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PRESS RELEASE

ARCADIS REALIZES STRONG GROWTH OF REVENUES AND PROFIT

- Gross revenues up 28%; net income from operations also up 28%
- Organic net revenue growth amounts to 6%
- Strong growth in Infrastructure and Environment; Water and Buildings stabilize
- Margin remains at good level, despite price pressure mostly in government markets
- Solid order intake leads to increase in backlog in all business lines
- Outlook 2012: increased revenues and profits, both organically and from acquisitions

May 9, 2012 – ARCADIS (NYSE EURONEXT: ARCAD), the international consultancy, design, engineering and management services company, in the first quarter of 2012 realized strong growth of revenues and profits. Gross revenues rose 28% to €595 million, while net income from operations also rose 28% to €23.6 million. This strong performance was the result of more organic growth and an improvement of profitability in existing activities, despite continued price pressure, especially in government markets. The merger with EC Harris, completed in the last quarter of 2011, also contributed to revenue and profit growth. The organic growth mainly came from the infrastructure and environmental markets, while the water and the buildings markets stabilized with some signs of recovery.

In early April, the merger with Davis Langdon & Seah (“DLS”) was announced, the market leader in cost consulting and project management in Asia, with 2,800 employees, 2011 gross revenues of US$125 million and a normalized profit margin well above the margin target of ARCADIS. The company has strong positions in China (14 offices, 1,050 employees), Hong Kong/Macau (2 offices, 400 employees) and other parts of Asia (21 offices, 1,350 employees), including Singapore, Thailand, the Philippines, Vietnam, Indonesia, Korea, India and affiliates in Malaysia and Brunei.

ARCADIS CEO Harrie Noy said: “We had an excellent first quarter, with an increase in organic growth. This reflects our strong market positions and the strength of our well diversified portfolio, both geographically as well as by business line. We are especially growing in emerging markets, including Brazil, Chile and China and in the US environmental market, while also in Europe private sector demand is picking up. Thanks to the earlier restructurings and our continued focus on cost management, the profitability of our existing business improved. The merger with DLS strongly complements that of EC Harris and provides us with a unique growth platform in Asia with ample opportunities for synergy. ARCADIS now has more than 21,000 employees worldwide of which one-third in emerging markets. As a result we are able to benefit strongly from the growing demand for our services driven by urbanization, increasing mobility, the need for clean water and care for the environment.”

Key figures

Amounts in millions unless otherwise noted	First quarter 2012	2011	Δ
Gross revenue	595	465	28%
Net revenue	445	348	28%
EBITA	38.0	32.8	16%
Net income from operations [1)]	**23.6**	**18.5**	**28%**
Ditto, per share (in €) [1)]	**0.34**	**0.28**	**23%**
Average number of outstanding shares (million)	68.8	66.0	4%

1) Before amortization and non-operational items

Analysis

Gross revenues rose 28%, of which 18% resulted from the EC Harris merger. Deconsolidation of the Brazilian energy business had a negative impact of 1%. The currency effect was 2%. Organically gross revenues grew 9%, also as a result of extensive subcontracting at the completion of Floriade in the Netherlands and in the water activities in the US.

Net revenues (revenues produced by our own staff) also rose 28%. The currency effect was 2%; the deconsolidation effect -1%. The merger with EC Harris contributed 20%. Organic growth was 6% and mainly came from Brazil and Chile where the infrastructure and environmental markets yielded significant work. The US environmental business and RTKL also contributed to growth. In Europe, growth was achieved in France, Germany and the UK, while reduced government spending caused declines in the Netherlands, Belgium and Poland. Also in the US government market activities declined. EC Harris developed in line with expectations.

EBITA grew 16% to €38.0 million. The currency effect was 3%. The contribution from acquisitions on balance was 8%. As a result of the deconsolidation there was no longer a contribution from the Brazilian energy activities, while last year the sale of carbon credits still yielded €2.2 million. The costs for reorganization and integration amounted to €1.5 million (2011: €1.7 million). Taking into account these effects, EBITA rose organically by 11%, mainly due to a strong recovery in the UK and higher profit contributions from Brazil, the US and the Netherlands. In Poland a restructuring is being implemented to remedy the loss making situation.

The margin (EBITA as a percentage of net revenue) came out to 8.5% (2011: 9.4%). Corrected for the impact of carbon credits and reorganization charges the operational margin was 8.9% compared to 9.3% in 2011. This decline was the result of the lower margin at EC Harris, also caused by seasonal effects. As a result of improved profitability in our existing business, the operational margin excluding EC Harris rose to 9.7%.

