged by mid-2012
- Outlook for 2012 reiterated

Michiel Jaski, CEO Grontmij N.V.: 'Following the announcement of our new 'Back on Track' strategy on the 9th of March, we have started to take action right away. Today, we are pleased to announce the early steps in the execution of our restructuring agenda, with measures for cost reductions being implemented and a strong involvement of our people in the process. The results are in line with our

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Note 1, 2 and 3: see appendix for full overview of definitions *expectations, as we have indicated earlier that 2012 will become a year of restructuring for Grontmij. By rebalancing both our operations and our financial household in the short term, we are working to reposition Grontmij for margin improvement and future growth. With a community of dedicated and energetic professionals, ready to build on strong customer relationships, we are convinced we have the right strategy in place.'*

Key financials Q1 2012

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	228.4	235.6	-3.1%	-3.3%
Net revenue	193.5	197.7	-2.1%	-2.4%
EBITA	3.1	9.2	-66.7%	-66.6%
Exceptional items	-5.3	-0.5		
EBITA excluding exceptional items	8.4	9.7	-13.3%	-13.4%
Net result from continuing operations	-4.1	2.9	-239.5%	
Net result from discontinued operations	-1.8	0.8		
Net result	-5.8	3.7	-259.2%	
EBITA margin	1.3%	3.9%		
EBITA margin excluding exceptional items	3.7%	4.1%		
# employees (average FTE)	8,504	8,552	-0.6%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Strategy update

'Back on Track', the new strategy of Grontmij for the period up to 2015, is based on two pillars: restructuring and realising profitable organic growth. The emphasis in 2012 will be on restructuring. In the period 2013 – 2015 there will be greater focus on realising profitable organic growth. 'Back on Track' is clearly inspired by the country operations and aims to take advantage of the opportunities in the European markets.

Immediately after the announcement of 'Back on Track' on 9 March 2012, the management of Grontmij started preparations to implement the new strategy. Over 150 people across the Grontmij Group are now involved through 37 implementation teams. The execution of the new strategy commenced by installing the International Programme Management Office, overseen by a Steering Committee in which the Executive Board is fully represented. Progress is going as planned and implementation of the restructuring has started.

Restructuring

The restructuring program in 2012 is aimed at realising cost reductions, operational excellence improvements, selected divestments and at strengthening governance and controls.

Cost reductions
Since the announcement on 9 March 2012, Grontmij has taken the first steps on the path towards the identified targeted cumulative cost savings of € 43 million by the end of 2015 (€ 36 million excluding France). This path is aimed at total annual cost reductions of € 18 million (€ 15 million excluding France) from 2015 onwards.

The cost reductions will be realised both in the country operations and by streamlining the Group headquarters. Over the past few weeks, the implementation plans for the countries have been further refined. Mid-April Grontmij started a reorganisation at Group headquarters. The first results are not expected to become visible before the third quarter of 2012.

In France, implementation of the reorganisation has started with a focus on reducing costs. This has resulted in a reduction of FTEs at the French headquarters and a planned relocation of offices. The plans for additional restructuring as announced on 9 March 2012 have been developed, focussing on the restructuring of the Planning & Design business line. The first results of the restructuring are not expected to become visible before the second half of 2012.

Operational excellence improvements
Three operational initiatives have been identified; 'Steering on trade working capital', 'Project management excellence' and 'Commercial excellence'. For each initiative, teams have been formed in each country and implementation plans have been developed. For working capital improvement the initial focus is on starting the reduction of trade working capital as quickly as possible. 'Project management excellence' mainly revolves around managing project profitability. The implementation teams started conducting further analysis per country to address local differences, sharing internal best practices and planning the implementation of these across the Group. In 'Commercial excellence' Grontmij concentrates even more on client needs, implements clear bid/no-bid procedures and focuses on higher price realisation by further enhancing its market positioning.

Selected divestments
On 9 March 2012, Grontmij announced its intention to divest or discontinue a selection of assets. These assets generated ~ € 65 million of total revenue in 2011:

- Blue collar maintenance work and services ⇨ total revenue in 2011 ~ € 29 million
- Other services ⇨ total revenue in 2011 ~ € 16 million
- Non-core assets ⇨ total revenue in 2011 ~ € 20 million

Grontmij has classified Trett Consulting in the UK ('Other services') as held for sale, pending its intended divestment later this year. The non-core assets consist mainly of real estate development projects and waste management activities; they are part of a portfolio of assets that has been identified for divestment earlier. Their divestment is an ongoing process and timing largely depends on market conditions.

