Financial press release

Grontmij gaining momentum with restructuring programme

De Bilt, 15 November 2012 – Grontmij N.V., a listed consulting engineering company with strong European presence, is today reporting its third quarter and YTD September results of 2012. The third quarter was marked by the earlier announced restructuring programme gaining momentum as many steps were taken in both the countries and on a Group level. The mixed financial results in Q3 clearly demonstrate the need to improve operational excellence within the company in order to increase profitability. Grontmij reiterates that 2012 is a transitional year and confirms its outlook for the full year 2012.

Key points Q3 2012

- Total revenue in third quarter of € 204.1 million (Q3 2011: € 223.6 million)
- EBITA excluding exceptional items € 2.6 million (Q3 2011: € 4.5 million); EBITA margin excluding exceptional items 1.3% (Q3 2011: 2.0%)
- Exceptional items – € 8.2 million (Q3 2011: – € 5.0 million), primarily related to restructuring costs in the Netherlands and France
- Net result from continuing operations – € 12.8 million (Q3 2011: – € 3.5 million)
- Net debt at the end of the third quarter € 158.5 million (Q3 2011: € 222.5 million)
- Outlook for 2012 confirmed: 'EBITA excluding exceptional items expected to be around the level of full year 2011 (€ 25 million)'

'Back on Track' strategy:

- Restructuring programme well underway with cost savings in the third quarter increased to € 2.7 million year to date, representing an annual run-rate of € 5.9 million
- Additional restructuring plan in the Netherlands and Poland as earlier announced, now scheduled to be finalised by the end of the year
- France: restructuring of the headoffice and move to new location finalised in Q3, restructuring of Planning & Design launched; first mandatory formal steps are being taken
- Operational excellence programme: acceleration in Q3: best practice processes will soon be defined with specific implementation plans per country to follow in the first quarter of 2013.
- Trade working capital improvements on track to achieve 2013 targets: Additional € 10 million working capital facility as announced at the refinancing in May 2012 proved not needed and was cancelled on 15 October 2012
- Divestments: Sale of fieldwork activities in the Netherlands (sub-sequent event; announced 9 November 2012)
- New financial consolidation system implemented
- Realising profitable organic growth: significant project wins in the group growth activities include
    - two construction supervision assignments for new built light rail projects in Germany (Lightrail)
    - the addendum to the Motorway M4-project in Denmark (Highways & Roads), and
    - the design and engineering of a waste-to-energy plant in Poland (Energy)

Michiel Jaski, CEO Grontmij N.V: 'Grontmij has gained momentum with the implementation of the restructuring program in the third quarter of 2012. Restructuring is an important part of the 'Back on Track' strategy we announced earlier this year. Our financial performance in the third quarter, illustrates the importance of our strategy to improve operational excellence, profitability and financial predictability. The Q3 results also provides further evidence that there is no quick fix to bring Grontmij back on track. Nevertheless, our outlook for the full year is unchanged. In working towards our long term ambitions and targets we are facing market conditions that are not particularly helpful in the short term, especially in the Netherlands. Our long term prospects remain positive, with our well defined 'Back on Track' strategy as a guideline for the community of dedicated professionals working for Grontmij.'

Key financials Q3 and YTD September 2012

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	204.1	223.6	-8.7%	-10.4%	659.3	691.3	-4.6%	-5.5%
Net revenue	164.7	175.6	-6.2%	-8.2%	543.1	557.5	-2.6%	-3.6%
EBITA	-5.6	-0.5			-5.4	15.0		
Exceptional items	-8.2	-5.0			-21.4	-7.6		
EBITA excluding exceptional items	2.6	4.5	-41.1%	-43.4%	16.0	22.6	-29.3%	-30.4%
Net result from continuing operations	-12.8	-3.5			-28.2	0.0		
Net result from discontinued operations	-0.2	0.6			-2.8	3.2		
Net result	-13.0	-2.9			-31.0	3.2		
EBITA margin	-2.7%	-0.2%			-0.8%	2.2%		
EBITA margin excluding exceptional items	1.3%	2.0%			2.4%	3.3%		
# employees (average FTE)	8,308	8,469			8,400	8,505		

The Exceptional items in Q3 2011 were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

Strategy update

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

With the announcement of 'Back on Track' on 9 March 2012, implementation of the strategy started immediately. The strategy is coordinated by the International Programme Management Office, overseen by a Steering Committee in which the Executive Board is fully represented. Over 150 people across the Grontmij Group are involved through approximately 40 implementation teams. Implementation is well under way, of which an update is provided below.

Restructuring

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

Cost reductions

Reducing costs is an important part of the restructuring pillar, with the aim of total annual cost reductions of € 24 million from 2015 onwards.

Year to date annual cost savings of ~ € 6 million have been realised. Of the estimated one-off cash impact, ~ € 3 million cash-out has been realised year to date.

Additional restructuring the Netherlands, France, Poland

In the second quarter Grontmij announced additional restructuring in the Netherlands, France and Poland. In the third quarter the details of the restructuring plans have been worked out, and formally launched in the countries. The restructuring costs have been taken fully in the third quarter. In the Netherlands and Poland, the plan is expected to be completed before the end of the year.

In France, the restructuring of the Planning & Design division was announced beginning of September. Mandatory formal steps are currently being taken; with expected full implementation in the first half of 2013.

