Financial press release

Grontmij improves operating margin in first half 2014

Cost reductions and French divestment process progressing well

De Bilt, 4 August 2014 – Grontmij N.V. a listed consulting & engineering company with strong European presence, today announces its results for the second quarter and first half of 2014. In the second quarter, markets across Europe on average developed moderately positive, thereby continuing the first signs of recovery reported in the first quarter. EBITA margin excluding exceptional items improved in the first half of 2014 to 3.5% (HY 2013: 2.4%), despite a slightly lower operating margin in the second quarter. Margin increase is mainly driven by improved performance in the Netherlands and cost savings. Good progress is made on the divestment process of the French activities, with interest from both financial and strategic parties. In the second quarter, € 19.5 million of convertible cumulative preference shares ('Cumprefs') were issued, further strengthening Grontmij's financial position.

Key points Q2 2014 & HY 2014[1]

- Total revenue Q2 2014 € 168.5 million (Q2 2013: € 180.7 million), with organic decline of 5.7%. Net revenue Q2 2014 below last year at € 140.5 million (Q2 2013: € 147.4 million), with organic decline of 3.6%, impacted as expected by the decline in the Dutch market and less working days. For HY 2014, organic decline on net revenue was modest at 1.3%
- EBITA excluding exceptional items Q2 2014 € 4.7 million (Q2 2013: € 5.7 million). Good developments in a number of countries, and in particular in the Netherlands, were offset by lower results in Denmark and Sweden; EBITA margin excluding exceptional items was 2.8% in Q2 2014, compared to 3.1% last year; For HY 2014, the EBITA margin improvement was primarily driven by cost reductions and developed in line with internal expectations, from 2.4% in 2013 to 3.5% this year
- Exceptional items in the second quarter of – € 5.1 million, increased compared to last year (Q2 2013: – € 0.5 million) resulting mainly from the additional restructuring measures
- Net result from continuing operations[2] in Q2 2014 was – € 10.0 million (Q2 2013: – € 1.3 million), impacted by increased exceptional items (€ 5.1 million) and an increase in finance expenses as a result of the IFRS treatment of the (non-cash) fair value fluctuations of the convertible cumulative preference shares of € 5.0 million. Net result from continuing and discontinued operations in Q2 2014 was – € 14.6 million (Q2 2013: – € 1.7 million) including the result in France (– € 4.6 million)

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[1] As per 30 June 2014, the French Engineering & Consultancy business is classified as asset held for sale and is qualified as discontinued operations, in accordance with the requirements of IFRS 5. For more details please refer to Note 6 of the interim financial statements 2014.

[2] Under IFRS, the convertible cumulative preference shares ('Cumprefs') are classified as a liability. Under Dutch law and for the covenant calculations the Cumprefs are classified as equity. For more details please refer to the Refinancing paragraph in this press release.

- Trade working capital (TWC) at the end of Q2 2014 was 17.1% (Q2 2013: 16.4%) due to higher TWC levels in Belgium and Germany
- Net debt[2] based on continuing operations per 30 June 2014 was € 67.4 million (Q2 2013: € 138.5 million).

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

Restructuring:

- *Cost reduction programme* is proceeding well. Measures taken in the first half year represent an annual run rate of € 11 million against the 2013 actual cost base (excluding 2015 – 2016 inflation)
- *OPEX improvements*: in the second quarter, Grontmij continued to embed the five processes in all operating countries. Internal audits have been performed in Sweden, Turkey and Poland
- *Portfolio optimisation*: The divestment process of the French activities is progressing according to schedule: an Information Memorandum has been sent out to interested parties, both financial and strategic. Grontmij has terminated the sale agreement for the Naarderbos Golfcourse and is seeking discussions with other interested parties
- *Accelerate improvements NL*: Good progress is being made in the Netherlands, with implementation of the strategic plan to reduce costs, improve OPEX and grow the Dutch business in a sustainable manner. In the first half of 2014, EBITA margin excluding exceptional items in the Netherlands improved from 3.3% to 4.9%

Realising profitable growth

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

Within these segments, a notable number of projects have been won in the second quarter of 2014 such as three major wind farm assignments in Denmark, Belgium and the Netherlands (*Energy*), the Alliance contract with Anglian Water that was signed in the UK as part of AMP6 (*Water*), the management contract for the Niels Bohr Building (*Sustainable Buildings*), and the design for the International Financial & Technology Centre in Wuhan, China (*Sustainable Buildings*).

Michiel Jaski, CEO Grontmij N.V.: 'With the improvement of our profit margin as Grontmij's most important long term strategic target, we are pleased to report on the trend in the first half of 2014. Excluding exceptional items our EBITA-margin of 3.5%, compared to 2.4% in the first six months last year, indicates Grontmij is making progress to get back on track. Although the margin in Q2 was slightly lower than last year, continued operations were in line with our internal expectations. The decisions announced earlier this year to implement an additional round of restructuring and to start the process to divest our remaining French activities strongly influenced net income in Q2. The good news is that the restructuring and strategic turn-around of the Netherlands is showing its early results. The divestment process in France is running on schedule with interest from both strategic and financial parties. We are pleased with the interest for our French activities and look forward to bring the divestment process to a positive closure.'

Key financials Q2 2014 & HY 2014

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	168.5	180.7	-6.7%	-5.7%	337.3	353.9	-4.7%	-3.7%
Net revenue	140.5	147.4	-4.7%	-3.6%	285.1	292.1	-2.4%	-1.3%
EBITA	-0.4	5.2	-107.8%	-107.2%	3.8	7.9	-51.8%	-51.9%
Exceptional items	-5.1	-0.5			-7.9	-0.7		
EBITA excluding exceptional items	4.7	5.7	-16.7%	-16.9%	11.7	8.6	35.5%	33.1%
Net result from continuing operations	-10.0	-1.3			-11.6	-1.3		
Net result from discontinued operations	-4.6	-0.4			-5.3	0.8		
Net result	-14.6	-1.7			-16.9	-0.5		
EBITA margin	-0.2%	2.9%			1.1%	2.2%		
EBITA margin excluding exceptional items	2.8%	3.1%			3.5%	2.4%		
# employees (average FTE)	6,007	6,262	-4.1%		6,032	6,272	-3.8%	

Comparable figures Q2 2013 and HY 2013 have been adjusted as the French consulting & engineering business was restated from continuing operations to discontinued operations and accordingly excluded from operating result.

Strategy update

At the beginning of 2014, Grontmij announced its rebalanced ‘Back on Track’ strategy. The updated two pillar approach is based on Restructuring and Realising profitable growth.

Restructuring

Cost reductions

As part of the rebalanced ‘Back on Track’ strategy, Grontmij announced an additional cost reduction programme with an expected annual run rate saving of € 15 million to be achieved by 2016. With the French operations qualifying as discontinued operations as of Q2 104, the expected annual run rate saving has been adjusted to € 14 million to exclude France and includes 3 years of indirect overhead cost inflation. The expected one-off cash costs during 2014-2016 (initially € 13 million) have been adjusted to exclude France to € 12 million.

The cost reduction programme is progressing well, with measures taken in the first half of 2014 representing an annual run-rate of € 11 million against the 2013 cost base; excluding overhead inflation in 2015 and 2016. Of the estimated one-off cash impact, € 3 million cash-out has been realised year-to-date.

Operational excellence (OPEX-) improvements

In 2014, Grontmij is focussing on fully embedding the five key processes (being Pipeline Management, Bid Decision Management, Project Budget and Follow-up, Change Management and Client Satisfaction Surveys) that have been implemented in 2013 in all our operating countries, thereby making the OPEX programme a natural way of working for all employees. Results from the OPEX programme are expected to become visible in both stimulated profitable growth and reduced costs, including a targeted decline in project write downs of 0.5 – 0.75% by 2016.

In the second quarter of 2014, countries were individually working on embedding the five processes, with support from the Group on sharing best practices, strengthening their current processes and implementation programmes. Internal audits are being carried out throughout the year, with Netherlands, Denmark, Poland and Sweden having been audited in the first half of 2014; the other countries will follow in the second half of 2014.

Portfolio optimisation

Portfolio optimisation mainly relates to our activities in France, for which we initiated the divestment process in Q1 2014, and the earlier identified non-core assets which will be discontinued or sold.

France

As a consequence of the divestment decision, the French activities classify as Asset Held for Sale under IFRS and are reported separately under discontinued operations per Q2 2014. The divestment process is progressing according to plan. In the second quarter, an information memorandum has been sent to interested parties, both financial and strategic. First indicative non-binding offers are expected in September. In October, due diligence will start with selected parties.

Non-core assets

The announced sale agreement on Naarderbos golf course (July 2013) was terminated by Grontmij in the second quarter of 2014. After various attempts to enforce execution of the agreement, including instituting summary proceedings, which resulted in a court decision in favour of Grontmij, it became clear that buyer was definitively unable to meets its commitments. Grontmij has terminated the sale agreement for the Naarderbos golf course and is seeking discussions with other interested parties

Accelerate improvements Netherlands

The Netherlands is an important market for Grontmij representing approximately 30% of Group total revenues.
The Dutch consulting and engineering market has seen consecutive years of market decline resulting in tougher competition and increased price pressure.

To accelerate the improvements in the Netherlands, a strategic plan to reposition the Dutch business was developed in the second half of 2013. Aiming for attractive market segments, with focus on a client centric approach and optimisation of the service portfolio, the plan also targets further professionalising of the operations in addition to reducing costs under the cost reduction programme.
The implementation of the improvement measures in the Netherlands is progressing well, showing a year-on-year increase in revenue with key clients, and growth in Group Growth Segments like Sustainable Buildings and Highways & Roads. In Energy and Light Rail, revenues are stable. The OPEX programme is in place, while the cost reductions are ahead of schedule. In the first half of 2014, the EBITA margin excluding exceptional items improved according to plan from 3.3% to 4.9%.

Realising profitable growth

Within the second pillar, realising profitable growth, Grontmij has a clear focus on improving its position in its main European markets: the Netherlands, Denmark, Sweden, Belgium, UK, Germany, Poland and Turkey. Other activities outside the European home markets will be pursued in China or on a project basis within one of our five Group Growth Segments in Asia or Africa.

Group Growth Segments (GGS)

Based on the combination of leading capabilities of Grontmij in longer-term attractive markets related to global themes as resource scarcity, urbanisation, sustainability and climate change, Grontmij has selected five Group Growth Segments (GGS): Energy, Water, Highways & Roads, Sustainable Buildings and Light Rail. The targets for the Group Growth Segments are an integral part of the budget of the countries.

On a Group level, all GGS performed according to internal target in the second quarter, except for Water were Q2 performance was below the internal target. The expectation is that the internal year-end target will be met. The European water market remains mixed with pressure in the Netherlands, but good opportunities in most other countries. In the UK, the water market is still impacted by the bidding for the AMP6 cycle. In Sustainable Buildings, the Danish market is improving albeit at a slow pace. For Water and Light Rail in Denmark, the internal targets are expected to be met by year end. In Sweden, we see some pressure in Light Rail and Energy.