Strengthening governance & control processes

For governance & control, the new strategy makes a distinction between items to be addressed on a Group level and specifically in France:

Group

- Steering as one company
- Improve reporting and financial processes
- Executive Board directly responsible for countries, business lines secondary
- Alignment of Strategy and Incentives

France

- Enhance governance
- Restructure Planning & Design / HQ
- Improve reporting and financial controls

On a Group level, teams have been formed to address 1) Consolidation and KPIs, 2) Incentives and 3) IT policy. Implementation plans are in place and are being executed. As per 1 January 2012, the Executive Board members have been made directly responsible for the countries. The process to improve the financial and reporting processes is on its way. The first results of this process are not expected to become visible before the second half of 2012.

Grontmij aims to align the incentive structures for both the Executive Board and Country Managing Directors with the new strategy. The Supervisory Board will discuss with the shareholders at the AGM today its proposal for a conditional share plan for management based on the long-term creation of shareholder value, replacing the current value dependent cash bonus.

In France a new Country Managing Director and a new interim CFO have been appointed. The new French management under the leadership of Jan Bosschem, the former Country Managing Director of Belgium, has developed a restructuring plan for the French headquarters and the Planning & Design business line. For the headquarters this involves a reduction in staff and a relocation of offices within the city of Paris, in order to achieve cost reductions. The Planning & Design business line, with a new director, will merge a large number of smaller and separate entities into two larger units: 'construction' and 'environment'. Furthermore, a reduction in staff in the Planning & Design business line is part of the restructuring plan.

<u>Realising profitable organic growth</u>

The second pillar of ‘Back on Track’, realising profitable organic growth, is intended to allow Grontmij to tap the national and cross border possibilities of five selected Group growth activities.

The five Group growth activities are based on Grontmij´s specific expertise and leading positions in its European main markets: energy (business line Water & Energy), highways & roads, light rail (both business line Transportation & Mobility), sustainable buildings (business line Planning & Design) and monitoring & asset management (business line Monitoring & Testing). Grontmij aims to create cross-country synergies in higher growth and higher margin segments by working closer together across borders, focusing on these five growth activities.

In the first months of this year new contracts that may serve as an example of this focus have been won in Belgium (redevelopment Antwerp ring road) and Germany (the planning of a new gas turbine with a capacity of approximately 32MW and a waste heat boiler at a power plant in Erfurt East). In these examples, group-wide knowledge has been shared and used in the tendering process. This highlights the potential for growth in the selected activities and business lines.

Capital structure

On 9 March 2012, Grontmij announced, as part of the comprehensive financial solution, a new capital structure comprising of a new debt financing and an approximately € 80 million rights offering.

New debt financing

Grontmij signed a new debt facility of € 180 million with a four year tenor plus an additional short term working capital facility (due end of 2012) of € 10 million, which are subject to a successful completion of the rights offering and certain other customary conditions. The new facility will provide financial flexibility. With a tenor of 4 years, the new facilities are aligned with the period during which the 'Back on Track' strategy is envisaged to be carried out. The net debt/EBITDA and Interest Cover covenant schedules can be found in the appendix.

Equity financing

At today's AGM, Grontmij proposes a rights offering aimed at raising approximately € 80 million in gross proceeds. Grontmij expects to announce the terms and timetable of the rights offering as soon as possible after shareholder approval is obtained. The Company aims to complete the rights offering by mid-2012.

Financial performance first quarter 2012

Key points Q1 2012

- Total revenue decreased by 3.1% to € 228.4 million (Q1 2011: € 235.6 million), with organic decline of 3.3%
- EBITA excluding exceptional items decreased by 13.3% to € 8.4 million (Q1 2011: € 9.7 million), with an EBITA margin of 3.7% (Q1 2011: 4.1%)
- Exceptional items of € 5.3 million, related to restructuring including the settlement arrangement as announced on 9 March 2012 and one-off costs relating to the review of Grontmij's financial structure

- Net result from continuing operations of – € 4.1 million (Q1 2011: € 2.9 million) in line with Grontmij's expectations, partially reflecting the expenses of the restructuring plan Grontmij is executing
- Net debt at the end of the first quarter was € 204.5 million (Q4 2011: € 177.9 million)

Revenue

Total revenue on a Group level in the first quarter of 2012 was € 228.4 million, slightly lower than last year (Q1 2011: € 235.6 million). Lower total revenue in the Netherlands and France is partially offset by increased total revenue in Denmark, Sweden, Belgium and other markets. Total revenue in the Netherlands dropped in line with with lower activities in Planning & Design and Transportation & Mobility. France showed lagging performance in Planning & Design, prompting the additional restructuring as announced on 9 March 2012. This restructuring has started recently.