At €4.9 million financing charges were slightly above last year (€4.6 million). Higher interest charges resulting from acquisitions and slightly higher interest rates were partially offset by the effect of deconsolidation of the Brazilian energy business. The tax rate was 28% (2011: 31%). Net income from operations came to €23.6 million, an increase of 28%. This was clearly more than the increase in EBITA thanks to the lower tax rate and the acquisition in mid-2011 of the remaining interest in ARCADIS Logos.

Developments by business line

Figures noted below concern gross revenues for the first quarter 2012 compared to the same period last year, unless otherwise mentioned.

- ***Infrastructure*** *(29% of gross revenues)*
  Gross revenues grew 37% of which 16% resulted from the merger with EC Harris. The currency effect was zero. Organically gross revenues rose 21%, net revenues 15%. The difference was caused by substantial subcontracting related to the finalization of the Floriade project in the Netherlands. Growth came mainly from Brazil and Chile, which together now account for more than 30% of infrastructure revenues. Reduced government spending caused activity declines in the Netherlands, Belgium and Poland. In France, large projects produced growth; in the US revenues in project management increased.
- ***Water*** *(14% of gross revenues)*
  Gross revenues rose 9%. The currency effect was 3%; the merger with EC Harris contributed 4%. Organically gross revenues rose 2%, but this was also caused by extensive subcontracting in new projects in the US. Net revenues still saw an organic decline of 5%. This was an improvement versus last year, mainly due to stabilization in the US where a strategic sales push in selected niche markets paid off. The Dutch market is picking up, while Brazil and the Middle East also contributed to growth. The ‘water for industry’ initiative is bearing fruit.
- ***Environment*** *(34% of gross revenues)*
  Gross revenues increased 13%. The currency effect was 4%; the deconsolidation in Brazil had a negative effect of 1%. Organically gross revenues rose 10%, net revenues 9%. As a result of private sector spending and expansion of our market share, growth in the US continued at a good level. In Brazil and Chile investments in mining and energy are yielding a lot of environmental work. In Europe the government market is under pressure, but private sector clients brought growth in the UK, Germany and Belgium. In Germany a large contract with the US Department of Defense was won.
- ***Buildings*** *(23% of gross revenues)*
  Gross revenues rose 64%, mainly as a result of the merger with EC Harris. The currency effect was 2%. Organically gross revenues were down by 6% and net revenues by 2%. In many European countries and in the US activities declined, especially in government markets. RTKL performed well in Asia and the Middle East, in commercial real estate and healthcare, while in Belgium activities grew due to private sector investments. EC Harris performed according to expectations also by focusing on consultancy for cost reductions and performance improvements of real estate portfolios.

Outlook

In the **Infrastructure market** we have a strong basis for continued growth. We are involved in many large, multi-year projects and despite budget pressure, governments do their utmost to continue these projects, also by using private financing. In Brazil and Chile the market is especially favorable as a result of investments in mining and energy, in Brazil also fuelled by the Olympic Games (2016). The situation in local markets in Europe and the US is not expected to improve shortly, resulting in continued pressure on prices.

In the **Water market** we expect further stabilization in the course of the year. In the US our focus is on upgrades of water networks and on efficiency improvements of existing installations. In addition, we have programs to drive expansion with industrial clients, to further penetrate in Europe and to seize opportunities in South America and the Middle East. As a result of flooding in urban deltas and climate change, demand for water management is growing, but financing of projects often still is a limiting factor.

In the **Environmental market** we foresee continued growth, driven by the private sector. In the US we benefit from a strong position with industrial firms that invest in the environment. Our client focused approach and advanced technology help us gain market share, especially in complex projects and portfolios of sites, also in Canada. Mining and energy are yielding significant work in Brazil and Chile with opportunities elsewhere in South America. In Europe private sector demand is growing, offsetting the decline in public sector work.

In the **Buildings market** our position has been considerably strengthened as a result of EC Harris and the more recent merger with DLS, with many opportunities for synergy and growth in the Middle East and Asia. The commercial property market in Europe is stable. In the US this market is slowly picking up, but healthcare investments are lagging. RTKL offsets this through international expansion. The government market is under pressure, but companies are investing and have a growing interest in international framework contracts.