Operational excellence improvements

Three operational excellence initiatives have been identified; ‘Steering on trade working capital’, ‘Project management excellence’ and ‘Commercial excellence’. For each initiative, teams have been formed in each country and country specific implementation plans have been developed. Grontmij is on track to achieve the earlier announced target for trade working capital of 15% of total revenue by the end of 2013. The additional working capital facility of € 10 million that was announced at the refinancing in May 2012, proved not needed and was cancelled on 15 October 2012.

For ‘Project management excellence’ and ‘Commercial excellence’, five key processes have been selected on Group level, as displayed in the table below. For each of these a best practice process is being defined on Group level and rolled out in all countries.

Key process	Description
Client first programme	▪ *Improvements focussed on the Group wide approach of customer intimacy, satisfaction and loyalty*
Pipeline management	▪ *Improvements focussed on optimisation of project pipeline related processes, like order intake & quality and opportunity ownership across the Group*
Bid decision management	▪ *Involves the strategic prioritising of project opportunities and for example efforts focussed on improving the hit rate*
Project budgeting & follow-up tool	▪ *Aimed at improving and optimising project budgeting and financial follow-up during the execution of projects*
Managing project changes, variation orders and additional work	▪ *Efforts aimed at professionalising and aligning project change management and for example scope extensions of projects*

Accelerating operational excellence programme

In order to improve profitability and predictability of the financial results, Grontmij decided in the third quarter to accelerate the implementation of the five key processes as described above in all countries. This means that before the end of 2012, best practice processes will be defined. Based on a country-by-country gap analysis to be completed early 2013, a specific implementation plan per country will be created. The roll-out of all five key processes in the countries will be finalised in the second half of 2013. The five key processes are all about delivering top quality services to our clients within the scope of time and money – every time. Improved margins and financial results are part of the goals of the programme.

Selected divestments

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

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

In May 2012, the dispute resolution and contractual advice consultancy company, Trett Consulting (FY 2011 € 16 million total revenue) classified as 'other services' was sold. On 9 November 2012, Grontmij announced the sale of its fieldwork activities in the Netherlands (subsequent event). These activities were classified as part of the blue collar maintenance work and services, and accounted for € 2.4 million in total revenue in 2011.

The remaining activities (representing respectively ~ € 26 million and ~ € 20 million of total revenue in 2011) are separately approached: the remaining 'Blue collar maintenance work and services' will be discontinued or sold. The non-core assets are part of a portfolio of assets identified earlier and their divestment is an ongoing process. Timing largely depends on market conditions, as these assets concern mainly real estate development projects.

Strengthening governance & control processes

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

Group	France
■ Steering as one company	■ Enhance governance
■ Improve reporting and financial processes	■ Restructure Planning & Design / HQ
■ Executive Board directly responsible for countries, business lines secondary	■ Improve reporting and financial controls
■ Alignment of Strategy and Incentives	

On a Group level, the first phase of the new financial consolidation system has been implemented on schedule in the third quarter. All countries are connected to the new system and users in the countries as well as at Group Finance have been trained to be able to use the new system for both Q3, forecast and budget inputs. Also, full alignment of KPIs across the Group has been established with the new system. Following the alignment of the incentive structure with the strategy for country managing directors and the executive board, the proposal to extend this alignment for country CFOs, country business line directors and selected staff at the corporate headquarters has been approved in the third quarter and will be rolled out next year.

In France, significant financial reporting improvements have been achieved in the past nine months. Currently, the large number of legal entities in the Planning & Design division is being merged into two entities, namely 'Buildings' and 'Environmental'. When this merger is finalised, expectantly at the end of Q1 2013, additional improvements in the reporting and financial control process are planned for the first half of 2013. Additionally, the new consolidation system in France is expected to go live in the first quarter of 2013. The previously announced restructuring of the French head office and its move to a more cost efficient location has been finalised.

Realising profitable organic growth

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

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

By doing so, Grontmij will be better able to serve her customers needs in these activities. Specific action plans have been developed for the strategic period until 2015. Dedicated cross-country teams are working on the execution of these plans, based on a key account management across the Group for international clients and partners. The targets for the Group growth activities are an integral part of the Budget 2013 of the countries.

In the third quarter, new projects have been won to strengthen the five Group growth activities, like the two construction supervision assignments for new built lightrail projects in Germany (Lightrail), the addendum to the Motorway M4-project in Denmark (Highways & Roads), and the design and engineering of a waste-to-energy plant in Poland (Energy).

Financial performance third quarter 2012

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	% organic growth
Total revenue	204.1	223.6	-8.7%	-10.4%
Net revenue	164.7	175.6	-6.2%	-8.2%
EBITA	-5.6	-0.5		
Exceptional items	-8.2	-5.0		
EBITA excluding exceptional items	2.6	4.5	-41.1%	-43.4%
Net result from continuing operations	-12.8	-3.5		
Net result from discontinued operations	-0.2	0.6		
Net result	-13.0	-2.9		
EBITA margin	-2.7%	-0.2%		
EBITA margin excluding exceptional items	1.3%	2.0%		
# employees (average FTE)	8,308	8,469		

Revenue

In the third quarter of 2012, total revenue decreased with – 8.7% to € 204.1 million (Q3 2011: € 223.6 million), mainly caused by lower total revenue levels in the Netherlands, France, and Germany. Organic decline on total revenue is 10.4% in the third quarter of 2012. This percentage is impacted by 1) a strong comparison base in Q3 2011, 2) the completion of an international (non-recurring) project in France (effect ~ 5.5 million total revenue) and the completion of a non-recurring waste project in non-core (effect ~ 8 million total revenue), and 3) approximately 1.5 working days less in the third quarter of 2012 compared to Q3 2011.