Operating result and EBITA

As announced on 9 March 2012, during the current year Grontmij will focus on restructuring and restructuring costs will be reported as exceptional items if and when they meet certain criteria (see appendix on definitions and criteria).

EBITA excluding exceptional items in the first quarter of 2012 is in line with Grontmij's expectations, and lower than the first quarter of last year. For Q1 2012, EBITA excluding exceptional items was € 8.4 million, a 13.3% decrease compared to last year (Q1 2011: € 9.7 million). Profitability differs in the various countries, as will be discussed in the performance per country section of this press release.

<u>Exceptional items in the first quarter 2012:</u>

Exceptional items in Q1 2012 are € 5.3 million, and relate to restructuring costs incurred in the first quarter. These are discussed in more detail below.

Settlement arrangement

An amount of € 2.7 million in exceptional items relates to the settlement arrangement with Mr. Schnoebelen as announced on 9 March 2012. Of this amount, € 2.2 million is allocated to the Group headquarters and € 0.5 million is allocated to Grontmij France.

Advisory fees business review

Additionally, € 1.6 million of exceptional costs in the first quarter of 2012 relate to the independent business review (€ 1.3 million) and consulting fees regarding the implementation of the new strategy (€ 0.3 million). These costs are part of the additional cash-out of € 10 – 12 million included in the outlook for 2012.

Restructuring costs

On 9 March 2012 Grontmij announced that it would incur a cash-out of € 3 million in additional restructuring expenses in France for the year 2012. Of this amount, Grontmij spent € 1.0 million in the first quarter.

EBITA margin

The EBITA margin excluding exceptional items in the first quarter of 2012 was 3.7% (Q1 2011: 4.1%). The margin deterioration in Q1 2012 versus Q1 2011 in the Netherlands, France and Belgium, was partially offset by strong margin improvements in Denmark, the UK and other markets. Margin developments in Sweden and Denmark remained relatively stable.

Net result

Net result from continuing operations in the first quarter of 2012 decreased to – € 4.1 million (Q1 2011: € 2.9 million) mainly as a result of the expenses of the restructuring plan Grontmij is executing, a lower operating result, increased interest costs and tax expenses. Net result from discontinued operations (net of income tax) was – € 1.8 million in the first quarter of 2012 compared to € 0.8 million in the first quarter of 2011. Net result from discontinued operations in the first quarter 2012 relates to the net result of Trett Consulting in the UK of – € 0.4 million and an impairment on the carrying value of Trett Consulting in the amount of € 1.4 million in relation to its intended disposal. Discontinued operations in Q1 2011 relate to Trett Consulting in the UK and the Telecom business in France. The latter was divested in October 2011.

Trade working capital and net debt

Trade working capital increased to € 172.0 million compared to € 151.5 million at the end of Q4 2011. The increase relative to year-end 2011 is explained by the traditional seasonal peak in cash collection from trade debtors and delayed payments to creditors at year-end 2011. The first results of the working capital reduction program are not expected to become visible before the end of 2012.

Mainly as a result of the increase in working capital and investments (€ 4.4 million) Group net debt increased from € 177.9 million at the end of Q4 2011 to € 204.5 million at the end of Q1 2012.

Interest coverage and net debt/EBITDA ratios and covenants

As the newly signed debt facility will take effect subject to a successful completion of the rights offering (and certain other customary conditions), Grontmij is currently operating under a waiver under its current debt facility which does not require any covenant testing at the end of the first quarter 2012.

Performance by country

Country performance is leading over the business lines. Grontmij reports its results on a country basis for the seven core countries with separate segments for 'Other markets' (including: Poland, Turkey and Hungary, and an emerging presence in China) and 'Non-core and other unallocated'. Grontmij also reports revenue numbers per business line (see appendix).

The Netherlands

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	57.5	68.8	-16.4%	-16.4%
Net revenue	49.8	56.6	-12.1%	-12.1%
EBITA	3.6	5.0	-27.3%	-27.3%
EBITA margin	6.3%	7.2%		
Exceptional items	-	-0.2		
EBITA excluding exceptional items	3.6	5.2	-30.1%	-30.1%
EBITA margin excluding exceptional items	6.3%	7.5%		
# employees (average FTE)	2,061	2,274	-9.4%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from The Netherlands to Non-core and other unallocated. In relation to VGM with respect to The Netherlands, Q1 2011 includes total revenue €1.3m, EBITA nil and average FTEs of 58. Excluding VGM the decline in total revenue in Q1 2012 is -14.5%.