CEO Harrie Noy concluded: “Despite the continued economic uncertainty, especially in Europe, ARCADIS is in good shape. Our backlog is healthy and also in organic terms has increased vis-à-vis the end of 2011. All business lines have contributed to this increase. Government investments in Europe and the US are under pressure, but private spending is increasing while investments in Brazil, Chile, Asia and the Middle East offer ample opportunities. The merger with EC Harris and its ‘Built Asset Consultancy’ approach, strengthens our competitive position in all business lines, while the recent merger with Davis Langdon & Seah provides us with a unique growth platform in Asia. Continued growth in Infrastructure and Environment, and further stabilization in Water and Buildings is expected to result in continued organic growth. Maintaining, and where possible, improving margins is an important priority. Further strengthening with add-on acquisitions remains on the agenda. For full year 2012 we expect increased revenues and profits, both organically and from the recent acquisitions. 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, water, environment and buildings. We 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 21,000 employees and €2.4 billion in revenues, the company has an extensive international network supported by strong local market positions. ARCADIS supports UN-HABITAT with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. Visit us at: www.arcadis.com

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ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in € millions, unless otherwise stated	First quarter	
	2012	2011
Gross revenue	**594.6**	464.7
Materials, services of third parties and subcontractors	**(149.6)**	(116.6)
Net revenue	**445.0**	348.1
Operational cost	**(399.6)**	(308.9)
Depreciation	**(7.5)**	(6.5)
Other income	**0.1**	0.1
EBITA	**38.0**	32.8
Amortization identifiable intangible assets	**(2.3)**	(1.1)
Operating income	**35.7**	31.7
Net finance expense	**(4.9)**	(4.6)
Income from associates	**(0.4)**	0.5
Profit before income taxes	**30.4**	27.6
Income taxes	**(8.6)**	(8.4)
Profit for the period	**21.8**	19.2
Attributable to:		
Net income (Equity holders of the Company)	**21.7**	17.6
Non-controlling interest	**0.1**	1.6
Net income	**21.7**	17.6
Amortization identifiable intangible assets after taxes	**1.8**	0.7
Lovinklaan employee share purchase plan	**0.1**	0.2
Net income from operations	**23.6**	18.5
Net income per share (in euros)	**0.32**	0.27
Net income from operations per share (in euros)	**0.34**	0.28
Weighted average number of shares (in thousands)	**68,773**	66,001

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in € millions

Assets	March 31, 2012	December 31, 2011
Intangible assets	**491.3**	501.3
Property, plant & equipment	**70.7**	73.9
Investments in associates	**23.1**	24.0
Other investments	**0.2**	0.2
Deferred tax assets	**39.0**	34.2
Derivatives	-	-
Other non-current assets	**16.8**	18.3
Total non-current assets	**641.1**	651.9
Inventories	**0.9**	0.9
Derivatives	**3.0**	0.7
(Un)billed receivables	**692.0**	691.9
Corporate tax assets	**13.6**	8.8
Other current assets	**56.7**	46.6
Cash and cash equivalents	**149.6**	158.2
Total current assets	**915.8**	907.1
Total assets	**1,556.9**	1,559.0

Equity and liabilities		
Shareholders' equity	**468.5**	455.5
Non-controlling interest	-	(0.1)
Total equity	**468.5**	455.4
Provisions for employee benefits	**33.2**	38.6
Provisions for other liabilities and charges	**13.3**	13.2
Deferred tax liabilities	**32.3**	22.8
Loans and borrowings	**361.2**	371.4
Derivatives	**4.8**	5.2
Total non-current liabilities	**444.8**	451.2
Billing in excess of cost	**152.2**	169.2
Corporate tax liabilities	**7.1**	10.3
Current portion of loans and borrowings	**0.4**	0.7
Current portion of provisions	**9.3**	10.7
Derivatives	**1.4**	8.3
Accounts payable	**118.2**	154.3
Accrued expenses	**34.3**	32.1
Bank overdrafts	**33.2**	5.5
Short-term borrowings	**77.3**	38.1
Other current liabilities	**210.2**	223.2
Total current liabilities	**643.6**	652.4
Total equity and liabilities	**1,556.9**	1,559.0