In the second quarter of 2014, several notable projects have been won to strengthen the five GGS:

- In the *Energy* segment, Grontmij won three major wind farm assignments: Grontmij Denmark will evaluate the technical aspects of the world's largest energy converter that collects up to 900 MW of power from three wind farms in the North Sea for transportation to land; Grontmij Belgium will conduct implementation studies for the new wind farm on the left bank of the Schelde river in Antwerp and Grontmij Netherlands was assigned to deliver an environmental impact assessment report for new land issues in wind farm Borssele.
- In the *Water* segment, Grontmij UK signed an alliance contract with English water and water recycling company Anglian Water for the development and implementation of innovative solutions to deliver Anglian Water's investment plan. Also in a consortium, Grontmij Poland has been appointed by the Polish National Water Management Authority to prepare comprehensive flood risk management plans covering at least 15,000 km of the country's rivers.
- In the *Highways & Roads* segment, Grontmij Belgium together with Witteveen+Bos will produce a design to replace the bridges over the Albert canal on Antwerp's R1 orbital with a stacked tunnel. Grontmij Belgium was also appointed a large project to produce a databank with new digital images of all roads in Vlaanderen, together with Teccon. In the UK, the Mott Mac-Donald Grontmij joint venture has been awarded the technical assurance role for the A160/A180 Port of Immingham improvement scheme near Grimsby. In the Netherlands, Grontmij together with Movares, will conduct research on more than 1,000 kilometres of highway to aid Rijkswaterstaat's ambition to reduce the noise pollution for local residents.
- In the *Sustainable Buildings* segment, Grontmij Denmark won the management contract for the Niels Bohr Building: the new 51,700sqm campus facilities for the science faculty of the Copenhagen University. In China, Grontmij has recently been appointed the design of the International Finance centre in Wuhan.
- In the *Light Rail* segment, Grontmij Belgium was appointed to work on the 4 kilometres elongation of Brussel's metro line.

Refinancing

Convertible cumulative preference shares ('Cumprefs') issuance

On 15 April 2014, Grontmij issued 5.5 million Cumprefs at an issue price of € 3.57, raising a total amount of € 19.5 million. Although the Cumprefs are shares under Dutch law, the Cumprefs are classified as a liability under IFRS. Following this classification, Grontmij accounts for the Cumprefs at fair value on a quarterly basis, through the profit and loss. The Cumprefs are not considered a financial liability for the calculation of the leverage ratio and the interest cover ratio as agreed with the lending banks.

For details on the classification of the Cumprefs for the company financial statements ('enkelvoudige jaarrekening') and details on the calculation for Grontmij's dividend policy, please refer to the interim financial statements 2014.

For more details on the Cumprefs and the fair value measurement, please refer to Note 9 and 12 of the interim financial statements 2014.

Financial performance Q2 2014

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth
Total revenue	168.5	180.7	-6.7%	-5.7%
Net revenue	140.5	147.4	-4.7%	-3.6%
EBITA	-0.4	5.2	-107.8%	-107.2%
Exceptional items	-5.1	-0.5		
EBITA excluding exceptional items	4.7	5.7	-16.7%	-16.9%
Net result from continuing operations	-10.0	-1.3		
Net result from discontinued operations	-4.6	-0.4		
Net result	-14.6	-1.7		
EBITA margin	-0.2%	2.9%		
EBITA margin excluding exceptional items	2.8%	3.1%		
# employees (average FTE)	6,007	6,262	-4.1%	

Revenue

Revenue levels for the Group developed according to internal expectations, with total revenue in the second quarter at € 168.5 million, 6.7% lower compared to last year (Q2 2013: € 180.7 million) mainly due to lower revenue levels in the Netherlands, Denmark and Sweden. Organically, total revenue declined by 5.7%. Net revenue ended 4.7% lower at € 140.5 million (Q2 2013: € 147.4 million), with organic decline of 3.6%. In the second quarter, the working days effect was on average – 0.3 days (impact – 0.6%).

EBITA and EBITA margin

EBITA excluding exceptional items was € 4.7 million in the second quarter of 2014, € 1.0 million lower compared to last year when EBITA excluding exceptional items was € 5.7 million. Improved profitability in the Netherlands, UK and Belgium was offset by lower profitability mainly in Denmark, Sweden, Germany, and Other markets. The EBITA margin excluding exceptional items decreased from 3.1% in the second quarter last year to 2.8% this year.

<u>Exceptional items:</u>

Exceptional items in Q2 2014 increased to – € 5.1 million (Q2 2013: – € 0.5 million), and mainly relate to the additional restructuring programme.

Net finance expenses

In the second quarter of 2014 the net finance expenses were – € 7.1 million, € 3.4 million higher compared to the second quarter last year. The increase is mainly due to the impact of the costs related to the issuance of the Cumprefs and the fair value movements of the Cumprefs (in total – € 5.0 million).

Income tax expenses

Income tax expense in the second quarter of 2014 was – € 0.8 million on a loss before tax on continued operations of – € 9.2 million, compared to a reported income tax expense of – € 1.5 million in Q2 2013 on a profit before tax on continued operations of – € 0.2 million. The difference in tax charge (€ 0.7 million) is mainly explained by lower profit before tax in tax paying countries in Q2 2014 compared to Q2 2013 and no deferred tax assets on losses.

Net result

Net result from continuing operations in the second quarter of 2014 was– € 10.0 million (Q2 2013: – € 1.3 million) mainly due to higher net finance expenses as explained above and higher exceptional items. Net result from discontinued operations was– € 4.6 million and relates to the French Consulting & Engineering business. In Q2 2013, net result from discontinued operations was – € 0.4 million and includes the net result of the French M&T activities (€ 0.3 million) and the net result of the French consulting & engineering business (– € 0.7 million).

Current trading discontinued operations Q2 2014 (France): market conditions remain challenging in France with a negative market outlook for the construction sector in 2014. The backlog is however stable since the end of 2013. The restructuring measures are currently in progress while the business simultaneously is being prepared for sale.

The net result for the French consulting & engineering business is lower compared to last year and explained by lower revenues, restructuring charges, costs related to the intended divestment and a write down on WIP.

Trade working capital

Trade working capital based on continuing operations (TWC) increased slightly to € 115.1 million compared to Q2 2013 (€ 114.7 million). TWC as % of total revenue at the end of June 2014 is 17.1% (Q2 2013: 16.4%). Lower TWC levels in Denmark and Sweden are being offset by higher levels in Belgium and Germany.

Net debt and cash flow

Net debt from continuing operations at the end of Q2 2014 decreased to € 67.4 million. This includes € 23.9 million relating to the Cumprefs, which are treated as debt under IFRS. Compared to the end of the second quarter last year (€ 138.5 million), net debt is significantly lower mainly due to the proceeds from the sale of the French M&T business (€ 62.0 million) in September 2013 and the proceeds from the equity offering in February 2014 (€ 19.9 million).

Financial covenants: Interest coverage and net debt/EBITDA ratios

Under the financing arrangement, Grontmij's covenants were tested at the end of June 2014. The net debt/EBITDA ratio per Q2 2014 was 2.3x, within the allowed covenant ratio of <3.75x. The interest coverage ratio per Q2 2014 was 3.7x, within the covenant of >2.50x.

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

Performance per Country

Country performance is leading over the business lines. Grontmij reports its results on a country basis for six countries and 'Other markets' (being: Poland, Turkey and activities outside Europe). 'Non-core and other unallocated' is reported separately and includes the corporate head office and Asset Management. Full financial tables for Q2 2014 results per country, other markets, and non-core and other unallocated can be found in the appendix. Grontmij reports revenue numbers per business line, please see also the appendix.

The Netherlands

Performance in the Netherlands in the second quarter was encouraging, showing margin recovery as a result of the 'accelerate improvements NL programme' that is progressing well. Total and net revenue developed according to internal expectations and reflected the still challenging market conditions. Due to stringent execution of the additional cost reduction programme, EBITA excluding exceptional items improved in Q2 2014, with EBITA margin excluding exceptional items of 4.8% (Q2 2013: 2.4%). Exceptional items of € 3.3 million are fully attributable to the additional restructuring measures. Order book is overall stable with a mild increase in Water & Energy. Projects won in the second quarter of 2014 include the assignment to deliver an environmental impact assessment report for new land issued in wind farm Borssele (Energy) and the research on more than 1,000 kilometres of highway to aid Rijkswaterstaat's ambition to reduce the noise pollution for local residents (Highways & Roads).

Denmark

Performance in Denmark in Q2 2014 was below last year, with lower total and net revenue levels, also impacted by two working days less and the sale of the Marine business in Q4 2013. Due to price pressure in all business lines, profitability declined, and resulted in a loss for Q2 2014 of – € 0.1 million (Q2 2013: € 1.1 million). Compared to last year, the comparison base in Q2 2013 was strong, not yet taking into account the reported write down in Q3 2013 on the large hospital projects. Due to the good performance in the first quarter, Denmark shows a HY 2014 result slightly below last year. Order book is depicting a declining trend, but is expected to improve given some significant project wins at the beginning of the third quarter. Recent project wins include the management contract for the Niels Bohr Building (Sustainable Buildings); the new 51,700 sq m campus facilities for the science faculty of the Copenhagen University.

Sweden

While Sweden is making good progress with the cost reduction programme and the implementation of several other strategic initiatives, both revenue and EBITA excluding exceptional items declined in Q2 2014, also impacted by one working day less and negative currency developments. The lower operational performance is mainly due to underperformance in certain activities, for which currently action plans are being developed and executed. For HY 2014, performance in Sweden is strong, with EBITA margin excluding exceptional items of 5.8% (HY 2013 – 0.2%). Order book is stable in Planning & Design and Water & Energy, In Transportation & Mobility projects are ramping up as good opportunities are expected to come to market in coming months. Projects won in Q2 2014 include the construction management for the new football stadium in Gävle (Sustainable Buildings).

Belgium

Performance in Belgium in the second quarter is strong, albeit aided positively by phasing resulting from the revised treatment of holiday accruals. Total and net revenue increased with organic growth on total revenue of 7.0%. Profitability went up from € 0.7 million last year, to € 1.5 million this year, impacted by high productivity, mainly in Planning & Design. EBITA margin excluding exceptional items was 6.7% (Q2 2013: 3.7%). For half year, performance is in line with last year, reflecting the reversal of the Q1 2014 impact of the revised treatment of holiday accruals. Order book is stable at a high level in all business lines. In Q2 2014 various projects have been won like the design for stacked tunnel to replace the bridges over the Albert canal on Antwerp's R1 orbital (Highways & Roads), and the database assignment gathering digital images for all roads in Flanders, or the elongation of the Brussels' metro line (Light Rail).