In Q1 2012 Grontmij Netherlands performed satisfactorily, albeit at lower levels than Q1 2011. Total revenue was lower in Planning & Design and Transportation & Mobility and was also impacted by the workforce reduction resulting from the restructuring measures that were taken in 2011. The forward order book remained stable in the first quarter.

The decline in EBITA from € 5.0 million in Q1 2011 to € 3.6 million in Q1 2012 is mainly caused by the lower revenue and a somewhat lower margin due to price pressure, although partly offset by lower costs due to rationalisation of the resources.

In the first quarter of 2012, Grontmij appointed a new interim Country Managing Director. In 2011 Grontmij announced its intention to reduce office space in the Netherlands from 22 to 8 offices. Per 31 March 2012, the number of offices has already been reduced by 8, so 14 offices remain.

France

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	47.8	50.4	-5.1%	-5.1%
Net revenue	39.1	42.4	-7.9%	-7.9%
EBITA	-1.0	1.8	-153.7%	-153.7%
EBITA margin	-2.1%	3.6%		
Exceptional items	-1.5	-		
EBITA excluding exceptional items	0.6	1.8	-69.4%	-69.4%
EBITA margin excluding exceptional items	1.2%	3.6%		
# employees (average FTE)	1,943	1,953	-4.8%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

France saw varying results in its two business lines Planning & Design and Monitoring & Testing in Q1 2012. Monitoring & Testing performed satisfactorily, even though it had a relatively slow start of the year due to the weather conditions. Planning & Design however underperformed, directly impacting profitability. Additional restructuring as announced on 9 March 2012 remains necessary and the implementation of the restructuring plan has started recently.

Total revenue in Q1 2012 was 5.1% lower compared to Q1 2011, due to lower revenues from the Planning & Design activities.

Exceptional items in the first quarter of 2012 are € 1.5 million of which € 1.0 million relates to the redundancies following the restructuring plan for the French headquarters and € 0.5 million relates to the settlement arrangement as announced on 9 March 2012.

The Q1 2012 EBITA excluding exceptional items was € 0.6 million, a decrease of 69% compared to last year (Q1 2011 € 1.8 million) mainly attributable to a significantly lower performance in Planning & Design. Grontmij expects the first results of cost reductions not to become visible before the second half of this year. Grontmij is planning real estate cost reductions for the second half of 2012, when office leases expire which will not be extended.

Denmark

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	39.4	38.3	3.0%	2.7%
Net revenue	32.4	31.4	3.1%	2.8%
EBITA	2.9	1.4	110.2%	109.9%
EBITA margin	7.3%	3.6%		
Exceptional items	-	-		
EBITA excluding exceptional items	2.9	1.4	110.2%	109.9%
EBITA margin excluding exceptional items	7.3%	3.6%		
# employees (average FTE)	1,155	1,188	-2.8%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Denmark showed solid results in the first quarter of 2012, with slightly higher total revenue of € 39.4 million (Q1 2011: € 38.3 million) and an EBITA margin improvement from 3.6% in Q1 2011 to 7.3% in Q1 2012. The improvement is mainly explained by positive developments in Planning & Design and Water & Energy.

Sweden

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	26.4	23.5	12.2%	12.0%
Net revenue	22.7	20.4	11.0%	10.7%
EBITA	1.8	1.7	7.8%	7.6%
EBITA margin	6.9%	7.2%		
Exceptional items	-	-		
EBITA excluding exceptional items	1.8	1.7	7.8%	7.6%
EBITA margin excluding exceptional items	6.9%	7.2%		
# employees (average FTE)	741	688	7.7%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

The results in the first quarter in Sweden are solid compared to last year. Total revenue increased to € 26.4 million in Q1 2012 (Q1 2011: € 23.5 million), while EBITA increased by € 0.1 million. EBITA margin decreased slightly to 6.9% (Q1 2011: 7.2%) due to a lower productivity which is expected to recover in the remainder of the year.

UK

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	15.8	15.4	2.2%	-0.1%
Net revenue	13.3	13.0	2.6%	0.3%
EBITA	0.6	-1.1	159.5%	161.8%
EBITA margin	4.0%	-6.9%		
Exceptional items	-	-0.3		
EBITA excluding exceptional items	0.6	-0.8	180.9%	183.1%
EBITA margin excluding exceptional items	4.0%	-5.1%		
# employees (average FTE)	779	800	-2.6%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

For the first quarter 2012, Grontmij UK (excluding Trett Consulting, which is reported as discontinued operations) turned to profitability and delivered EBITA of € 0.6 million (Q1 2011: − € 1.1 million). The improved performance is attributable to the restructuring measures taken in 2011 to reduce costs and improve commercial excellence.