EBITA and EBITA margin

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

EBITA excluding exceptional items (of – € 8.2 million) amounts to € 2.6 million in the third quarter (Q3 2011: € 4.5 million). Higher results in the Netherlands, and the UK were offset by lower results in the other countries, being mainly France, Denmark and Sweden. Market conditions remain challenging in most markets.

The EBITA margin excluding exceptional items in the third quarter of 2012 was 1.3% (Q3 2011: 2.0%). In the Netherlands, the EBITA excluding exceptional items increased by 79.9% to – € 0.3 million (Q3 2011: – € 1.3 million), despite the reduction in both total revenue and net revenue. The margin improvement in the Netherlands is the result of the restructuring carried out in 2011 and € 0.6 million higher result from EAI in the third quarter of 2012. In the UK, the third quarter EBITA excluding exceptional items developed positively to € 0.7 million. Compared to last year, the EBITA shows an improvement of 50.7%.

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

Exceptional items in the third quarter were in line with previous communicated levels at – € 8.2 million (Q3 2011: – € 5.0 million), primarily related to the 'Back on Track' restructuring programme. This includes redundancies in the Netherlands and France and a provision for onerous rent in 2013 – 2015 in the Netherlands.

Net finance expenses

In the third quarter, the net finance expenses (€ 3.9 million) are higher than last year's expense (€ 2.7 million) due to the refinancing as the interest expenses on the new financing arrangements are higher.

Income tax expenses

Income tax expenses for the third quarter increased to – € 1.5 million relative to + € 1.8 million for the third quarter last year, despite a loss before tax from continuing operations of – € 11.3 million (Q3 2012) compared to a loss before tax of – € 5.3 million from continuing operations in Q3 2011. This is mainly due to not recognising deferred tax assets on current year losses in some of our operating countries.

Trade working capital

Trade working capital increased with € 20.5 million to € 172.0 million compared to Q4 2011 (€ 151.5 million). The increase relative to year-end 2011 is explained by the traditional seasonal peak in cash collection from trade debtors and delayed payments to creditors at year-end 2011 as well as the seasonal peak in trade working capital at the end of the third quarter. In comparison with Q3 2011, a quarter with a large amount of delayed payments (approximately € 9.3 million), trade working capital increased with € 2.2 million. When adjusted for this amount, the trade working capital in Q3 2012 decreased with € 7.1 million or 4.0% compared to Q3 2011.

Net debt and cash flow

Net debt at the end of the third quarter decreased with € 19.4 million, from € 177.9 million at year end 2011 to € 158.5 million. The main movements in net debt are the negative operating cash flow till the end of September 2012 of € 44.4 million, investments of € 6.9 million and the net proceeds of the equity issue of € 73.6 million.

Interest coverage and net debt/EBITDA ratios and covenants

Part of the new financing agreement that came into place in the second quarter is a 'covenant holiday', indicating a grace period for the testing of the interest coverage and net debt/EBITDA ratios until the end of the year. First testing moment is 31 December 2012, which will also be the moment that Grontmij will publish its ratios. The covenant schedule can be found in the appendix.

Net result

Net result from continuing operations in the third quarter of 2012 was – € 12.8 million (Q3 2011: – € 3.5 million) mainly as a result of the lower EBITA margin and exceptional items. Net result from discontinued operations (net of income tax) was – € 0.2 million in the third quarter of 2012 compared to € 0.6 million last year. Discontinued operations in the third quarter of 2011 relate to Trett Consulting in the UK and the Telecom business in France. The latter was divested in October 2011.

Performance by country

Country performance is leading over the business lines. Grontmij reports its results on a country basis for the seven core countries with separate segments for 'Other markets' (being: Poland, Hungary, Turkey and activities outside Europe) and 'Non-core and other unallocated'. Grontmij reports revenue numbers per business line.
Exceptional items were previously reported as 'Non-recurring items'. Reference is made to the Appendices 'Non-IFRS reporting measures: EBITA, EBITA excluding non-recurring items and EBITA excluding exceptional items'.

The Netherlands

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	51.8	55.0	-5.9%	-5.9%	165.3	183.6	-9.9%	-9.9%
Net revenue	38.8	41.9	-7.2%	-7.2%	134.4	144.5	-7.0%	-7.0%
EBITA	-4.1	-2.2	-88.9%	-88.9%	0.0	4.7	-99.3%	-99.3%
EBITA margin	-8.0%	-4.0%			0.0%	2.6%		
Exceptional items	-3.9	-0.9			-6.5	-1.3		
EBITA excluding exceptional items	-0.3	-1.3	79.9%	79.9%	6.5	6.0	8.2%	8.2%
EBITA margin excluding exceptional items	-0.5%	-2.4%			3.9%	3.3%		
# employees (average FTE)	1,980	2,161	-8.4%		2,017	2,182	-7.6%	

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from the Netherlands to Non-core and other unallocated.