UK

UK continued to show good performance in the second quarter of 2014. Revenue levels were in line with last year, also helped by positive currency effect. Adjusted for the currency effect, net revenue showed a modest organic decline of – 1.9%. Profitability improved with EBITA margin excluding exceptional items of 3.9% (Q2 2013: 2.6%). Performance in Transportation & Mobility was strong, while Planning & Design remained stable with good performance in Building Services. Water & Energy was impacted by the transition from AMP5 to AMP6 reflecting a tail off in workload and significant tendering effort. Despite this productivity has been maintained through efficient use of resources. Overall productivity and order book were stable. Project wins in the second quarter include the Mott Mac Donald / Grontmij joint venture for the technical assurance role for the A160/A180 Port of Immingham improvement scheme near Grimsby (Highways & Roads) and the multi-year alliance contract signed with Anglian Water for AMP6 (Water).

Germany

Performance in Germany in the second quarter was in line with last year, with total and net revenue slightly higher and modest organic growth on net revenue of 1.0%. Excluding a one-off third party cost of € 0.4 million, EBITA excluding exceptional items (€ 0.7 million) was flat compared to last year (Q2 2013: € 1.1 million). Looking at HY 2014, performance is in line with last year with EBITA margin excluding exceptional items of 5.9% (HY 2013: 6.4%). Planning & Design and Water & Energy are stable and performing according to expectations, while Transportation & Mobility was impacted by the one-off third party cost. Order book, already high in all business lines, is still increasing. Projects won in Q2 2014 include the design of a fully redundant electricity system (Energy) for Munich airport.

Other markets

Performance within Other markets is slightly below last year, explained by lower performance in China due to a slow start of the year. Performance in Poland in the second quarter was stable while Turkey performed well. Grontmij Poland has been appointed by the Polish National Water Management Authority to prepare comprehensive flood risk management plans covering at least 15.000 km of the country's rivers (Water). In China, the design for the International Financial & Technology Centre in Wuhan, China, was recently won (Sustainable Buildings).

Key financials first half year 2014

€ million, unless otherwise indicated	HY 2014	HY 2013	% change	% organic growth
Total revenue	337.3	353.9	-4.7%	-3.7%
Net revenue	285.1	292.1	-2.4%	-1.3%
EBITA	3.8	7.9	-51.8%	-51.9%
Exceptional items	-7.9	-0.7		
EBITA excluding exceptional items	11.7	8.6	35.5%	33.1%
Net result from continuing operations	-11.6	-1.3		
Net result from discontinued operations	-5.3	0.8		
Net result	-16.9	-0.5		
EBITA margin	1.1%	2.2%		
EBITA margin excluding exceptional items	3.5%	2.4%		
# employees (average FTE)	6,032	6,272	-3.8%	

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

Financial performance first half year 2014

Revenue

Total revenue on a Group level in the first half of 2014 was € 337.3 million, 4.7% lower than the first half of last year (HY 2013: € 353.9 million). The working days effect is on average nil. On net revenue, organic growth shows a modest decline of 1.3%.

EBITA and EBITA margin

EBITA excluding exceptional items was € 11.7 million in the first half of 2014 versus € 8.6 million in 2013, with an EBITA margin excluding exceptional items of 3.5% (HY2013: 2.4%). Compared to last year, the Group's positive margin development is driven by margin improvements in the Netherlands, Sweden and UK, albeit partially offset by lower performance in mainly Denmark, Belgium and Germany.

<u>Exceptional items in the first half year 2014:</u>

Exceptional items in the first half of 2014 were substantially higher at – € 7.9 million compared to – € 0.7 million in 2013, and mainly relate to the additional restructuring programme.

Net finance expenses

In the first six months of 2014, the net finance expenses (– € 10.5 million) were higher than last year's expenses (– € 7.2 million). The result has been strongly affected by the costs related to the issuance of the Cumprefs and the fair value adjustments of the Cumprefs (in total – € 5.0 million), and also includes the recycling of the ineffective part of the hedge reserve (– € 1.1 million), due to lower debt levels.

Income tax expenses

In HY 2014 an income tax expense is reported of - € 1.9 million on a loss before tax on continued operations of – € 9.7 million, compared to a reported income tax benefit of € 0.6 million in HY 2013, reported on a loss before tax on continued operations of – €1.9 million. The difference in the tax charge (€ 2.5 million) is mainly explained by a one off tax benefit reported in HY 2013 as a result of a renewed calculation for deferred tax liabilities, following tax rate reductions in the UK and Sweden (effect € 2.7 million) and no deferred tax benefit has been recognized on fiscal losses in the Netherlands.

Net result

Net result from continuing operations in the first half of 2014 was – € 11.6 million (HY 2013: – € 1.3 million) impacted by higher exceptional items and higher net finance expenses. Net result from discontinued operations (net of income tax) represents the French business and was – € 5.3 million in the first half of 2014 (HY 2013: € 0.8 million). Discontinued operations in 2013 also relate to the net result of the French M&T activities, which we divested in September 2013.

Outlook 2014 and beyond

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

Interim financial statements

Please note that this press release should be read in conjunction with the interim financial statements as published by Grontmij on 4 August 2014, and provided in the appendix.

Financial Calendar 2014

30 October 2014	Q3 2014 Results

Invitation to attend the audio webcast of the presentation of Q2 2014 figures

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the Q2 2014 today, 4 August 2014 at 10.00 CET via www.grontmij.com. The presentation will be available on our website the morning of 4 August 2014.

Disclaimer Grontmij

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

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

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

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

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The Netherlands

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	53.5	58.1	-7.9%	-7.9%	105.8	113.3	-6.6%	-6.6%
Net revenue	43.0	44.3	-3.0%	-3.0%	86.9	90.4	-3.9%	-3.9%
EBITA	-0.7	1.4	-153.0%	-153.0%	0.5	3.6	-85.0%	-85.0%
EBITA margin	-1.4%	2.4%			0.5%	3.2%		
Exceptional items	-3.3	-			-4.6	-0.2		
EBITA excluding exceptional items	2.6	1.4	86.6%	86.6%	5.1	3.8	36.1%	36.1%
EBITA margin excluding exceptional items	4.8%	2.4%			4.9%	3.3%		
# employees (average FTE)	1,801	1,908	-5.6%		1,823	1,915	-4.8%	

Denmark

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	35.1	37.7	-6.9%	-4.4%	71.9	72.5	-0.8%	1.6%
Net revenue	27.7	31.5	-11.9%	-9.6%	58.0	60.7	-4.4%	-2.2%
EBITA	-0.1	1.1	-109.9%	-109.3%	0.5	1.7	-68.6%	-72.5%
EBITA margin	-0.3%	2.8%			0.8%	2.4%		
Exceptional items	-0.0	-			-0.7	-		
EBITA excluding exceptional items	-0.1	1.1	-106.7%	-106.3%	1.3	1.7	-25.3%	-34.7%
EBITA margin excluding exceptional items	-0.2%	2.8%			1.8%	2.4%		
# employees (average FTE)	1,054	1,153	-8.6%		1,065	1,150	-7.5%	

Sweden

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	22.3	27.2	-18.1%	-13.2%	45.1	52.5	-14.0%	-9.6%
Net revenue	19.9	23.1	-13.8%	-8.7%	40.8	43.3	-5.6%	-0.9%
EBITA	0.5	1.5	-65.2%	-61.9%	2.3	-0.1		
EBITA margin	2.3%	5.4%			5.0%	-0.2%		
Exceptional items	-0.2	-			-0.3	-		
EBITA excluding exceptional items	0.7	1.5	-49.2%	-44.9%	2.6	-0.1		
EBITA margin excluding exceptional items	3.3%	5.4%			5.8%	-0.2%		
# employees (average FTE)	696	712	-2.3%		700	713	-1.8%	

Belgium

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	21.8	20.4	7.0%	7.0%	44.5	41.6	6.9%	6.9%
Net revenue	18.8	17.9	5.1%	5.1%	38.5	37.2	3.5%	3.5%
EBITA	1.4	0.7	82.7%	82.7%	2.3	2.6	-10.4%	-10.4%
EBITA margin	6.2%	3.7%			5.2%	6.2%		
Exceptional items	-0.1	-			-0.1	-		
EBITA excluding exceptional items	1.5	0.7	96.3%	96.3%	2.4	2.6	-6.5%	-6.5%
EBITA margin excluding exceptional items	6.7%	3.7%			5.5%	6.2%		
# employees (average FTE)	770	777	-0.9%		769	782	-1.6%	

UK

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	15.9	15.7	1.3%	-2.9%	31.4	32.6	-3.6%	-6.8%
Net revenue	13.7	13.4	2.4%	-1.9%	27.2	27.4	-0.5%	-3.9%
EBITA	0.6	0.4	36.1%	30.6%	1.1	0.8	42.1%	37.3%
EBITA margin	3.5%	2.6%			3.4%	2.3%		
Exceptional items	-0.1	-			-0.1	-		
EBITA excluding exceptional items	0.6	0.4	50.9%	44.8%	1.2	0.8	55.9%	50.7%
EBITA margin excluding exceptional items	3.9%	2.6%			3.8%	2.3%		
# employees (average FTE)	711	758	-6.2%		714	767	-6.8%	

Germany

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	14.5	13.9	3.7%	3.7%	28.7	27.4	4.6%	4.6%
Net revenue	12.1	11.9	1.0%	1.0%	24.4	23.8	2.6%	2.6%
EBITA	0.7	1.1	-37.9%	-37.9%	1.7	1.8	-4.4%	-4.4%
EBITA margin	4.9%	8.2%			5.9%	6.4%		
Exceptional items	-	-			-	-		
EBITA excluding exceptional items	0.7	1.1	-37.9%	-37.9%	1.7	1.8	-4.4%	-4.4%
EBITA margin excluding exceptional items	4.9%	8.2%			5.9%	6.4%		
# employees (average FTE)	596	579	3.0%		593	576	3.0%	

Other markets

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Total revenue	5.1	6.7	-24.2%	-20.3%	9.6	12.4	-22.2%	-16.3%
Net revenue	3.5	3.7	-5.8%	0.6%	6.2	6.5	-5.0%	3.1%
EBITA	0.3	0.5	-36.2%	-34.9%	0.3	0.5	-50.5%	-43.5%
EBITA margin	6.7%	8.0%			2.7%	4.2%		
Exceptional items	-	-			-	-		
EBITA excluding exceptional items	0.3	0.5	-36.2%	-34.9%	0.3	0.5	-50.5%	-43.5%
EBITA margin excluding exceptional items	6.7%	8.0%			2.7%	4.2%		
# employees (average FTE)	310	294	5.3%		300	290	3.4%	