Planning & Design in the UK showed strong results with a 17% increase in net revenue. Also, Grontmij UK showed improved productivity and profitability in all business lines as a result of the restructuring measures taken in 2011. Grontmij has classified Trett Consulting as held for sale, pending its intended divestment later this year.

Belgium

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	21.5	20.0	7.3%	7.3%
Net revenue	19.6	18.9	3.4%	3.4%
EBITA	1.1	1.8	-41.3%	-41.3%
EBITA margin	5.0%	9.2%		
Exceptional items	-	-		
EBITA excluding exceptional items	1.1	1.8	-41.3%	-41.3%
EBITA margin excluding exceptional items	5.0%	9.2%		
# employees (average FTE)	839	736	14.0%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Belgium showed organic growth compared to last year with an increase of total revenue by 7.3% to € 21.5 million (Q1 2011: € 20.0 million) with higher revenues in Transportation & Mobility and Water & Energy. EBITA is down from € 1.8 million in Q1 2011 to € 1.1 million in Q1 2012. This is caused by lower revenues and project results in Planning & Design and lower productivity.

On 25 April 2012, Grontmij announced the commissioning of project Oosterweel. Grontmij will, together with Witteveen+Bos, conduct project preparations for the combined Oosterweel link. This large-scale project consists of three sub-contracts, each of which contributes to the completion of the Antwerp Ring road (R1). The project combines Grontmij's local know-how and global expertise in the design and construction of tunnels and complicated integrated projects.

Germany

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	12.9	13.2	-1.8%	-3.9%
Net revenue	11.5	11.6	-0.4%	-2.8%
EBITA	0.8	0.7	8.7%	8.7%
EBITA margin	5.9%	5.3%		
Exceptional items	-	-0.6		
EBITA excluding exceptional items	0.8	1.3	-40.3%	-40.3%
EBITA margin excluding exceptional items	5.9%	9.7%		
# employees (average FTE)	579	572	1%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Performance in Germany was mixed, with a solid performance in Planning and Design and the Energy sector whilst the Transportation & Mobility sector was impacted by lower productivity. The forward order book is strong, and some high profile projects have been won in the first quarter.

One of the projects recently won in Germany, in line with the new strategy and the identified Group growth segments, is the assignment for the planning of a new gas turbine and waste heat boiler at a power plant in Erfurt East. Grontmij will assume the design services, the tendering, and the preparation of the permit application for the new plant. The supervision of the construction process and the commissioning are also part of the assignment. The new gas turbine will have an electrical power capacity of approx. 32 MW, whereas the heat storage tank will have a volume of approximately 7,000 m^3.

Other markets

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Total revenue	4.5	4.3	3.2%	10.0%
Net revenue	2.5	2.3	10.2%	17.2%
EBITA	0.2	-0.2	178.8%	175.0%
EBITA margin	3.8%	-5.0%		
Exceptional items	-	-		
EBITA excluding exceptional items	0.2	-0.2	178.8%	175.0%
EBITA margin excluding exceptional items	3.8%	-5.0%		
# employees (average FTE)	269	264	1.9%	

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Grontmij has small but growing positions in a number of other markets in Europe, including Poland Turkey and Hungary. It also has an emerging presence in China. Except for Poland, the segment Other markets performed well in the first quarter of 2012, with increased total revenue of € 4.5 million (Q1 2011: € 4.3 million). EBITA turned positive to € 0.2 million in Q1 2012 (Q1 2011: – € 0.2 million), mainly due to the growth of the business in Turkey.

Non-core and other unallocated

€ million, unless otherwise indicated	Q1 2012	Q1 2011
Total revenue	2.6	1.7
Net revenue	2.6	1.0
EBITA	-6.9	-1.9
Exceptional items	-3.8	0.6
EBITA excluding exceptional items	-3.1	-2.4
# employees (average FTE)	138	77

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from The Netherlands to Non-core and other unallocated. In relation to VGM with respect to Non-core and other unallocated, Q1 2012 includes total revenue € 1.3m, EBITA - € 0.1m and average FTEs of 61.

Non-core and other unallocated: This segment reports on the non-core activities and other unallocated like the Group head office. The table above is used to reconcile the geographic tables shown before with the consolidated Group numbers.