Both total revenue and net revenue decreased in the third quarter of 2012, with respectively – 5.9% and – 7.2%, mainly due to less working days than last year and incidental effects. EBITA excluding exceptional items improved in the third quarter of 2012 compared to 2011, from – € 1.3 million to – € 0.3 million showing the result of the restructuring carried out in 2011 and € 0.6 million higher result from EAI compared to last year. The EBITA margin excluding exceptional items improved compared to the same quarter last year, ending at – 0.5% (Q3 2011: – 2.4%).

Exceptional items in the Netherlands amount to € 3.9 million in the third quarter of 2012, due to redundancies as part of the restructuring and a provision for onerous rent.

On a year-to-date basis, the EBITA excluding exceptional items is € 0.5 million higher than last year, at € 6.5 million. The EBITA margin excluding exceptional items increases from 3.3% YTD 2011 to 3.9% YTD this year.

On 9 November 2012 Grontmij announced the sale of its fieldwork activities in the Netherlands (subsequent event).

France

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	42.9	52.4	-18.1%	-18.1%	139.3	158.4	-12.0%	-12.0%
Net revenue	36.7	44.2	-17.1%	-17.1%	115.4	126.3	-8.7%	-8.7%
EBITA	-1.5	0.9			-1.5	6.6		
EBITA margin	-3.6%	1.7%			-1.0%	4.1%		
Exceptional items	-3.6	-0.9			-5.6	-0.9		
EBITA excluding exceptional items	2.1	1.8	16.9%	16.9%	4.2	7.5	-44.3%	-44.3%
EBITA margin excluding exceptional items	4.9%	3.4%			3.0%	4.7%		
# employees (average FTE)	1,855	1,937	-4.2%		1,901	1,948	-2.4%	

Revenue levels decreased in France, with total revenue in the third quarter at € 42.9 million (Q3 2011: € 52.4 million) and net revenue at € 36.7 million (Q3 2011: € 44.2 million). EBITA excluding exceptional items improved in the third quarter of 2012 compared to 2011, from € 1.8 million to € 2.1 million showing the preliminary results of the restructuring efforts at the headoffice. The EBITA margin excluding exceptional items improved in the third quarter of 2012 to 4.9% (Q3 2011: 3.4%).

Exceptional items in France in the third quarter amount to – € 3.6 million, fully due to the restructuring of the Planning & Design division.

Denmark

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	34.2	34.5	-1.0%	-1.1%	111.1	109.1	1.9%	1.6%
Net revenue	26.2	28.1	-6.5%	-6.6%	87.9	88.9	-1.1%	-1.3%
EBITA	1.1	3.3	-66.7%	-66.8%	4.2	5.4	-23.5%	-23.6%
EBITA margin	3.2%	9.5%			3.7%	5.0%		
Exceptional items	-0.3	-			-0.5	-		
EBITA excluding exceptional items	1.4	3.3	-57.9%	-57.9%	4.7	5.4	-14.2%	-14.4%
EBITA margin excluding exceptional items	4.1%	9.5%			4.2%	5.0%		
# employees (average FTE)	1,172	1,165	0.6%		1,161	1,171	-0.9%	

Total revenue in Denmark in the third quarter decreased slightly with 1.0% to € 34.2 million (Q3 2011: € 34.5 million). Net revenue decreased to € 26.2 million (Q3 2011: € 28.1 million). EBITA excluding exceptional items worsened in the third quarter of 2012, from € 3.3 million in Q3 2011 to € 1.4 million in 2012. As a consequence, the margin excluding exceptional items is pressured and ends at 4.1% for the third quarter.

Exceptional items in Denmark of – € 0.3 million relate to restructuring measures taken in light of the cost reduction programme.

Recent projects won in Denmark include the development of a biogas plant (Energy) with direct foreign investment, a power plant for DONG Energy, leveraging on central competencies within biomass energy both landed on the back of a strong cross-border collaboration with Grontmij Sweden. A second important project is the addendum to the Motorway M4-project in the Highways & Roads group growth segment.

Sweden

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	21.2	19.3	9.8%	-0.1%	73.3	66.0	11.0%	7.5%
Net revenue	17.2	16.5	4.6%	-5.0%	61.1	57.5	6.2%	3.0%
EBITA	0.0	0.4	-93.8%	-103.4%	2.3	3.3	-29.4%	-31.6%
EBITA margin	0.1%	2.1%			3.1%	4.9%		
Exceptional items	-	-			-	-		
EBITA excluding exceptional items	0.0	0.4	-93.8%	-103.4%	2.3	3.3	-29.4%	-31.6%
EBITA margin excluding exceptional items	0.1%	2.1%			3.1%	4.9%		
# employees (average FTE)	725	715	1.4%		730	707	3.3%	

Total revenue in Sweden increased with 9.8% to € 21.2 million, mainly caused by foreign exchange effects as total revenue was fairly stable organically. Net revenue (Q3 2012 € 17.2 million) shows an organic decline of 5.0%. EBITA excluding exceptional items decreased in the third quarter to zero (Q3 2011: € 0.4 million). As a result, the margin in Sweden is nearly nil.