Non-core and other unallocated

€ million, unless otherwise indicated	Q2 2014	Q2 2013	HY 2014	HY 2013
Total revenue	0.5	1.1	0.3	1.7
Net revenue	1.8	1.6	3.0	2.8
EBITA	-3.1	-1.5	-4.9	-2.9
Exceptional items	-1.4	-0.5	-1.9	-0.5
EBITA excluding exceptional items	-1.7	-1.1	-2.9	-2.4
# employees (average FTE)	69	80	69	80

Business lines performance

€ million, unless otherwise indicated	Q2 2014	Q2 2013	% change	% organic growth	HY 2014	HY 2013	% change	% organic growth
Planning & Design								
Total revenue	63.0	66.3	-4.9%	-4.2%	123.3	127.3	-3.2%	-2.4%
Net revenue	52.2	52.5	-0.6%	0.3%	104.6	102.6	1.9%	2.8%
Transportation & Mobility								
Total revenue	53.6	58.5	-8.3%	-7.8%	108.7	116.6	-6.8%	-6.3%
Net revenue	44.7	48.0	-6.9%	-6.3%	91.5	96.9	-5.6%	-5.1%
Water & Energy								
Total revenue	48.9	52.0	-6.0%	-4.0%	100.4	103.2	-2.7%	-0.7%
Net revenue	41.8	44.3	-5.7%	-3.9%	86.0	88.4	-2.7%	-0.8%
Non-core and other unallocated								
Total revenue	3.0	3.9	-23.9%	-23.9%	5.0	6.8	-26.5%	-26.5%
Net revenue	1.8	2.5	-25.9%	-25.9%	3.0	4.2	-27.6%	-27.6%
Total Group								
Total revenue	168.5	180.7	-6.7%	-5.7%	337.3	353.9	-4.7%	-3.7%
Net revenue	140.5	147.4	-4.7%	-3.6%	285.1	292.1	-2.4%	-1.3%

Total revenue and EBITA per country

	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
€ million, unless otherwise indicated	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
The Netherlands	53.5	58.1	-0.7	1.4	2.6	1.4	4.8%	2.4%
Denmark	35.1	37.7	-0.1	1.1	-0.1	1.1	-0.2%	2.8%
Sweden	22.3	27.2	0.5	1.5	0.7	1.5	3.3%	5.4%
Belgium	21.8	20.4	1.4	0.7	1.5	0.7	6.7%	3.7%
UK	15.9	15.7	0.6	0.4	0.6	0.4	3.9%	2.6%
Germany	14.5	13.9	0.7	1.1	0.7	1.1	4.9%	8.2%
Other markets	5.1	6.7	0.3	0.5	0.3	0.5	6.7%	8.0%
Non-core and other unallocated	0.5	1.1	-3.1	-1.5	-1.7	-1.1		
Total Group	**168.5**	**180.7**	**-0.4**	**5.2**	**4.7**	**5.7**	**2.8%**	**3.1%**

Total revenue and EBITA per country

	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
€ million, unless otherwise indicated	HY 2014	HY 2013	HY 2014	HY 2013	HY 2014	HY 2013	HY 2014	HY 2013
The Netherlands	105.8	113.3	0.5	3.6	5.1	3.8	4.9%	3.3%
Denmark	71.9	72.5	0.5	1.7	1.3	1.7	1.8%	2.4%
Sweden	45.1	52.5	2.3	-0.1	2.6	-0.1	5.8%	-0.2%
Belgium	44.5	41.6	2.3	2.6	2.4	2.6	5.5%	6.2%
UK	31.4	32.6	1.1	0.8	1.2	0.8	3.8%	2.3%
Germany	28.7	27.4	1.7	1.8	1.7	1.8	5.9%	6.4%
Other markets	9.6	12.4	0.3	0.5	0.3	0.5	2.7%	4.2%
Non-core and other unallocated	0.3	1.7	-4.9	-2.9	-2.9	-2.4		
Total Group	**337.3**	**353.9**	**3.8**	**7.9**	**11.7**	**8.6**	**3.5%**	**2.4%**

Net debt/EBITDA covenant schedule

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

Interest cover covenant schedule

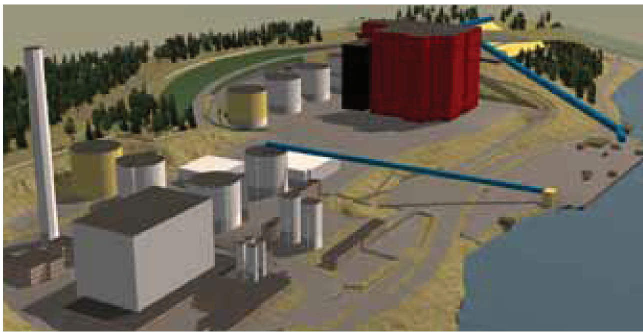
	March	June	September	December
2014	2.50:1	2.50:1	2.75:1	3.25:1
2015	4.00:1	4.00:1	4.00:1	4.00:1
2016	4.00:1	4.00:1		

Covenants calculated according to specific definitions in the credit facility

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

[2] *EBITA / adjusted net financial income & expenses (adjusted means amongst other corrected for arrangement fees, effect of IRS*

Condensed Consolidated Interim Financial Statements 2014


Energy – Söderenergi (Sweden)


Highways & Roads – A9 autoroute (France)


Light Rail – OV SAAL (the Netherlands)


Sustainable Buildings – Ronesans (Turkey)


Water – STAR-FLOOD (Europe)

Grontmij

UNAUDITED CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS

FIRST HALF YEAR 2014 ENDED 30 JUNE 2014

Grontmij N.V.

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Grontmij N.V. Management Report First Half Year 2014

For the management comments and analysis of the results, financial position, developments in the countries and business lines of the first half year 2014 and for the outlook for 2014 we refer to the press releases of Q2 2014 and Q1 2014.

- **Transactions with major shareholders (interest of 10% or more)**

During 2013 Grontmij started discussions with its major shareholders and lending banks to reach a sustainable capital structure going forward. Following these discussions, Grontmij and the lending banks agreed on an amendment of the Credit Facility and Grontmij raised € 20.5 million through an Accelerated Book Building offering of 6,032,500 ordinary shares which were issued on 3 March 2014. 1,244,302 of these shares were issued to Delta Lloyd Deelnemingen Fonds N.V, 547,311 shares to Delta Lloyd Levensverzekering N.V, 200,000 shares to ING Re (Netherlands) N.V. and 99,487 shares to RWC European Focus Master Inc., all of which shareholders (or related companies of such shareholders) held more than 10% of the ordinary shares at the time the new ordinary shares were issued.

In addition on 15 April 2014 Grontmij issued a total of 5,459,246 convertible cumulative financing preference shares, 2,822,474 of which were issued to Nationale-Nederlanden Levensverzekeringsmaatschappij N.V. and 2,109,206 to RWC European Focus Master Inc.. Both shareholders (or related companies of both shareholders) held more than 10% of the ordinary shares at the time the cumprefs were issued.

- **Risk assessment**

Our Annual report 2013 (pages 56-63 and 117-118) extensively describes the risk factors as per 31 December 2013 that could adversely affect our business and financial performance. We expect these risk factors also to be present for the second half of 2014. A description of these risk factors is deemed to be included in this report by reference.

As of 1 August 2014 a Head of Internal Audit has been appointed. Responsibilities will include preparing, coordinating and executing (risk based) internal audits within the Group. More details on the internal audit function can be found on page 57 of the annual report 2013.

Under the section ‘Divestments of identified entities at the optimal value’ in the risk paragraph of the annual report 2013, it is mentioned that Grontmij signed the sale agreement for the divestment of the Naarderbos Golf Course in the Netherlands. Grontmij has made various attempts to enforce execution of this agreement, including instituting summary proceedings, resulting in a decision of the Utrecht District Court on 25 April 2014 ordering the buyer to meet its purchase commitment within 14 days. Despite this decision, the buyer has not met its commitments under the sale agreement. Grontmij has therefore terminated the sale agreement as announced in the press release on 11 June 2014. Grontmij still intends to sell the golf course and will now seek discussion with other interested parties.

As announced in the press release of 30 April 2014, Grontmij has reviewed its strategic options for the French Consulting & Engineering business and decided to start the process to divest the French activities. Following the Executive Board’s committed plan to sell these activities, the French Consulting & Engineering business is classified as held for sale and is qualified as discontinued operations, as per 30 June 2014.

Potential risks not known by us at the moment, or currently believed not to be material, could later turn out to have a material impact on our business, objectives, revenues, assets, liquidity and capital resources.

• Statement of the Executive Board

The Executive Board declares that, to the best of their knowledge, the semi-annual condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34, "Interim financial reporting", give a true and fair view of the assets, liabilities, financial position and result of Grontmij N.V. and the entities included in its consolidation, and the management report for the first half year 2014 gives a true and fair view of the information required pursuant to section 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

De Bilt, the Netherlands, 1 August 2014

Michiel Jaski (Chief Executive Officer)
Frits Vervoort (Chief Financial Officer)

Condensed consolidated statement of financial position

In thousands of €	Note	30 June 2014	30 June 2013 (*)	31 December 2013
Goodwill		116,519	127,821	115,991
Intangible assets		48,939	52,121	50,904
Property, plant and equipment		22,619	26,687	26,130
Investments in equity accounted investees		3,217	4,466	3,329
Other financial assets		13,751	13,822	14,152
Deferred tax assets		2,351	2,473	2,335
Non-current assets		**207,396**	**227,390**	**212,841**
Receivables		249,495	329,380	295,033
Inventories		16,313	17,571	16,564
Income taxes		224	2,531	738
Cash and cash equivalents		33,355	15,665	45,962
Assets classified as held for sale	6	64,603	114,340	10,704
Current assets		**363,990**	**479,487**	**369,001**
Total assets		**571,386**	**706,877**	**581,842**
Share capital	7	17,500	15,992	15,992
Share premium	7	184,478	165,476	165,476
Reserves	7	-64,267	-54,060	-50,521
Result for the period		-16,867	-499	-14,791
Total equity attributable to shareholders of Grontmij		**120,844**	**126,909**	**116,156**
Non-controlling interest		-71	-85	-82
Total Group equity		**120,773**	**126,824**	**116,074**
Loans and borrowings	9	70,124	133,020	65,189
Employee benefits		8,596	10,781	11,876
Derivatives used for hedging		7,018	7,457	6,929
Provisions	10	30,166	30,598	29,521
Deferred tax liabilities		27,137	27,358	27,302
Non-current liabilities		**143,041**	**209,214**	**140,817**
Bank overdrafts		2,474	12,796	19,802
Loans and borrowings	9	28,203	19,019	15,054
Income taxes		6,997	6,774	5,943
Trade and other payables		194,423	266,508	263,734
Employee benefits		2,194	3,139	2,692
Provisions	10	7,562	15,815	12,999
Liabilities classified as held for sale	6	65,719	46,788	4,727
Current liabilities		**307,572**	**370,839**	**324,951**
Total equity and liabilities		**571,386**	**706,877**	**581,842**