Outlook 2012 reiterated

The results of Grontmij in Q1 2012 are in line with Group expectations and therefore do not lead to a change in the outlook for 2012. As stated on 9 March 2012 Grontmij is working towards an important milestone: in 2015 we will celebrate our 100th anniversary. By focusing on our core markets, maintaining a strong relationship with our customers, continuing to deliver an excellent service and transforming our operations to make them more efficiently managed, we aim to improve our long-term performance and provide sustainable returns to our shareholders. Starting in 2012 we will rebalance our operations, to position ourselves for growth in the years to come. From a financial perspective, 2012 will therefore be a transitional year and the results are not expected to already show an improvement of EBITA (excluding exceptional items) compared to 2011. Cash flow generation in 2012 is expected to be limited as a consequence of the announced restructuring measures. This excludes an expected cash out of € 10 – 12 million for implementing the comprehensive financial solution and approximately € 3 million for additional restructuring necessary in France.

Financial Calendar 2012

9 May 2012	Annual General Meeting of Shareholders - 14:00
30 August 2012	Publication Half Year Results / Analyst meeting - Audio webcast
15 November 2012	Financial results Q3 2012

Invitation to attend audio webcast of presentation of Q1 2012 figures

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the financial results today, 9 May 2012 at 10.00 CET via www.grontmij.com. The presentation is then also available on our website.

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Note to editors

Grontmij is the third largest engineering consultancy in Europe with nearly 9,000 professionals. At the heart of our business is the sustainability by design principle. It is a leading value proposition for our customers delivered by four business lines: Planning & Design, Transportation & Mobility, Water & Energy, Monitoring & Testing.

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Appendices

Definitions

Total revenue

The major part of the Group's revenue relates to contracts for services in the areas of design, consultancy, project management, engineering and contracting. Revenue from services based on fixed-price contracts is recognised in profit or loss pro rata of the services rendered on the reporting date in proportion to the total of the contracted services; the stage of completion is assessed on the reporting date by reference to surveys of actual work performed. Revenue from services based on cost plus contracts is recognised in profit or loss pro rata of the time spent and based on the contractual net hourly rates. Revenue from contract work relates mainly to assignments for the construction of buildings, bridges, roads and infrastructural projects such as sport fields, parks and sewages. Revenue from contract work and the relating expenses are recognised in profit or loss in proportion to the stage of completion of the contract on the reporting date; the stage of completion is determined based on the technical completeness proportionate to the project as a whole. Revenue from contract work include the initial amount agreed upon plus any variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and can be measured reliably. Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable.

Net revenue

Net revenue relates to Total Revenue excluding third party expenses for costs of services and materials relating directly to contracts carried out for the Group's customers.

EBITA

EBITA stands for earnings before interest, tax and amortisation and is defined as the operating result for the period, adding back amortisation and impairment losses.

Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items

In 2011 and before, the Company reported "EBITA excluding non-recurring items". Starting 2012 the Company will report "EBITA excluding exceptional items" instead of "EBITA excluding non-recurring items". These are (as is EBITA) non-IFRS reporting measures and should not be considered as an alternative to the applicable IFRS measures. In particular, they should not be considered as a measure of financial performance under IFRS, as alternative to revenue, operating income or any other performance measures derived in accordance with IFRS. EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of the Company's results of operations as reported under IFRS. Other companies in the Company's industry may calculate these measures differently than the Company, limiting their usefulness as a comparative measure. Because of these limitations, investors should rely on the condensed consolidated financial statements prepared in accordance with IFRS and treat the EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items as supplemental information only. Non-recurring items related to non-core asset write-offs, one-off restructuring costs incurred in connection with cost reduction programmes and other one-off charges. Starting 2012, the Company will restrict the scope of items to be excluded from EBITA, and will call these "exceptional items". Exceptional items in 2012 relate to costs for restructuring which are part of a formally approved restructuring plan, special items following a material change of accounting principles or results which are of an exceptional nature in relation to the normal business activities and are in general more than 10% of the reported EBITA on a segment level.

The Company has not re-calculated the non-recurring items reported in 2011 to accord with the new definition of exceptional items. Therefore, EBITA excluding exceptional items shown for periods in 2011 is in fact the EBITA excluding non-recurring items reported in 2011.

The following table presents a reconciliation of EBITA and EBITA excluding exceptional items to operating result, the most comparable IFRS measure, for each of the periods indicated.

Discontinued operations

In 2010, the Telecom division within Ginger S.A. (France) was presented as held for sale following the commitment of the Executive Board, in December 2010, to a plan to sell the Telecom division. The sale has been successfully completed on 19 October 2011. Grontmij has classified Trett Consulting in the UK as held for sale in Q1 2012, pending its intended divestment later this year.