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € millions	Share capital	Share premium	Hedging Reserve	Cumulative translation reserve	Retained earnings	Shareholders' equity	Non-controlling interest	Total equity
Balance at December 31, 2010	1.3	106.8	(3.9)	(20.9)	309.5	392.8	18.4	411.2
Profit for the period					17.6	17.6	1.6	19.2
Exchange rate differences				(6.4)		(6.4)	(0.8)	(7.2)
Effective portion of changes in fair value of cash flow hedges			2.2			2.2		2.2
Other comprehensive income, net of tax			2.2	(6.4)		(4.2)	(0.8)	(5.0)
Total comprehensive income for the period			2.2	(6.4)	17.6	13.4	0.8	14.2
Transactions with owners of the Company:								
Share-based compensation					1.7	1.7		1.7
Taxes related to share-based compensation					0.1	0.1		0.1
Purchase of own shares					(7.6)	(7.6)		(7.6)
Options exercised					0.9	0.9		0.9
Acquisition of non-controlling interests					(0.3)	(0.3)	(0.7)	(1.0)
Total transactions with owners of the Company					(5.2)	(5.2)	(0.7)	(5.9)
Balance at March 31, 2011	1.3	106.8	(1.7)	(27.3)	321.9	401.0	18.5	419.5
Balance at December 31, 2011	**1.4**	**168.4**	**(6.2)**	**(18.1)**	**310.0**	**455.5**	**(0.1)**	**455.4**
Profit for the period					**21.7**	**21.7**	**0.1**	**21.8**
Exchange rate differences				**(2.4)**		**(2.4)**	-	**(2.4)**
Effective portion of changes in fair value of cash flow hedges			**0.8**			**0.8**		**0.8**
Taxes related to post employment benefit obligations					**0.6**	**0.6**		**0.6**
Other comprehensive income, net of tax			**0.8**	**(2.4)**	**0.6**	**(1.0)**	-	**(1.0)**
Total comprehensive income for the period			**0.8**	**(2.4)**	**22.3**	**20.7**	**0.1**	**20.8**
Transactions with owners of the Company:								
Share-based compensation					**2.0**	**2.0**		**2.0**
Taxes related to share-based compensation					**0.8**	**0.8**		**0.8**
Purchase of own shares					**(10.6)**	**(10.6)**		**(10.6)**
Options exercised					**0.1**	**0.1**		**0.1**
Total transactions with owners of the Company					**(7.7)**	**(7.7)**		**(7.7)**
Balance at March 31, 2012	**1.4**	**168.4**	**(5.4)**	**(20.5)**	**324.6**	**468.5**	-	**468.5**

ARCADIS NV
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	First quarter	
Amounts in € millions	**2012**	2011
Cash flow from operating activities		
Profit for the period	**21.8**	19.2
Adjustments for:		
- Depreciation and amortization	**9.8**	7.6
- Taxes on income	**8.6**	8.4
- Net finance expense	**4.9**	4.6
- Income from associates	**0.4**	(0.5)
	45.5	39.3
Share-based compensation	**2.0**	1.7
Change in fair value of derivatives in operating income	**2.6**	0.5
Settlement of operational derivatives	**(2.7)**	(0.9)
Change in inventories	-	-
Change in receivables	**(17.9)**	(8.1)
Change in provisions	**(6.0)**	(0.6)
Change in billing in excess of cost	**(15.3)**	(6.2)
Change in current liabilities	**(47.2)**	(61.4)
Dividend received	**0.2**	-
Interest received	**1.0**	0.3
Interest paid	**(4.7)**	(4.9)
Corporate tax paid	**(9.5)**	(8.9)
Net cash from operating activities	**(52.0)**	(49.2)
Cash flows from investing activities		
Investments in (in)tangible assets	**(4.9)**	(7.7)
Proceeds from sale of (in)tangible assets	**0.1**	-
Investments in consolidated companies	**(0.5)**	(2.5)
Proceeds from sale of consolidated companies		0.5
Investments in other non-current assets	**(2.0)**	(3.2)
Proceeds from (sale of) other non-current assets	**1.2**	1.8
Net cash used in investing activities	**(6.1)**	(11.1)
Cash flows from financing activities		
Proceeds from options exercised	**0.1**	0.9
Purchase of own shares	**(10.6)**	(7.6)
Settlement of financing derivatives	**(6.4)**	(1.9)
New long-term loans and borrowings	**0.1**	11.1
Repayment of long-term loans and borrowings	**(0.3)**	(0.4)
Changes in short-term borrowings	**39.3**	(9.3)
Net cash from financing activities	**22.2**	(7.2)
Net change in cash and cash equivalents less bank overdrafts	**(35.9)**	(67.5)
Exchange rate differences	**(0.4)**	(2.2)
Cash and cash equivalents less bank overdrafts at January 1	**152.7**	198.2
Cash and cash equivalents less bank overdrafts at March 31	**116.4**	128.5