* Adjusted, see note 5

Grontmij

Condensed consolidated income statement

In thousands of €	Note	Q2 2014	Q2 2013 (*)	YTD 30 June 2014	YTD 30 June 2013 (*)
Total revenue	12	**168,539**	**180,733**	**337,330**	**353,920**
Third-party project expenses		-28,012	-33,350	-52,212	-61,832
Net revenue		**140,527**	**147,383**	**285,118**	**292,088**
Direct employee expenses		-102,669	-103,226	-207,406	-205,390
Direct other expenses		-928	-903	-1,205	-1,702
Total direct expenses		**-103,597**	**-104,129**	**-208,611**	**-207,092**
Gross margin		**36,930**	**43,254**	**76,507**	**84,996**
Other income		33	221	137	242
Indirect employee expenses		-16,319	-16,836	-30,792	-32,946
Amortisation		-1,327	-1,205	-2,669	-2,564
Depreciation		-2,221	-2,346	-4,404	-4,643
Impairments of non-current assets	6	-316	-101	-316	-101
Indirect other operating expenses		-18,980	-19,157	-37,746	-39,610
Total indirect expenses		**-39,163**	**-39,645**	**-75,927**	**-79,864**
Result on sale of subsidairies		190	-	190	-
Share of results of investments in equity accounted investees		-37	54	-72	-107
		153	**54**	**118**	**-107**
Operating result	12	**-2,047**	**3,884**	**835**	**5,267**
Finance income		653	357	1,148	883
Finance expenses		-7,788	-4,026	-11,663	-8,056
Net finance expenses		**-7,135**	**-3,669**	**-10,515**	**-7,173**
Result before income tax		**-9,182**	**215**	**-9,680**	**-1,906**
Income tax expense	13	-781	-1,526	-1,903	571
Result after income tax from continuing operations		**-9,963**	**-1,311**	**-11,583**	**-1,335**
Result from discontinued operations (net of income tax)	6	-4,602	-433	-5,313	806
Total result for the period		**-14,565**	**-1,744**	**-16,896**	**-529**
Attributable to:					
Shareholders of Grontmij		-14,553	-1,730	-16,867	-499
Non-controlling interest		-12	-14	-29	-30
Total result for the period		**-14,565**	**-1,744**	**-16,896**	**-529**
Earnings per share					
From continuing and discontinued operations					
Basic earnings per share (in €)				-0.25	-0.01
Diluted earnings per share (in €)				-0.25	-0.01
From continuing operations					
Basic earnings per share (in €)				-0.17	-0.02
Diluted earnings per share (in €)				-0.17	-0.02
Average number of shares (basic)				68,133,591	63,967,500
Average number of shares (diluted)				68,133,591	63,967,500

* Adjusted, see note 5

Condensed consolidated statement of comprehensive income

In thousands of €, for the first six-month period ended 30 June	**YTD 2014**	YTD 2013
Result after income tax	**-16,896**	**-529**
Other comprehensive income:		
Items that will never be reclassified subsequently to the income statement:		
Cost of issuing ordinary shares (net of income tax)	-554	-
Remeasurements of defined benefit liabilities	142	-
	-412	**-**
Items that are or may be reclassified subsequently to the income statement:		
Effective portion of changes in fair value of cash flow hedges	-88	2,629
Ineffective portion of fair value of cash flow hedges transferred to the income statement	1,114	-
Foreign currency exchange translation differences for foreign operations	408	-1,733
Other	6	52
	1,440	**948**
Other comprehensive income (net of income tax)	**1,028**	**948**
Total comprehensive income	**-15,868**	**419**
Attributable to:		
Shareholders of Grontmij	-15,839	449
Non-controlling interest	-29	-30
Total comprehensive income	**-15,868**	**419**

Grontmij

Condensed consolidated statement of changes in equity

In thousands of €	Total Group equity	Non-controlling interest	Total attributable to shareholders of Grontmij	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Result for the year
Balance as at 1 January 2013 as previously reported	**126,405**	**-107**	**126,512**	**15,992**	**165,476**	**-3,806**	**-10,086**	**-9,636**	**-31,428**
Result for the six-month period ended June 2013	-529	-30	-499	-	-	-	-	-	-499
Other comprehensive income:									
Foreign currency exchange translation differences for foreign operations	-1,733	-	-1,733	-	-	-1,733	-	-	-
Effective portion of changes in fair value of cash flow hedges	2,629	-	2,629	-	-	-	2,629	-	-
Other movements	52	52	-	-	-	-	-	-	-
Total other comprehensive income	**948**	**52**	**896**	**-**	**-**	**-1,733**	**2,629**	**-**	**-**
Total comprehensive income	**419**	**22**	**397**	**-**	**-**	**-1,733**	**2,629**	**-**	**-499**
Contribution by and distributions to owners:									
2012 Result appropriation	-	-	-	-	-	-	-	-31,428	31,428
Balance as at 30 June 2013	**126,824**	**-85**	**126,909**	**15,992**	**165,476**	**-5,539**	**-7,457**	**-41,064**	**-499**
Balance as at 1 January 2014	**116,074**	**-82**	**116,156**	**15,992**	**165,476**	**-4,532**	**-3,633**	**-42,356**	**-14,791**
Result for the six-month period ended June 2014	-16,896	-29	-16,867	-	-	-	-	-	-16,867
Other comprehensive income:									
Foreign currency exchange translation differences for foreign operations	408	-	408	-	-	408	-	-	-
Remeasurement of defined benefit liabilities	142	-	142	-	-	-	-	142	-
Cost of issuing ordinary shares (net of income tax)	-554	-	-554	-	-	-	-	-554	-
Effective portion of changes in fair value of cash flow hedges	-88	-	-88	-	-	-	-88	-	-
Ineffective portion of fair value of cash flow hedges transferred to the income statement	1,114	-	1,114	-	-	-	1,114	-	-
Other movements	6	-	6	-	-	-	-	6	-
Total other comprehensive income	**1,028**	**-**	**1,028**	**-**	**-**	**408**	**1,026**	**-406**	**-**
Total comprehensive income	**-15,868**	**-29**	**-15,839**	**-**	**-**	**408**	**1,026**	**-406**	**-16,867**
Contribution by and distributions to owners:									
Issue of ordinary shares	20,510	-	20,510	1,508	19,002	-	-	-	-
2013 Result appropriation	-	-	-	-	-	-	-	-14,791	14,791
Other equity movements									
Recognition of equity-settled share-based payments	17	-	17	-	-	-	-	17	-
Change in ownership interest in subsidairies									
Non-controlling interest transferred to asset held for sale	40	40	-	-	-	-	-	-	-
Balance as at 30 June 2014	**120,773**	**-71**	**120,844**	**17,500**	**184,478**	**-4,124**	**-2,607**	**-57,536**	**-16,867**

Condensed consolidated statement of cash flows

In thousands of €	Note	Q2 2014	Q2 2013 (*)	YTD 30 June 2014	YTD 30 June 2013 (*)
Total result for the period		-14,565	-1,744	-16,896	-529
Result from discontinued operations (net of income tax)		4,602	433	5,313	-806
Result after income tax from continuing operations		**-9,963**	**-1,311**	**-11,583**	**-1,335**
Adjustments for:					
Depreciation of property, plant and equipment		2,221	2,346	4,404	4,643
Amortisation of intangible assets		1,327	1,205	2,669	2,564
Impairment losses	6	316	101	316	101
Share of results of investments in equity accounted investees		37	-54	72	107
Results on sale of property, plant and equipment		-6	-13	-3	-1
Result on sale of a subsidiary (net of income tax)		-190	-	-190	-
Net finance expenses		7,136	3,669	10,515	7,173
Income tax expense		781	1,526	1,903	-571
		11,622	**8,780**	**19,686**	**14,016**
Change in amounts due to and due from customers and inventories		-2,570	-6,879	-27,988	-27,802
Change in trade and other receivables		-5,889	-6,958	1,999	16,958
Change in provisions and employee benefits		-1,572	-2,989	236	-7,272
Change in trade and other payables		-2,231	389	-14,866	-14,920
Change in current assets and liabilities except for cash and bank overdraft		**-12,262**	**-16,436**	**-40,619**	**-33,036**
Dividends received from equity accounted investees		-	75	-	225
Interest paid		-1,850	-3,114	-3,971	-6,290
Interest received		227	10	270	84
Income taxes received		-433	-1,094	-818	-2,940
		-2,056	**-4,198**	**-4,519**	**-9,146**
Net cash from operating activities		**-12,659**	**-13,090**	**-37,035**	**-29,276**
Proceeds from sale of property, plant and equipment		6	13	14	24
Proceeds from sale of a subsidiary (net of cash disposed)		192	-	192	-
Acquisition of intangible assets		-54	-355	-399	-445
Acquisition of property, plant and equipment		-1,582	-1,164	-2,894	-3,186
Payment of deferred consideration relating to acquisitions		-337	-110	-337	-110
Repayments from and acquisition of other investments, net		-115	9	-135	-666
Net cash used for investing activities		**-1,890**	**-1,607**	**-3,559**	**-4,383**
Proceeds from the issue of share capital		-	-	20,511	-
Payment of costs of issuing ordinary shares		73	-	-554	-
Proceeds from the issue of loans and borrowings		19,526	20,001	19,768	6,146
Payment of transaction costs related to loans and borrowings		-577	-	-1,092	-
Repayments of loans and borrowings		-3,113	-118	-6,219	-390
Net cash (used for) / from intercompany settlements with discontinued operations		-314	575	-551	6,922
Net cash from financing activities		**15,595**	**20,458**	**31,863**	**12,678**
Movements in net cash position for the period of the continuing operations		**1,046**	**5,761**	**-8,731**	**-20,981**
Net cash (used for) / from operating activities discontinued operations	6	-4,686	-4,186	-7,565	682
Net cash (used for) / from investing activities discontinued operations	6	736	-1,169	877	-1,981
Net cash from financing activities discontinued operations	6	-18	-260	-36	-733
Net cash (used for) / from intercompany settlements with continued operations	6	314	-575	551	-6,922
Movements in net cash position for the period of discontinued operations		**-3,654**	**-6,190**	**-6,173**	**-8,954**
Movements in net cash position for the period of the continuing and discontinued operations		**-2,608**	**-429**	**-14,904**	**-29,935**
Cash and cash equivalents as per condensed consolidated statement of financial position		31,078	15,411	41,186	35,171
Cash and cash equivalents of discontinued operations included in assets held for sale		5,404	9,114	4,776	13,134
Bank overdrafts as per condensed consolidated statement of financial position		-1,349	-7,201	-1,595	-63
Bank overdrafts of discontinued operations included in assets held for sale		-21,354	-13,439	-18,207	-14,695
Net cash position as at 1 April / 1 January		**13,779**	**3,885**	**26,160**	**33,547**
Effect of exchange rate fluctuations on cash held		106	-793	21	-949
Cash and cash equivalents as per condensed consolidated statement of financial position		33,355	13,440	33,355	13,440
Cash and cash equivalents of discontinued operations included in assets held for sale		5,082	7,795	5,082	7,795
Bank overdrafts as per condensed consolidated statement of financial position		-2,474	-262	-2,474	-262
Bank overdrafts of discontinued operations included in assets held for sale		-24,686	-18,310	-24,686	-18,310
Net cash position as at 30 June		**11,277**	**2,663**	**11,277**	**2,663**

* Adjusted, see note 5

Notes to the condensed consolidated interim financial statements

1 Reporting entity

The reporting entity is Grontmij N.V. ('Grontmij'), a public limited company (in Dutch: 'Naamloze vennootschap') domiciled at De Holle Bilt 22, 3732 HM in De Bilt, the Netherlands and is listed on Euronext in Amsterdam.