Organic growth / decline

Organic growth or decline is measured excluding the impact of currency effects, acquisitions and disposals.

Business lines performance

€ million, unless otherwise indicated	Q1 2012	Q1 2011	% change	% organic growth
Planning & Design				
Total revenue	85.7	97.0	-11.6%	-11.8%
Net revenue	73.8	78.7	-6.2%	-6.2%
Transportation & Mobility				
Total revenue	52.5	54.9	-4.4%	-4.9%
Net revenue	44.5	46.8	-4.9%	-5.5%
Water & Energy				
Total revenue	49.3	49.1	0.4%	0.2%
Net revenue	43.0	42.7	0.7%	0.4%
Monitoring & Testing				
Total revenue	34.4	31.8	8.2%	8.3%
Net revenue	28.6	28.3	1.1%	0.9%
Other				
Total revenue	6.5	2.8	130.7%	
Net revenue	3.6	1.2	201.3%	
Total Group				
Total revenue	228.4	235.6	-3.1%	-3.3%
Net revenue	193.5	197.7	-2.1%	-2.4%

The table above shows the performance per business line on a total and net revenue basis.

Total revenue and EBITA per country

	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
€ million, unless otherwise indicated	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
The Netherlands	57.5	68.8	3.6	5.0	3.6	5.2	6.3%	7.5%
France	47.8	50.4	-1.0	1.8	0.6	1.8	1.2%	3.6%
Denmark	39.4	38.3	2.9	1.4	2.9	1.4	7.3%	3.6%
Sweden	26.4	23.5	1.8	1.7	1.8	1.7	6.9%	7.2%
UK	15.8	15.4	0.6	-1.1	0.6	-0.8	4.0%	-5.1%
Belgium	21.5	20.0	1.1	1.8	1.1	1.8	5.0%	9.2%
Germany	12.9	13.2	0.8	0.7	0.8	1.3	5.9%	9.7%
Other markets	4.5	4.3	0.2	-0.2	0.2	-0.2	3.8%	-5.0%
Non-core and other unallocated	2.6	1.7	-6.9	-1.9	-3.1	-2.4		
Total Group	**228.4**	**235.6**	**3.1**	**9.2**	**8.4**	**9.7**	**3.7%**	**4.1%**

Reconciliation to non-IFRS measures

€ million, unless otherwise indicated	Q1 2012	Q1 2011
Operating result	**1.4**	**7.4**
Add back amortisation	1.7	1.9
EBITA	**3.1**	**9.2**
Add back: exceptional items	5.3	0.5
EBITA before exceptional items	**8.4**	**9.7**
Less: share in results of EAI	-0.2	-0.1
Add: EBITA Telecom division		1.4
Add: EBITA Trett (classified as asset held for sale)		-0.1
Add: Trett exceptional costs		0.5
Underlying EBITA comparable with presentation 2011	**8.3**	**11.4**

The Exceptional items in Q1 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

The table above presents a reconciliation of EBITA and EBITA excluding exceptional items/non-recurring items to operating result, the most comparable IFRS measure, for each of the periods indicated.

Net debt/EBITDA covenant schedule

	March	June	September	December
2012				4.00x
2013	4.00x	3.50x	3.50x	3.00x
2014	3.00x	2.75x	2.75x	2.50x
2015	2.50x	2.50x	2.50x	2.50x
2016	2.50x	2.50x	2.50x	2.50x

Interest cover covenant schedule

	March	June	September	December
2012				1.75:1
2013	2.00:1	2.50:1	2.75:1	3.00:1
2014	3.25:1	3.50:1	3.75:1	4.00:1
2015	4.00:1	4.00:1	4.00:1	4.00:1
2016	4.00:1	4.00:1	4.00:1	4.00:1