Belgium

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	18.3	17.4	4.9%	4.9%	61.3	57.2	7.1%	7.1%
Net revenue	16.3	16.7	-2.2%	-2.2%	54.8	54.5	0.6%	0.6%
EBITA	0.5	0.9	-43.3%	-43.3%	2.8	4.6	-39.9%	-39.9%
EBITA margin	2.7%	5.0%			4.5%	8.0%		
Exceptional items	-	-0.3				-0.3		
EBITA excluding exceptional items	0.5	1.2	-57.8%	-57.8%	2.8	4.9	-43.6%	-43.6%
EBITA margin excluding exceptional items	2.7%	6.8%			4.5%	8.6%		
# employees (average FTE)	809	748	8.2%		825	746	10.7%	

In Belgium, total revenue increased with 4.9% to € 18.3 million (Q3 2011: € 17.4 million). Net revenue however, decreased with 2.2% to € 16.3 million (Q3 2011: € 16.7 million). EBITA excluding exceptional items deteriorated to € 0.5 million in the third quarter of this year (Q3 2011: € 1.2 million). This resulted in a lower margin excluding exceptional items of 2.7% (Q3 2011: 6.8%).

UK

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	15.9	14.8	8.0%	-2.7%	47.3	44.8	5.6%	-1.6%
Net revenue	13.8	12.8	8.0%	-2.6%	40.1	38.1	5.2%	-1.9%
EBITA	0.7	0.2	283.5%	274.0%	1.1	-2.0	154.1%	150.4%
EBITA margin	4.1%	1.2%			2.3%	-4.4%		
Exceptional items	-0.0	-0.3			-0.2	-1.1		
EBITA excluding exceptional items	0.7	0.5	50.7%	38.5%	1.2	-0.9	239.7%	230.1%
EBITA margin excluding exceptional items	4.3%	3.1%			2.6%	-2.0%		
# employees (average FTE)	772	785	-1.7%		775	789	-1.8%	

The third quarter in the UK shows continuing improved results, with strong performance in 'Buildings' due to the London buildings market and AMP5 projects slowly progressing. The increase in both total and net revenue is partially explained by the foreign exchange effect. However, EBITA excluding exceptional items in the third quarter of 2012 increased, ending at € 0.7 million (Q3 2011: € 0.5 million). As a consequence, the EBITA margin excluding exceptional items improved to 4.3% by the end of September (Q3 2011: 3.1%). Exceptional items in the UK were nill in the third quarter.

Germany

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	12.6	13.1	-4.2%	-6.3%	39.4	39.4	0.2%	-2.5%
Net revenue	10.4	11.3	-7.8%	-11.5%	33.9	34.0	-0.4%	-3.4%
EBITA	0.5	0.7	-33.2%	-24.7%	2.6	3.2	-19.1%	-19.7%
EBITA margin	3.9%	5.6%			6.6%	8.2%		
Exceptional items	-	-			-	-0.6		
EBITA excluding exceptional items	0.5	0.7	-33.2%	-24.7%	2.6	3.8	-31.5%	-31.9%
EBITA margin excluding exceptional items	3.9%	5.6%			6.6%	9.6%		
# employees (average FTE)	566	575	-1.5%		572	574	-0.4%	

In Germany, the third quarter is slightly below last year, mainly impacted by lower total revenues in the Transportation & Mobility business. Total revenue and net revenue decreased with respectively 4.2% and 7.8% to € 12.6 million (Q3 2011: € 13.1 million) and € 10.4 million (Q3 2011: € 11.3 million). EBITA excluding exceptional items decreased to € 0.5 million (Q3 2011: 0.7 million) with a margin excluding exceptional items of 3.9% at the end of Q3 2012 (Q3 2011: 5.6%).

Projects won in the third quarter of 2012 in Germany include the design of a new Combined Heat and Power Plant at Munich Airport (Energy) and two construction supervision assignments for new built light rail projects in Baden-Wuerttemberg and Bavaria (Lightrail). Also, Germany's expertise in the energy segment has been used in the winning of a project for the design of an energy-to-waste plant in Poland (Energy).

Other markets

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Total revenue	4.0	4.1	-1.0%	-3.1%	12.6	12.9	-1.9%	1.8%
Net revenue	2.2	2.1	0.6%	-2.7%	6.8	7.0	-2.3%	0.9%
EBITA	-0.8	-0.2			-1.2	-0.4		
EBITA margin	-19.7%	-4.6%			-9.5%	-3.4%		
Exceptional items	-0.1	-			-0.1	-0.2		
EBITA excluding exceptional items	-0.7	-0.2			-1.2	-0.2		
EBITA margin excluding exceptional items	-18.3%	-4.6%			-9.1%	-1.8%		
# employees (average FTE)	284	251	13.0%		277	256	8.1%	

Both total and net revenue for other markets, being Poland, Turkey, China, and Hungary has remained stable at respectively € 4.0 million and € 2.2 million. Per country, however, the results differ significantly. EBITA excluding exceptional items was negative caused by deteriorating performance in Poland and Hungary. Turkey is showing strong revenue growth and margin development.

In Poland we earlier announced the need for restructuring, of which the details have been worked out and formally launched in the third quarter. The plan is being implemented with expected finalisation before the end of the year.

In Hungary, Grontmij is currently contemplating its strategic options, given the competitive position in the market. Before the end of the year, a decision will be made.