The condensed consolidated interim financial statements of Grontmij as at and for the six months ended 30 June 2014 comprise Grontmij and its subsidiaries, all entities which Grontmij directly or indirectly controls (together referred to as 'the Group'), and the Group's interest in associates and jointly controlled entities.

Main activities

The Group provides consultancy, design & engineering and management services in a broad range of market sectors related to the built and natural environment.

The Group has structured the business in eight separate geographic regions and one 'other activities'. The Executive Board together with the in 2013 newly incorporated Executive Committee is directly accountable for the various operating countries. Every country reports directly to one of the Executive Board members or Executive Committee members.

The regions/countries are: the Netherlands, France (as of 30 June 2014 reported as discontinued operations), Denmark, Sweden, United Kingdom, Belgium, Germany, other markets and non-core activities. The latter includes the Group's non-core asset management business. In the segment "other markets" in Europe, we report our activities in Poland and Turkey. Outside Europe, we operate in China and on a project basis in Asia and Africa. Both the public sector – national and regional - and private sector are major clients for Grontmij in all our operating countries. Performance is measured based on segment operating result, as included in the internal management reports that are reviewed by the Executive Board and Executive Committee.

Within our operating countries, up to three business lines have been distinguished: Planning & Design, Transportation & Mobility, Water & Energy. Following the divestment of France's Monitoring & Testing business the activities designated as Monitoring & Testing have been reallocated in 2013 to the other three business lines.

Planning & Design aims to find sustainable solutions for the built and the natural environment.

Transportation is all about moving people, goods and other materials from A to B in the most efficient, environmentally sustainable way. These transport flows have to be designed, planned and executed. In turn, Mobility works to manage these flows in more efficient ways.

Water & Energy consultants cover a wide range of projects, anything from the design of innovative plants to treat waste-water or the creation of waste plants to generate energy, and every conceivable way of working with water and power in between.

2 General

These condensed consolidated interim financial statements have not been audited or reviewed by the external auditor.

3 Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements for the six-month period ended 30 June 2014 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013. The consolidated financial statements of the Group as at and for the year ended 31 December 2013 are available at www.grontmij.com or visit the interactive web version of the 2013 Grontmij Annual Report at http://2013annualreport.grontmij.com.

These condensed consolidated interim financial statements were prepared by the Executive Board and discussed with the Supervisory Board on 1 August 2014. At the same date the condensed consolidated interim financial statements were authorised for issue by the Executive Board.

Functional currency and presentation currency

The functional currency of Grontmij is the euro. All amounts in these condensed consolidated interim financial statements are presented in euro, rounded to the nearest thousand, unless stated otherwise.

Seasonality

The Group’s activities are affected by seasonal patterns. The volume of activities throughout the year fluctuates per quarter, depending on the order book as well as variations in items such as the number of working days, public holidays and holiday periods. The Group usually generates its strongest revenue and profits in the second half of the year, while the cash flow in the second and third quarter is usually negative due to timing of payments of holiday allowances and less production due to holidays. Cash flow tends to be strongest in the fourth quarter.

Estimates and management judgements

The preparation of the condensed consolidated interim financial statements requires the Executive Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements, estimates and assumptions made by management in applying the Group’s accounting policies were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

4 Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013 except for the income tax expense which is recognised in the condensed consolidated income statement based on the estimated annual tax rate that would be applicable to the full financial year and except for the non-derivative financial liabilities.
Following the issuance of convertible cumulative financing preference shares, the accounting policy for non-derivative financial liabilities has been extended. The policy for non-derivative financial liabilities is the following:

Non-derivative financial liabilities

Non-derivative financial liabilities are classified as either non-derivative financial liabilities at fair value through profit and loss (‘FVTPL’) or ‘other non-derivative financial liabilities’.

Non-derivative financial liabilities at FVTPL

A non-derivative financial liability may be designated as at FVTPL upon initial measurement if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investments strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Non-derivative financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any change in fair value and is recorded in the financial income and expense line item. Fair value is determined in the manner described in note 9 Loans and borrowing and note 12 Fair value measurement.

Other non-derivative financial liabilities

The Group has the following other non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Implementation of new and revised IFRS-EU over the six- month period ended 30 June 2014 did not have a material impact on our condensed consolidated interim financial statements.

5 Presentation

As announced in the press release of 30 April 2014, Grontmij has reviewed the strategic options for the French Consulting & Engineering business and decided to start the process to divest the French activities. Following the Executive Board’s committed plan to sell these activities, the French Consulting & Engineering business is classified as held for sale and is qualified as discontinued operations, in accordance with the requirements of IFRS 5, as per 30 June 2014. IFRS 5.34 requires restatement of the income statement and cash flow statement for discontinued operations. Therefore reclassifications have been made in the previous year’s condensed consolidated income statement and consolidated statement of cash flows and applicable notes for comparison purposes.

In 2013, Grontmij has adopted the new standard IFRS 11 “*Joint arrangements*”. This affected the consolidated statement of financial position and consolidated income statement including the previous reporting period as described on page 100 and shown in the table on page 102 of the annual report 2013. Based on the final re-evaluation of its joint arrangements at 31 December 2013, whereby a few investments in joint ventures were reclassified to joint operations, which was not taking into account while compiling the Condensed Consolidated Interim Financial Statements 2013, certain reclassifications have been made in the condensed statement of financial position of 30 June 2013 to reflect these effects of the final re-evaluation.

6 Discontinued operations and assets held for sale

Discontinued operations and assets held for sale

French Consulting & Engineering business

As announced in the press release of 30 April 2014, Grontmij has reviewed the strategic options for the French Consulting & Engineering business and decided to start the process to divest the French activities. Following the Executive Board's committed plan to sell these activities, the French Consulting & Engineering business is classified as held for sale and is qualified as discontinued operations, in accordance with the requirements of IFRS 5, as per 30 June 2014.

Grontmij assessed the value of the components of this disposal group as per 30 June 2014 and recognised the net assets held for sale at the lower of the carrying amount and the fair value less cost to sell. The fair value of the disposal group is based on a combination of valuation methods, including a trading multiple approach based on a peer group of listed engineering companies (i.e. EBIT(DA) and sales multiples) as well as a discounted cash flow approach based on financial projections from the business plan of the disposal group for 2015 to 2017. The fair value takes into account the potential value of the available tax losses of the French fiscal group as well as the estimated level of financial indebtedness resulting from the business plan. The calculation of the fair value less cost to sell is sensitive to variations in the applied estimates and assumptions. The assessment indicated limited headroom between the carrying amount and fair value less cost to sell. Any change in the key assumptions (e.g. pre-tax discount rate, perpetual growth rate) and future insights and information from progress of the sale process, could result in a fair value less cost to sell below the carrying amount.

The operations of the French Consulting & Engineering business were included in the reporting segment France and Unallocated and eliminations. The comparative condensed consolidated income statement and condensed consolidated statement of cash flows have been restated to show the discontinued operations separately from continuing operations.

French Monitoring & Testing business

In 2013, the French Monitoring & Testing business was presented as held for sale and as discontinued operations. This sale was successfully completed on 12 September 2013.

Result from discontinued operations:

In thousands of €	YTD 30 June 2014	YTD 30 June 2013 (*)
Total revenue	34,524	88,832
Total incremental costs relating to the sale of the discontinued operations	-101	-1,778
Total expenses	-39,530	-84,510
Result before income tax operating activities	**-5,107**	**2,544**
Income tax expense	-206	-1,738
Result after income tax operating activities	**-5,313**	**806**
Result from discontinued operations	**-5,313**	**806**

* Adjusted, see note 5

The results of the French Consulting & Engineering business (2014 and comparable figures for 2013) and the French Monitoring & Testing business (2013) are shown on a separate line in the condensed consolidated income statement. The result from discontinued operations of € -5,313,000 (first six months 2013: € 806,000) is attributable entirely to the owners of Grontmij. The incremental costs relating to the sale of the discontinued operations for the period starting as from 30 April 2014 until 30 June 2014 (2013: January until June) consist of various fees of external advisors who assisted and are still assisting Grontmij during the divestment process.

Cash flows used in (from) discontinued operations:

In thousands of €	YTD 30 June 2014	YTD 30 June 2013 (*)
Cash flows (used for) / from discontinued operations		
Net cash (used for) / from operating activities	-7,565	682
Net cash (used for) / from investing activities	877	-1,981
Net cash from financing activities	-36	-733
Net cash (used for) / from intercompany settlements with continued operations	551	-6,922
Net cash flows for the period	**-6,173**	**-8,954**

* Adjusted, see note 5

At 30 June 2014, the French Consulting & Engineering business comprised of total assets of € 53,890,000 and total liabilities of € 61,006,000. A breakdown of these assets and liabilities is as follows:

In thousands of €	30 June 2014
Assets classified as held for sale	
Intangible assets	79
Property, plant and equipment	1,673
Investments in equity accounted investees	53
Other financial assets	341
Receivables	46,145
Inventories	1
Income taxes	516
Cash and cash equivalents	5,082
	53,890
Liabilities directly related with assets classified as held for sale	
Non-current part of employee benefits	3,627
Non-current part of provisions	3,392
Deferred tax liabilities	31
Bank overdrafts	24,686
Current part of loans and borrowings	52
Income taxes	74
Trade and other payables	26,994
Current part of employee benefits	822
Current part of provisions	1,328
	61,006
Net asset held for sale value in condensed consolidated statement of financial position	**-7,116**

Assets held for sale

Golf course Naarderbos

On 17 July 2013 Grontmij signed an agreement with Flevo Invest B.V. regarding the sale of the golf course Naarderbos for a total consideration of € 5.8 million. In the financial statements 2013 Grontmij explained that the closing was delayed, due to delay on buyer's side to raise funding. Grontmij has made various attempts to enforce execution of the agreement, including instituting summary proceedings, resulting in a decision of the Utrecht District Court on 25 April 2014 ordering Flevo Invest to meet its purchase commitment within 14 days. It has become clear to Grontmij that Flevo Invest was unable to meet its commitments under the sale agreement. Grontmij has therefore decided to terminate the sale agreement as announced in the press release of 11 June 2014.