Condensed consolidated income statement

In thousands of € for the three months period ended 31 March	2012 (unaudited)	2011 (unaudited)
Revenue from services	225,873	228,257
Revenue from contract work	2,470	7,362
Revenue from sale of goods	60	0
Total revenue	**228,403**	**235,619**
Third-party project expenses	-34,946	-37,924
Net revenue	**193,457**	**197,695**
Direct employee expenses	-128,152	-130,095
Direct other expenses	-1,473	-1,380
Total direct expenses	**-129,625**	**-131,475**
Gross margin	**63,832**	**66,220**
Other income	107	1,664
Indirect employee expenses	-20,259	-19,457
Amortisation	-1,694	-1,853
Depreciation	-3,474	-3,862
Indirect other operating expenses	-37,297	-35,423
Total indirect expenses	**-62,724**	**-60,595**
Share of results of investments in equity accounted investees	168	101
Result on sale of equity accounted investees (net of income tax)	3	0
	171	**101**
Operating result	**1,386**	**7,390**
Finance income	1,276	1,538
Finance expenses	-5,400	-5,050
Net finance expenses	**-4,124**	**-3,512**
Result before income tax	**-2,738**	**3,878**
Income tax expense	-1,331	-962
Result after income tax from continuing operations	**-4,069**	**2,916**
Result from discontinued operations (net of income tax)	-1,772	753
Total result for the period	**-5,841**	**3,669**
Attributable to:		
Equity holders of Grontmij	-5,814	3,649
Non-controlling interest	-27	20
Total result for the period	**-5,841**	**3,669**

Condensed consolidated statement of financial position

In thousands of € (before appropriation of result)	31 March 2012 (unaudited)	31 December 2011
Goodwill	166,936	165,984
Intangible assets	60,085	62,825
Property, plant and equipment	48,597	49,506
Investments in equity accounted investees	7,387	7,244
Other financial assets	17,968	18,797
Derivatives used for hedging	-	-
Deferred tax assets	3,509	2,953
Non-current assets	**304,482**	**307,309**
Receivables	394,537	371,099
Inventories	17,270	16,358
Income taxes	4,454	7,053
Cash and cash equivalents	52,916	44,371
Assets classified as held for sale	2,935	-
Current assets	**472,112**	**438,881**
Total assets	**776,594**	**746,190**
Share capital	5,331	5,331
Share premium	96,391	96,391
Reserves	-11,701	44,950
Result for the period	-5,814	-55,860
Total equity attributable to equity holders of Grontmij	**84,207**	**90,812**
Non-controlling interest	15	41
Total Group equity	**84,222**	**90,853**
Loans and borrowings	161,209	147,253
Employee benefits	13,233	13,018
Derivatives used for hedging	6,308	4,873
Provisions	40,811	41,402
Deferred tax liabilities	31,374	30,958
Non-current liabilities	**252,935**	**237,504**
Bank overdrafts	43,991	22,595
Loans and borrowings	52,246	52,417
Income taxes	6,966	3,718
Trade and other payables	322,703	325,100
Provisions	12,453	14,003
Liabilities classified as held for sale	1,078	-
Current liabilities	**439,437**	**417,833**
Total equity and liabilities	**776,594**	**746,190**

This press release includes the unaudited condensed consolidated financial information of the Group as of and for the three-month periods ended 31 March 2012 and 2011 which has been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union. This press release includes statements that are forward-looking in nature. By their nature, forward-looking statements involve risks, uncertainties and assumptions because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company and are provisional only and for indicative, preliminary and illustrative purposes only. Actual results and developments and projected or targeted results may differ materially from those expressed in such statement and from historical trends, depending on a variety of factors. Such factors may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. The Company expresses no view, estimate or assessment whatsoever on the likelihood that targets will be achieved. The Company reserves the right, but does not have any obligation, to amend or change projections, assumptions or targets if it deems it appropriate to do so. Certain figures contained in this press release, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this press release may not conform exactly to the total figure given for that column or row.

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The Securities are not and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") and will also not be registered with any authority competent with respect to securities in any state or other jurisdiction of the United States of America. The Securities may not be offered or sold in the United States of America without either registration of the securities or an exemption from registration under the US Securities Act being applicable. The Company has registered no part of the offering of the Securities in the United States of America or any other jurisdiction, nor has it the intention to do so. The Company has no intention to make a public offering of Securities in the United States.

The Company has not authorised any offer to the public of Securities in any Member State of the European Economic Area other than the Netherlands. With respect to any Member State of the European Economic Area, other than the Netherlands, and which has implemented the Prospectus Directive (each a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Securities may only be offered in Relevant Member States (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form

and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.
No action has been taken by the Company that would permit an offer of Securities or the possession or distribution of these materials or any other offering or publicity material relating to such Securities in any jurisdiction where action for that purpose is required. The release, publication or distribution of these materials in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.
Any offer to acquire Securities pursuant to the proposed offering will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in the Netherlands in connection with such offering.
ING and Nordea act exclusively for the Company and no-one else in connection with any offering of Securities and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of ING and Nordea or for providing advice in relation to any offering or any transaction or arrangement referred to herein.

We refer here to Chapter 2 ‘Risk factors’ of the Prospectus for the risks and uncertainties. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from those described in this press release.

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