Non-core and other unallocated

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

Non-core and other unallocated

€ million, unless otherwise indicated	Q3 2012	Q3 2011	YTD Q3 2012	YTD Q3 2011
Total revenue	3.2	13.0	9.6	19.8
Net revenue	3.0	2.0	8.7	6.6
EBITA	-1.8	-4.5	-15.7	-10.3
Exceptional items	-0.3	-2.6	-8.6	-3.2
EBITA excluding exceptional items	-1.6	-1.9	-7.1	-7.1
# employees (average FTE)	144	131	142	132

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from The Netherlands to Non-core and other unallocated.

The total revenue in Q3 of last year was impacted by a project completion with a total revenue of approximately € 8 million, explaining the main difference in total revenue with this year.

Outlook

In the second quarter, Grontmij secured the much needed financial stability to implement the 'Back on Track' strategy with the refinancing and successful closing of the rights offering. In the third quarter, the restructuring programme gained momentum with a large number of steps taken in the countries and at Group level. The results in the third quarter illustrate once more that 2012 is a year of transition for Grontmij, as earlier announced. Despite challenging market conditions in several European countries, a situation expected to continue into 2013, Grontmij confirms the full year outlook for EBITA excluding exceptional items. For 2012, EBITA excluding exceptional items is expected to be around the level of full year 2011 (€ 25 million). The long term prospects of Grontmij are positive, as the company is working towards the 2015 targets and the Group's 100th anniversary.

Key financials YTD September 2012

€ million, unless otherwise indicated	YTD Q3 2012	YTD Q3 2011	% change	% organic growth
Total revenue	659.3	691.3	-4.6%	-5.5%
Net revenue	543.1	557.5	-2.6%	-3.6%
EBITA	-5.4	15.0		
Exceptional items	-21.4	-7.6		
EBITA excluding exceptional items	16.0	22.6	-29.3%	-30.4%
Net result from continuing operations	-28.2	0.0		
Net result from discontinued operations	-2.8	3.2		
Net result	-31.0	3.2		
EBITA margin	-0.8%	2.2%		
EBITA margin excluding exceptional items	2.4%	3.3%		
# employees (average FTE)	8,400	8,505		

Key points YTD September 2012:

- Total revenue decreased by 4.6% to € 659.3 million (YTD September 2011: € 691.3 million), with organic decline of 5.5%
- EBITA excluding exceptional items decreased by 29.3% to € 16.0 million (YTD September 2011: € 22.6 million), with an EBITA margin excluding exceptional items of 2.4% (YTD September 2011: 3.3%)
- Net result from continuing operations of – € 28.2 million (YTD September 2011: € 0.0 million) is in line with Grontmij's expectations, reflecting the expenses of the restructuring plan Grontmij is executing in 2012

Financial performance YTD September

Revenue

Total revenue on a Group level YTD September 2012 was € 659.3 million, 4.6% lower compared to last year (YTD September 2011: € 691.3 million). Lower total revenue in the Netherlands, and France are partially offset by increased total revenue in the UK, Belgium, and Sweden.

EBITA and EBITA margin

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

EBITA excluding exceptional items YTD September 2012 is in line with Grontmij's expectations, albeit lower compared to last year. EBITA excluding exceptional items was € 16.0 million in 2012 versus € 22.6 million in 2011, with an average margin across the Group of 2.4% (YTD September 2011: 3.3%), showing differences in margin development across the countries.

Exceptional items YTD September 2012:

Exceptional items YTD September 2012 amount to – € 21.4 million (YTD September 2011: – € 7.6 million), indicating the costs relating to the restructuring and the new capital structure.

Net finance expenses

For YTD September 2012, the net finance expenses (€ 13.0 million) are higher than last year's expenses (€ 9.2 million) mainly due to the refinancing: Grontmij incurred waiver fees of € 0.6 million, the capitalised finance costs (€ 1.5 million) related to the old financing programme were written off, while the interest expenses on the new financing arrangements are higher.

Income tax expenses

Income tax expenses YTD September 2012 increased to – € 4.5 million relative to + € 0.2 million for the same period last year, despite a loss before tax from continuing operations of – € 23.7 million YTD September 2012 compared to a loss before tax of € 0.2 million from continuing operations last year. This is mainly due to not recognizing deferred tax assets on current year losses in some of the operating countries.

Net result

Net result from continuing operations YTD September 2012 resulted in a loss of – € 31.0 million (YTD September 2011: € 3.2 million) mainly as a result of the expenses of the restructuring plan Grontmij is executing, a lower operating result, increased interest costs and tax expenses. Net result from discontinued operations (net of income tax) was – € 2.8 million YTD September 2012 compared to € 3.2 million last year.

Financial Calendar 2013

15 November 2012	Trading Update Q3 2012
28 February 2013	FY Results 2012
7 May 2013	Trading Update Q1 2013
5 August 2013	HY Results 2013
4 November 2013	Trading update Q3 2013

Invitation to attend audio webcast of presentation of Q3 2012 figures

We are pleased to invite you to listen to the audio webcast of Grontmij's presentation of the trading update today, 15 November at 10.00 CET via www.grontmij.com. The presentation is then also available on our website.