Grontmij still intends to sell the golf course and will now seek discussion with other interested parties. Pending on its divestment, following from the requirements of IFRS 5, the golf course Naarderbos will still be classified as 'asset held for sale'.

The termination of the sale agreement led to an operating loss of approx. € 0.2 million which is incurred in June 2014. In June 2014, Grontmij reassessed, in accordance with IFRS 5, the value of the assets and liabilities of the golf course and recognised the net assets held for sale at the lower of the carrying amount and the fair value less cost to sell. The fair value less cost to sell is assessed at € 6,000,000 and is based on the terminated sale agreement. An impairment loss of € 316,000 has been recognised to reflect this fair value less cost to sell.

At 30 June 2014, the golf course Naarderbos comprised of total assets of € 10,713,000 (31 December 2013: € 10,704,000) and total liabilities of € 4,713,000 (31 December 2013: € 4,727,000).

7 Equity

On 3 March 2014, Grontmij issued 6,032,500 ordinary shares at an issue price of € 3.40 per share by means of a sub 10 Accelerated Book Building ("ABB") and announced the intended private placement of convertible cumulative finance preference shares ("cumprefs") to raise in total an amount of € 40 million.

The issuance and placement of 5,459,246 cumprefs at an issue price of € 3.57 per cumpref (the ABB issue price plus 5%) took place on 15 April 2014 after this was approved by the General Meeting in an extraordinary meeting held on 11 April 2014. Although the cumprefs are shares under Dutch law, they classify as a financial liability under IFRS. For further details on the main characteristics of the cumprefs and the accounting applied by Grontmij, please be referred to note 9 loans and borrowings.

Costs, amounting to € 554,000, directly related to the ABB issuance have been deducted from the other reserves.

At 30 June 2014, the number of ordinary shares outstanding was 70,000,000 (31 December 2013: 63,967,500).

Hedging reserve

Due to the lower debt levels after the equity issuance in March 2014, the cash flow hedge became partly ineffective. The ineffective part of the net change in the fair value of the interest rate swap amounting to € 1,114,000, recorded in the hedging reserve, was recycled to the income statement in the finance expenses.

8 Share-based payment arrangements

Equity-settled share-based payments arrangements

The Group established a long-term share plan (LTSP) in 2012 whereby granting will take place each year on the first business day after the announcement of the annual results. In 2014 granting took place on 27 February.

Overview of the granted rights to conditional shares:

Number of rights to conditional shares granted on	Granted	Unconditional
31 August 2012	211,831	1 January 2017
28 February 2013	209,043	1 January 2018
27 February 2014	153,288	1 January 2019

Cash-settled share-based payments arrangements

Stichting Employee Share Purchase Plan

During 2014, the Group changed the conditions of the Employee Share Purchase Plan (ESPP). The Group offers employees with a permanent employment contract with Grontmij N.V. and employees with a permanent employment contract working for subsidiaries in which the Group holds 75% or more of the shares (direct or indirect), the opportunity to acquire participations in ordinary shares of Grontmij N.V..

Stichting Employee Share Purchase Plan Grontmij ('Stichting ESPP') acquires and holds ordinary shares for risk and reward of the employee. Employees in Germany, the Netherlands, Poland and the United Kingdom are participating in the plan.

Eligible employees are granted a discount of 10% (former ESPP 15% and including a granting of one participation free of charge for every four participations) on the market value. They are to hold the ordinary shares for a period of two years (former ESPP three years).

9 Loans and borrowings

This part of the notes contains information about the Group's loans and borrowings.

In thousands of €	30 June 2014	31 December 2013
Non-current liabilities		
Bank loans - credit facilities	65,444	60,819
Secured bank loans	4,232	3,903
Unsecured other loans	160	122
Finance lease liabilities	288	345
	70,124	**65,189**
Current liabilities		
Bank loans - credit facilities	3,854	14,564
Convertible cumulative finance preference shares	23,922	-
Secured bank loans	309	302
Finance lease liabilities	118	188
	28,203	**15,054**
Total loans and borrowings	**98,327**	**80,243**

In the fourth quarter of 2013, Grontmij started discussions with its major shareholders (being the shareholders holding an substantive interest of at least 5% in the share capital of Grontmij, herein referred to as the 'Major Shareholders') and lending banks (ING Bank, Nordea and RBS) to reach a sustainable capital structure going forward, providing sufficient liquidity to execute the Group's strategy and sufficient headroom within the financial covenants, taking also into account the seasonality in working capital and net debt. The flexibility and headroom to face the continuing challenging circumstances in the engineering market has been reached through a combination of equity, cumprefs and an amendment of the Credit Facility. The equity and cumpref issuance and amendment of the Credit Facility were formalized in the first half of 2014.

Amendment of the Credit Facility

Grontmij and the lending banks signed an amendment and restatement agreement on 13 May 2014 which contains amendments to the current Credit Facility.

The main amendments are:

- an option for the Group to postpone the scheduled repayments in 2014 (in total € 15 million) towards the Maturity Date of the Credit Facility. The pricing for such postponement is based on the margin grid applicable under the Credit Facility plus 3 percent (on top of the market rate);
- a reset of the financial covenant schedules (leverage and interest coverage ratio) to reflect the seasonality pattern of the business and to create more financial flexibility;

- provide the Group with flexibility by allowing not to mandatory repay the net proceeds of possible future disposals for a total amount of € 10 million. Disposal proceeds exceeding € 10 million will have to be repaid to the lending banks, thereby reducing the amount of the committed facilities.

For the amendment of the current Credit Facility Grontmij paid an amendment fee of 0,50% on the total outstanding commitments at the time of amendment, amounting to € 515,000 which is capitalised on the existing debt position.

In addition one of the lending banks approved to split off a part (€ 5 million) of an existing uncommitted overdraft facility into a committed overdraft facility from March 2014 up to the end of November 2014 allowing the Group to have sufficient committed headroom in line with the seasonality pattern of the business. As a result the available committed credit facility lines in 2014 increase from € 103 million at the beginning of the year to € 108 million from March 2014 up to November 2014 ending at € 103 million at the end of December 2014 (assuming postponement of the scheduled repayments).

The pledges on the shares of Grontmij International B.V., Grontmij Nederland Holding B.V and Grontmij France S.A. (formerly Ginger S.A.) remain in force.

In addition to the facilities described above the Group also has available the following credit lines:
Leasing and other loans for approximately € 0.6 million
Mortgages for approximately € 4.2 million.

Furthermore the Group has additionally approximately € 21 million (not taking into account the temporary reclassification of € 5 million overdraft facility as described above) uncommitted credit lines available.

Covenant Reset

The leverage ratio is the net debt position divided by the Group's EBITDA. The interest cover ratio is the Group's EBITA divided by net finance expenses. Both ratios take some exclusions into account according to the Credit facility.

The result of the Group's covenant reset is the following:

Covenants levels	Leverage ratio			Interest coverage ratio		
	New	**Old**	**Difference**	**New**	**Old**	**Difference**
30 June 2014	3.75	2.75	1.00	2.50	3.50	-1.00
30 September 2014	3.50	2.75	0.75	2.75	3.75	-1.00
31 December 2014	2.75	2.50	0.25	3.25	4.00	-0.75
31 March 2015	2.75	2.50	0.25	4.00	4.00	0.00
30 June 2015	2.75	2.50	0.25	4.00	4.00	0.00
30 September 2015	2.75	2.50	0.25	4.00	4.00	0.00
31 December 2015	2.50	2.50	0.00	4.00	4.00	0.00
31 March 2016	2.75	2.50	0.25	4.00	4.00	0.00

covenants calculated according to specific definitions in the credit facility

[1] net debt / adjusted EBITDA (adjusted means amongst others corrected for acquisitions, disposals of non-current assets and exceptionals)

[2] EBITA / adjusted net financial income & expenses (adjusted means amongst others corrected for arrangement fees, effect of IRS)

The leverage ratio per 30 June 2014 was 2.27x, within the allowed covenant ratio of 3.75x. The interest coverage ratio per 30 June 2014 was 3.67x, within the covenant of >2.50x.

Convertible cumulative financing preference shares issuance ('cumprefs')

On 15 April 2014, Grontmij issued 5,459,246 cumprefs at an issue price of € 3.57 per cumpref, raising a total amount of € 19,490,000. The main characteristics of the cumprefs are:

- Dividend: The cumprefs have preference, both with regard to dividends and distributions upon liquidation, over ordinary shares but are subordinated to all debt instruments and the protective preference shares (which currently are not issued). No distribution of (interim) dividend on ordinary shares may be made as long as the profit distributions to which holders of cumprefs are entitled have not been made in full. The cumprefs carry the right to receive an annual dividend of two per cent, to be calculated over the nominal value of the cumprefs plus the share premium paid on the cumprefs. If payment of dividend does not occur in a financial year, it shall be added to the dividend reserve formed for each series of cumprefs. Each five years the dividend percentage to be paid will be adjusted;
- Conversion: upon request of the holder of cumprefs, cumprefs are convertible into ordinary shares as of one year after the issue date, or sooner in case of change of control. The terms and conditions of conversion will be determined by the Executive Board, subject to approval of the general meeting and of the meeting of holders of cumprefs. The terms set at the extraordinary General Meeting of 11 April 2014 include amongst other things the conversion ratio and the anti-dilution protection. The nominal value of the cumprefs, the share premium paid on the cumprefs, the dividend reserve and other accumulated but unpaid dividend on the cumprefs determine the number of ordinary shares that the cumprefs convert into. Each five years, the conversion price, (that is the basis of the conversion ratio), will be adjusted;
- Repurchase: Grontmij has the right to repurchase the cumprefs five years after the issue date or upon receipt of a conversion request from the holder. The purchase price shall be the 'Market Value of the Convertible Cumprefs' which is the nominal value plus share premium paid on each cumpref (and equal to the issue price) plus the dividend reserve and other accumulated but unpaid dividend plus, in case the ordinary share price of Grontmij N.V. trades above the Conversion price, the difference between the arithmetic mean of the daily volume weighted average prices (VWAP) of Grontmij's ordinary shares during the three business days preceding the day of repurchase notice and the issue price (which is set at € 3.57 the first five years);
- Voting rights: one voting right is attached to each cumpref.