For more information please contact:

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Note to editors

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

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Appendices

Definitions and criteria

Business line performance

Total revenue and EBITA per country

Exceptional items and reconciliation

Net debt / EBITDA and interest rate coverage covenant schedules

Condensed consolidated income statement

Condensed consolidated statement of financial position

Definitions & criteria

Total revenue

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

Net revenue

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

EBITA

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

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

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

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

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

(Non-current) Assets Held for Sale and Discontinued Operations

In 2010, the Telecom division within Ginger S.A. (France) was presented as held for sale following the commitment of the Executive Board, in December 2010, to a plan to sell the Telecom division. The sale has been successfully completed on 19 October 2011. Grontmij classified earlier this year Trett Consulting in the UK as held for sale; the activities were divested in the second quarter of 2012. The golf course Naarderbos, part of the non-core portfolio is classified as ‘asset held for sale’ as per 30 June 2012.

Organic growth / decline

Organic growth or decline is measured excluding the impact of currency effects, acquisitions and disposals and is expressed as % of comparable last year figures in local currency.

Additional note:

Certain figures contained in this press release, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table may not conform exactly to the total figure given in for that column or row. Additionally, percentages are calculated on unrounded numbers and may in certain instances not conform exactly to the percentages when calculated on the rounded numbers.

Business lines performance

€ million, unless otherwise indicated	Q3 2012	Q3 2011	% change	organic growth	YTD Q3 2012	YTD Q3 2011	% change	organic growth
Planning & Design								
Total revenue	76.1	88.5	-14.0%	-15.9%	248.6	281.6	-11.7%	-12.4%
Net revenue	59.1	70.5	-16.2%	-17.6%	203.2	222.6	-8.7%	-9.4%
Transportation & Mobility								
Total revenue	46.0	44.9	2.5%	-1.4%	149.2	145.3	2.7%	1.1%
Net revenue	37.4	36.8	1.8%	-1.6%	123.8	121.7	1.8%	0.1%
Water & Energy								
Total revenue	44.2	44.0	0.6%	-4.0%	141.2	139.0	1.5%	0.2%
Net revenue	37.5	38.3	-2.0%	-4.5%	120.4	120.8	-0.3%	-1.7%
Monitoring & Testing								
Total revenue	32.8	32.4	1.3%	0.1%	101.4	102.4	-1.0%	-1.4%
Net revenue	27.8	27.8	0.1%	-0.4%	85.3	84.9	0.5%	0.2%
Non-core and other unallocated								
Total revenue	5.0	13.9	-64.3%	-66.6%	18.9	22.9	-17.6%	-17.6%
Net revenue	2.9	2.3	23.3%	22.4%	10.4	7.5	37.7%	37.7%
Total Group								
Total revenue	204.1	223.6	-8.7%	-10.4%	659.3	691.3	-4.6%	-5.5%
Net revenue	164.7	175.6	-6.2%	-8.2%	543.1	557.5	-2.6%	-3.6%

As per 1 January 2012 the subsidiary Grontmij Vastgoedmanagement (VGM) was transferred from Transportation & Mobility to Other.

Q3 Total revenue and EBITA per country

	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
€ million, unless otherwise indicated	Q3 2012	Q3 2011	Q3 2012	Q3 2011	Q3 2012	Q3 2011	Q3 2012	Q3 2011
The Netherlands	51.8	55.0	-4.1	-2.2	-0.3	-1.3	-0.5%	-2.4%
France	42.9	52.4	-1.5	0.9	2.1	1.8	4.9%	3.4%
Denmark	34.2	34.5	1.1	3.3	1.4	3.3	4.1%	9.5%
Sweden	21.2	19.3	0.0	0.4	0.0	0.4	0.1%	2.1%
UK	15.9	14.8	0.7	0.2	0.7	0.5	4.3%	3.1%
Belgium	18.3	17.4	0.5	0.9	0.5	1.2	2.7%	6.8%
Germany	12.6	13.1	0.5	0.7	0.5	0.7	3.9%	5.6%
Other markets	4.0	4.1	-0.8	-0.2	-0.7	-0.2	-18.3%	-4.6%
Non-core and other unallocated	3.2	13.0	-1.8	-4.5	-1.6	-1.9		
Total Group	**204.1**	**223.6**	**-5.6**	**-0.5**	**2.6**	**4.5**	**1.3%**	**2.0%**

On the www.ir.grontmij.com website an overview can be found with comparable figures per country per quarter for 2011.

YTD Q3 Total revenue and EBITA per country

€ million, unless otherwise indicated	Total revenue		EBITA		EBITA excluding exceptional items		EBITA excluding exceptional items margin %	
	2012	2011	2012	2011	2012	2011	2012	2011
The Netherlands	165.3	183.6	0.0	4.7	6.5	6.0	3.9%	3.3%
France	139.3	158.4	-1.5	6.6	4.2	7.5	3.0%	4.7%
Denmark	111.1	109.1	4.2	5.4	4.7	5.4	4.2%	5.0%
Sweden	73.3	66.0	2.3	3.3	2.3	3.3	3.1%	4.9%
UK	47.3	44.8	1.1	-2.0	1.2	-0.9	2.6%	-2.0%
Belgium	61.3	57.2	2.8	4.6	2.8	4.9	4.5%	8.6%
Germany	39.4	39.4	2.6	3.2	2.6	3.8	6.6%	9.6%
Other markets	12.6	12.9	-1.2	-0.4	-1.2	-0.2	-9.1%	-1.8%
Non-core and other unallocated	9.6	19.8	-15.7	-10.3	-7.1	-7.1		
Total Group	**659.3**	**691.3**	**-5.4**	**15.0**	**16.0**	**22.6**	**2.4%**	**3.3%**

Reconciliation to non-IFRS measures

€ million, unless otherwise indicated	Q3 2012	Q3 2011	YTD Q3 2012	YTD Q3 2011
Operating result	**-7.5**	**-2.6**	**-10.7**	**8.9**
Add back amortisation	1.7	2.0	5.1	6.1
Add back impairments	0.2	0.0	0.2	
EBITA	**-5.6**	**-0.5**	**-5.4**	**15.0**
Add back: exceptional items	8.2	5.0	21.4	7.6
EBITA before exceptional items	**2.6**	**4.5**	**16.0**	**22.6**
Less: share in results of EAI	-0.6	-0.3	-1.4	-0.7
Add: EBITA Telecom division	-	1.8	-	5.6
Add: EBITA Trett (classified as asset held for sale)	-	0.0	-0.6	-0.1
Add: Trett exceptional items	-	0.1	-	0.6
Underlying EBITA comparable with presentation 2011	**2.1**	**6.0**	**14.0**	**28.1**

Net debt/EBITDA covenant schedule

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

Interest cover covenant schedule

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

Condensed Consolidated income statement (unaudited)

In thousands of €	Q3 2012 (unaudited)	Q3 2011 (unaudited)	30 September 2012 YTD (unaudited)	30 September 2011 YTD (unaudited)
Revenue from services	196,239	215,392	643,544	677,633
Revenue from contract w ork	7,596	8,233	14,887	13,617
Revenue from sale of goods	282	-	882	-
Total revenue	**204,117**	**223,625**	**659,313**	**691,250**
Third-party project expenses	-39,419	-48,029	-116,170	-133,746
Net revenue	**164,698**	**175,596**	**543,143**	**557,504**
Direct employee expenses	-119,192	-116,664	-375,668	-373,217
Direct other expenses	-396	-410	-3,508	-2,867
Total direct expenses	**-119,588**	**-117,074**	**-379,176**	**-376,084**
Gross margin	**45,110**	**58,522**	**163,967**	**181,420**
Other income	377	-3,192	985	-2,535
Indirect employee expenses	-17,305	-18,508	-55,758	-56,289
Amortisation	-1,663	-2,048	-5,056	-6,103
Depreciation	-3,450	-2,671	-10,385	-9,481
Impairments of non-current assets	-244	-	-244	-
Indirect other operating expenses	-30,846	-34,987	-103,942	-98,730
Total indirect expenses	**-53,508**	**-58,214**	**-175,385**	**-170,603**
Result on sale of subsidiaries	-137	-	-137	-
Share of results of investments in equity accounted investees	705	317	-47	642
Result on sale of equity accounted investees (net of income tax)	-3	0	-129	14
	565	**317**	**-313**	**656**
Operating result	**-7,456**	**-2,567**	**-10,746**	**8,938**
Finance income	1,742	2,789	4,856	6,079
Finance expenses	-5,624	-5,474	-17,817	-15,264
Net finance expenses	**-3,882**	**-2,685**	**-12,961**	**-9,185**
Result before income tax	**-11,338**	**-5,252**	**-23,707**	**-247**
Income tax expense	-1,475	1,771	-4,528	206
Result after income tax from continuing operations	**-12,813**	**-3,481**	**-28,235**	**-41**
Result from discontinued operations (net of income tax)	-221	576	-2,763	3,196
Total result for the period	**-13,034**	**-2,905**	**-30,998**	**3,155**
Attributable to:				
Non-controlling interest	-18	39	-57	40
Total result for the period	**-13,034**	**-2,905**	**-30,998**	**3,155**

Condensed Consolidated statement of financial position

In thousands of € (before appropriation of result)	30 September 2012 (unaudited)	31 December 2011 (audited)
Goodwill	167,289	165,984
Intangible assets	58,044	62,825
Property, plant and equipment	40,134	49,506
Investments in equity accounted investees	8,018	7,244
Other financial assets	16,217	18,797
Derivatives used for hedging		-
Deferred tax assets	2,915	2,953
Non-current assets	**292,617**	**307,309**
Receivables	381,649	371,099
Inventories	17,646	16,358
Income taxes	7,044	7,053
Cash and cash equivalents	48,656	44,371
Assets classified as held for sale	9,784	-
Current assets	**464,779**	**438,881**
Total assets	**757,396**	**746,190**
Share capital	15,992	5,331
Share premium	165,476	96,391
Reserves	-19,635	44,950
Result for the period	-30,941	-55,860
Total equity attributable to equity holders of Grontmij	**130,892**	**90,812**
Non-controlling interest	-152	41
Total Group equity	**130,740**	**90,853**
Loans and borrowings	153,923	147,253
Employee benefits	12,490	13,018
Derivatives used for hedging	9,736	4,873
Provisions	48,410	41,402
Deferred tax liabilities	31,697	30,958
Non-current liabilities	**256,256**	**237,504**
Bank overdrafts	51,251	22,595
Loans and borrowings	2,017	52,417
Income taxes	9,052	3,718
Trade and other payables	287,037	325,100
Provisions	17,327	14,003
Liabilities classified as held for sale	3,716	-
Current liabilities	**370,400**	**417,833**
Total equity and liabilities	**757,396**	**746,190**