Although the cumprefs are shares under Dutch law, the cumprefs are classified as liability under IFRS because they do not meet the so-called 'fixed-for-fixed' test in IAS 32. This means that the number of ordinary shares that the cumprefs may be converted into varies due to factors other than the passage of time. This is due to the following conversion features:

- The five year reset of the conversion price and conversion premium
- The five year reset of the dividend yield
- The fact that reserved dividend and accrued dividend may also convert into ordinary shares.

In addition, the fact that Grontmij has multiple settlement options (conversion or repurchase), that each do not in itself meet the conditions to classify as equity, also lead to the conclusion that the cumprefs classify as a financial liability.

The cumprefs contain multiple embedded derivatives (e.g. early redemption, conversion and 5 year reset features). Grontmij accounts for the entire instrument at fair value through profit and loss. For further details on the fair value measurement, please be referred to note 11 Financial instruments and note 12 Fair value measurement.

The transaction costs of issuance, amounting to € 577,000, are expensed as finance result in the condensed consolidated income statement.

The cumprefs will not be considered as a financial liability for the calculation of the leverage ratio and the interest cover ratio as agreed with the lending banks.

The classification of the cumprefs as described above regard the consolidated financial statements. In its company financial statements ("*enkelvoudige jaarrekening*"), prepared in accordance with Part 9. Book 2 of the Dutch Civil Code, Grontmij will classify the cumprefs as equity. Therefore the classification of the cumprefs as a liability in the consolidated financial statements will not impact the available scope for dividend distribution that is determined by law by the freely distributable reserves. For the calculations to be made under Grontmij's dividend policy, last discussed at the extraordinary General Meeting on 11 April 2014, 'net income after tax' should be read as the net income in the company financial statements and the cumprefs will be carved out for the calculation of the leverage ratio and interest coverage ratio.

10 Provisions

The movements in the provisions are as follows:

In thousands of €	Total	Aftercare liabilities	Restructuring	Legal liabilities	Other
Balance as at 1 January 2014	**42,520**	**18,088**	**2,842**	**18,507**	**3,081**
Transfer of provisions of discontinued operations to liabilities classified as held for sale	-4,721	-	-166	-4,116	-439
Added	10,024	-	5,655	4,217	152
Utilized	-9,337	-135	-3,985	-4,917	-300
Released	-1,324	-	-	-891	-433
Interest	418	383	35	-	-
Other movements	186	186	-	-	-
Currency differences	-38	-	-	-29	-9
	-4,792	**434**	**1,539**	**-5,736**	**-1,029**
Balance as at 30 June 2014	**37,728**	**18,522**	**4,381**	**12,771**	**2,052**
Current part of provisions	7,562	474	4,249	2,035	804
Balance as at 30 June 2014, non-current part	**30,166**	**18,048**	**132**	**10,736**	**1,248**

Restructuring

Since 2013, the Group carried out redundancy plans and cost reductions. During the first quarter The Netherlands and Denmark carried on with further reductions in direct and indirect personnel. The recognised provision has been estimated based on the redundancy and cost reduction plans and may vary as a result of final settlements. Of these provisions, an amount of € 4,249,000 relates to redundancy plans which will be carried out in the coming year.

Legal liabilities

The legal liabilities relate to warranties and claims for damages. The Group is involved in several legal proceedings in various jurisdictions as a result of its normal business activities. The Group has set up adequate provisions for those claims where management believes it is probable that a liability has been incurred and the amount is reasonably estimable. These provisions are reviewed periodically and adjusted if necessary. Final settlements can differ from this estimate, and could require revisions to the estimated provisions. Of the total amount provided 72% is covered by insurance for which insurance reimbursement receivables were recognised. The outflow of funds is dependent on the outcome of the legal proceedings.

11 Financial instruments

Due to the issuance of the cumprefs Grontmij recognised a new financial instrument category, i.e. financial liabilities designated as at fair value through profit or loss. The fair value of the cumprefs recognised under loans and borrowings is € 23,922,000. The accumulated change in fair value in the first half of 2014 amounting to € 4,352,000 is recognised as a loss on the line finance expenses in the condensed consolidated income statement.

12 Fair value measurement

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement hierarchy prioritises the inputs to valuation techniques used to measure fair value as follows:

Level 1: Valuations based on inputs such as quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2: Valuations based on inputs other than level 1 inputs, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

Level 3: Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). A financial instrument's fair value classification is based on the lowest level of any input that is significant in the fair value measurement hierarchy.

The carrying amounts as at 30 June 2014 of financial assets and liabilities approximate their fair value because of the short-term nature of these instruments (cash and cash equivalents, trade payables and the other financial assets and liabilities) or because of the fact that any recoverability loss is reflected in an impairment loss (trade receivable). Level 3 of the fair value hierarchy was used for measuring the fair values with the exception of the fair value of the derivative "interest rate swap used for hedging" which can be classified in level 2 (2013: level 2) and the "cumpref financial liability at fair value through profit or loss" which is classified in level 2 (2013: not applicable).

The valuation technique used to calculate the fair value of the interest rate swap is the discounted cash flow method. The future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. The fair value of the interest rate swap is € 7,018,000 (31 December 2013: € 6,929,000).

The fair value of the cumprefs consists of the number of ordinary shares the cumprefs (including the dividend reserve and other accumulated but unpaid dividend) would convert into if conversion would take place at the reporting date, times the closing price (or the issue price if the closing price is lower than the issue price) of Grontmij's ordinary shares at the reporting date. The fair value as per 30 June 2014 is € 23,922,000 based on the share price on the last business day of June 2014 of € 3.349.

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13 Segment reporting

The Executive Board and Executive Committee are directly accountable for our different operating countries. Every country reports directly to one of the Executive Board or Executive Committee members. In this respect the Group recognises seven geographical segments and one 'other activities'. The latter includes the Group's non-core activities in the Netherlands relating to real-estate projects, landfill sites, and waste management. The Group's operations in Poland, Turkey and China are reported in the segment other markets. The Group's operations in a number of other countries – in total less than 3% of the Group's revenue and assets – are reported in the segments whose management is primarily responsible for their performance.

Segment information is presented in respect of the Group's geographical segments and other activities from continuing operations. This segmentation of the Group is based on its geographical management structure, i.e.:
* the Netherlands (NL);
* Denmark (DK);
* Sweden (SE);
* United Kingdom (UK);
* Belgium (BE);
* Germany (GE);
* Other markets; and
* Non-core activities.

Following the classification of the French Consulting & Engineering business as assets held for sale and discontinued operations as per 30 June 2014 (see note 6), segment France and part of the segment Unallocated and Eliminations have been excluded from the segment reporting for the result items (2014 and 2013) and for the allocated assets and liabilities (2014).

Performance is measured based on segment operating result, as included in the internal management reports that are reviewed by the Executive Board and Executive Committee. The results of a segment comprise such items as are charged to the segment or may reasonably be charged thereto. Intersegment transactions are conducted at arm's length.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment EBITA represents the result earned by each segment including allocation of central head office costs and directors' salaries, share of profits of joint ventures and associates, gains and losses recognised on disposal of interest in former associates, other income, but excluding the profit of discontinued operations. Segment operating result represents segments' EBITA including amortisation and impairment losses.

Segment information 2014

In thousands of €, for the first six-month period ended 30 June 2014	NL	FR	DK	SE	BE	UK	GE	Other markets	Non-core activities	Unallocated and eliminations	Total
External revenue	104,410	-	71,429	44,447	44,311	31,016	28,617	8,107	4,993	-	337,330
Intersegment revenue	1,360	-	484	701	170	400	50	1,508	5	-4,678	-
Total revenue	**105,770**	**-**	**71,913**	**45,148**	**44,481**	**31,416**	**28,667**	**9,615**	**4,998**	**-4,678**	**337,330**
EBITA	535	-	542	2,264	2,329	1,074	1,681	257	-878	-3,984	3,820
Operating result	378	-	8	2,264	2,126	737	1,560	242	-1,194	-5,286	835
Total assets	198,674	-	84,056	38,330	78,679	43,963	52,774	16,578	55,920	-51,478	517,496
Total liabilities	96,718	-	63,158	19,336	40,636	13,485	24,511	9,190	42,475	80,098	389,607

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Segment information 2013

In thousands of €, for the first six-month period ended 30 June 2013	NL	FR	DK	SE	BE	UK	GE	Other markets	Non-core activities	Unallocated and eliminations	Total
External revenue	112,543	-	72,098	52,166	41,291	32,217	27,050	11,235	5,325	-5	353,920
Intersegment revenue	756	-	403	306	312	369	354	1,127		-3,627	-
Total revenue	**113,299**	**-**	**72,501**	**52,472**	**41,603**	**32,586**	**27,404**	**12,362**	**5,325**	**-3,632**	**353,920**
EBITA	3,571	-	1,724	-122	2,599	756	1,758	518	-718	-2,154	7,932
Operating result	3,479	-	1,177	-122	2,549	430	1,634	402	-718	-3,564	5,267
Total assets	192,281	64,429	93,740	39,510	84,758	37,227	49,159	16,794	57,520	-33,176	602,242
Total liabilities	90,288	69,366	71,322	23,208	49,750	12,610	23,107	10,604	40,785	145,932	536,972

Reconciliation of reportable segments result

In thousands of €, for the six-month period ended 30 June	2014	2013
EBITA to result before income tax from continuing operations		
Total EBITA for reportable segments	3,820	7,932
Unallocated amortisation and impairment losses	-2,985	-2,665
Unallocated net finance expenses	-10,515	-7,173
Result before income tax from continuing operations	**-9,680**	**-1,906**
Operating result to result before income tax from continuing operations		
Total operating result for reportable segments	835	5,267
Unallocated net finance expenses	-10,515	-7,173
Result before income tax from continuing operations	**-9,680**	**-1,906**

Reconciliation of reportable segments total assets and total liabilities

In thousands of €, for the period ended 30 June	2014	2013
Total assets to total assets consolidated		
Total assets for reportable segments	517,496	602,242
Assets classified as assets held for sale for discontinued operations	53,890	104,635
Total assets consolidated	**571,386**	**706,877**
Total liablities to total liabilities consolidated		
Total liabilities for reportable segments	389,607	536,972
Liabilities directly related w ith assets classified as held for sale for discontinued operations	61,006	43,081
Total liabilities consolidated	**450,613**	**580,053**

14 Income tax

In the first six months of 2014 an income tax expense is reported of € -1,903,000 on a result before income tax from continued operations of € -9,680,000. This is because no (deferred) tax benefit is recognized on the fiscal losses of the fiscal unity in the Netherlands. In the first six months of 2013 an income tax benefit of € 571,000 was reported on a result before income tax from continued operations of € -1,906,000. The difference in the tax charge of € 2,474,000 is mainly explained by a one off tax benefit reported in the first half of 2013 as a result of a renewed calculation for deferred tax liabilities, following tax rate reductions in the UK and Sweden (effect € 2,671,000).

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